

STOP Arming Indonesia

(ENAAT, Amsterdam 1994)

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Europe is an important exporter of arms. Many of the weapons produced in Europe find their way to areas of conflict all over the world. Sometimes these arms are sold for political reasons, to support one warring party or the other. There are even cases where both parties are supplied by the same country. But just as often, arms are sold from purely commercial motives.

Arms export is a profitable business. The highly developed high-tech Western arms industries are capable of contributing considerable sums to national income. They offer good job opportunities to specialized technicians and researchers, as well as to blue-collar workers.

But they are tainted jobs. Whether they like it or not, the people involved in arms industries and the governments involved in arms exports must expect to be confronted by those who oppose their trade. So what is wrong with the arms trade? It is certainly not an ordinary business like selling flowers or cars. This is a trade in which human lives are at stake, in which the real questions to be asked concern who is going to be killed, and for what reason, and whether anybody has the right to kill another human being in the first place.

Introduction

Wendela de Vries, Arms Trade Study Group of the Anti-Militarist Research Collective, The Netherlands.

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Of course, every army or government that buys arms will tell you that it needs them for self-defence, that it will use them only if all peaceful methods have failed. And, of course, that the cause they will be used for will be a just one. In truth, many countries buy arms because they want to have a military advantage over their neighbours. Not necessarily because these neighbouring countries pose a real threat, but also because military ascendancy furnishes political influence within a region. Countries are more likely to accede to the political wishes of a militarily strong neighbour because they know that if such a country can not get what it wants by diplomacy, it can always use force. In essence, it is wiser to stay friends with the big guy.

In many parts of the world two or more countries are competing for the position of regional military power. This can easily lead to a regional arms race: when country A buys a new submarine country B has to have anti-submarine equipment; if it can afford to, it buys its own submarine as well. This kind of competition not only creates distrust and tension, it wastes scarce resources.

Many people object to the arms trade because they feel that the money spent on weapons could be used in much better ways. In countries where much of the population lives below or around poverty level, governments are literally choosing between 'bread or bombs'.

Sadly, too often governments seem to feel that military spending is more deserving than investment in education, primary health care, public housing and other basic human needs. This is especially in countries where the military wields political power.

Especially objectionable are those governments that use arms to suppress their own population. Numerous states to which European industries sell their weapons do not have what can be described as a democratic government. In these countries, opposition groups such as democracy movements, trade unions or ethnic minorities demanding improved rights, may find themselves confronted by policemen or military forces armed with weapons of European origin. To export arms to countries like this is a blow in the very face of democracy.

European governments are well aware of the objections to the arms trade. Indeed, most have legislation which restricts the flow of arms to certain countries. Yet arms export is one of the very few economic areas that is not included in European Union regulations.

Consequently, individual countries have their own legislation on arms trade. Some are more restrictive than others; a number even include remarks about human rights and the danger of conflicts.

However, restrictions are easily forgotten when a military order is placed. National interests tend to carry more weight than the well-being of people in far away countries.

Arms exports can also be politically motivated. By the sale of arms the supplying country can influence which country in a region becomes the strongest military power. By arming governments of their choice, the countries with the most highly developed arms industries can influence the political balance all over the world. It is a long-term strategy, because an importing country will stay dependent on its supplier for spare parts and modernization.

TACKLING THE FLOW OF ARMS

The European Network Against Arms Trade (ENAAT) is a group of individuals and organizations that has met regularly since 1984 to monitor the arms export and production of Western European countries. The members of the Network are from a variety of backgrounds: some are individual researchers intent on publishing as much information about arms trade as possible; others belong to campaigning organizations or peace movements for which the arms trade is just one part of their activities. With their different specializations they form a platform that by publication and political action tries to stop the flow of arms. Co-ordinated simultaneous action in a number of countries increases the chance that a transaction can be successfully blocked. It prevents the possibility that a would-be purchaser of arms vetoed in one country can turn to a rival firm in another. The exchange of information has been one of the main goals of the Network. The arms industry operates internationally. It is not unusual that warships sold by a German company contain radio electronics from the Netherlands and guns from Switzerland or Sweden. Only the accumulation of information from each of these countries can give a clear picture of the whole transaction. Opposition movements in countries to which the arms are exported also provide valuable information. When European governments try to deny that their weapons are used for human rights violations, exact data and photographs that are received from the country in question are used by ENAAT members to provide evidence.

The trade in arms is hard to tackle. Information is often secret and may only be revealed by intensive research. Since the Gulf War the United Nations has joined the pursuit of openness. The excessive arming of Iraq made many people realize the dangers of the arms trade. The General Assembly ordered an investigation of the trade in major conventional weapons so that the world would never again be wrong-footed by a country that had overarmed itself in such a threatening way. The result was the UN Register of Conventional Arms, which was first published in 1993 and in which about 80 countries participated.

Although the Register turned out to be a useful step towards introducing greater transparency into the murky world of the arms trade, until now it has proved no more than that. The convention does not include any sanctions against countries that buy large amounts of weapons or against countries that supply weapons to such customers.

One thing that became clear from the publication of the UN Register of Conventional Arms is that the biggest suppliers are the members of the Security Council, the highest organ of the very organization that started the Register. Unfortunately, it is unlikely that a Security Council member will accept any UN restrictions on its arms export policies.

It is not easy to limit the arms trade. Governments have many reasons to continue buying and selling. There seems to be only one way forward: the citizens of supplying and purchasing countries have to organize pressure groups to convince their governments that in the end the arms trade will know only losers. It does not make the world a safer or a nicer place. It is a serious danger which has to be stopped.

THE SUPPLY SIDE

Work is getting scarce in the arms industry. Since the end of the Cold War military factories in Europe and the United States have been confronted with a shrinking market. The détente between East and West has reduced demand, while the belt-tightening economic policies of governments have led to even more cuts in defence budgets. Western armies have often preferred the option of updating and repairing old weaponry to the purchase of more modern but highly expensive new arms. A unique opportunity to put an end to the arms trade and to convert military production into civilian production has been created. Unfortunately, conversion has seldom occurred.

The reasons are obvious: arms suppliers constitute a highly specialized industry with its own sales network a huge degree of governmental protection. Conversion to civilian industry entails sacrificing specialist knowledge and risking the loss of market share - not a very attractive prospect in times of economic hardship. Hardly surprising, then, that most national arms industries are seeking alternative ways to stay in business. Cost reduction and business restructuring have become the order of the day; international take-overs are rife; and all this is accompanied by a massive loss of jobs.

Another way the arms suppliers are seeking to overcome these economic difficulties is to find new customers. The most promising source of such custom is to be found in those parts of the Third World that have something to spend. For about a decade the Middle East was the biggest buyer of Western military equipment. A few years ago, the best market prospects switched to South East Asia.

A CAMPAIGN AGAINST THE ARMING OF INDONESIA

South East Asia is a fast-growing arms market for Europe. The countries of the Far East are doing well economically, and have money to spend. Their armies are simultaneously upgrading and expanding their military equipment by import of high quality weapons. In short, the region is becoming one of the best-armed parts of the world.

The relations between different countries, however, are far from stable and there is extensive potential for conflict. Since the partial retreat of the United States as the military guardian of South East Asia, competition to become the new dominant power has been heightened. Moreover, several of the countries involved violate the democratic and human rights of their citizens.

Indonesia is a case in point. Civil liberties in the country are continuously suppressed by the Suharto government. Media freedoms are limited; independent labour unions are not permitted. Minorities, such as the indigenous people of West Papua and Aceh are treated as second-class citizens. And since Indonesia violated international law by its illegal occupation of East Timor in 1975, the peaceful protests of the East Timorese people have been strangled in bloody repression.

In all these violations of human rights the Indonesian army plays a central role. The first task of the military is not to defend Indonesia against outside enemies but to fight the 'internal enemy' which means internal opposition movements. There are frequent human rights violations by the army, as the troops responsible know they will not be punished. This is the army that is supplied with weapons from European arms factories.

In 1994, ENAAT started a general campaign against selling arms to Indonesia. Many more weapons will be delivered to the Indonesian army in the near future, and further orders are expected. Second-hand military equipment is also being sold to Indonesia.

Members of the European Network Against Arms Trade are trying to stop these transactions by campaigning, publishing and lobbying. They are collaborating with solidarity groups on Indonesia and East Timor, to exchange information and to reinforce each other's work. In this way, they hope to support the peoples living in the Indonesian Archipelago in their struggle for democracy and justice.

This booklet gives an insight in the work of the ENAAT groups and provides background information on the European arms trade to Indonesia, the situation in South East Asia and the role of the Indonesian army. The aim of the booklet is to inform activists, journalists, politicians and everyone else who is concerned about the human rights violations and the build-up of arms in Indonesia and South East Asia as a whole. It is also meant to be a source of inspiration for new activities. Together we can stop the trade of arms to Indonesia.

For more information about ENAAT see 'Tackling the flow of arms' by E. Gülcher. Published by International Peace Bureau/International Peace Information Service, Zürich/Antwerpen 1992.

Foreword

Liem Soei Liong

The decision to launch a STOP ARMING INDONESIA Campaign in 1994 was taken unanimously by all groups in ENAAT, the European Network Against Arms Trade. This reflected a growing awareness in Europe about the situation in Indonesia, which is ruled by the longest-surviving military dictatorship in the world today. It was also very timely because it coincided with the announcement of two major deals with Indonesia, one for the sale of 24 British Hawk aircraft and the other for the sale of virtually the entire former East German navy to the Indonesian armed forces.

The STOP ARMING INDONESIA Campaign will struggle for democracy in Indonesia. For many Indonesians this campaign is help the important politically because it puts the spotlight on the brutality of the power structures in Indonesia, structures that have destroyed civil and political life. The major obstacles to the growth of democracy in Indonesia are the military structures and institutions that have penetrated all sectors of Indonesian society. These are the same military structures and institutions that have enjoyed so much support from the US and from European countries.

Since the beginning of the Indonesian republic, the role of the military in Indonesian society has been excessive by any normal standards. Following the military takeover in 1965 and the birth of the Orde Baru (New Order), the situation has worsened. Two military doctrines are used as the guidelines: Dwi Fungsi (Dual Function) and the Security Approach. The first doctrine legitimises the dominant role of the military in society, while the Security Approach reflects the distrust and suspicion of the military towards anything that happens outside the accepted official framework. This Security Approach epitomises the dominant role of the security agency Bakorstanas and military intelligence bodies like BIA and BAKIN.

The all-powerful part in Indonesian society enjoyed by ABRI, the country's armed forces, fully justifies the STOP ARMING INDONESIA campaign. By any international standards, human rights violations in Indonesia are intolerable. The only fitting response to the violence used by the military against peasants, workers, students and human rights activists and against the populations of East Timor, Aceh and West Papua, is an international arms embargo against Indonesia. The first step has already been taken by the United States in terminating its assistance programme for the training of Indonesian officers, and more recently, in its ban on the sale of light weapons to Jakarta.

More than ever, the arms trade is at the top of the international agenda. The escalation in regional conflicts since the end of the Cold War owes much to the way that arms are being so freely marketed around the world. It is necessary today, more than ever, for the international community to uphold the principle of linking aid and military sales to a country's human rights record. This must mean an arms embargo against countries with unacceptable human rights records. Embargoes should also be enforced against countries involved in armed conflicts. Indonesia fits into both of these categories. Sanctions do not always work, but in the case of Indonesia, international pressure has already proved to be effective. The European campaign STOP ARMING INDONESIA has the potential to become a powerful means of convincing the European decision-makers that arms deals with Jakarta make them accomplices to the human rights violations perpetrated by the Indonesian military.

The decision to translate this brochure into Indonesian is very welcome. It will make it possible for many people in Indonesia to have access to this invaluable information. Campaigning against arms trade is a global issue. May this brochure further advance our common cause.

South East Asia: armed to the teeth

Martin Broek, Anti-Militarist Research Collective (AMOK)

According to François Heisbourg, the build-up of armed forces in ASEAN Asia alone creates a dangerous situation which makes South East Asia look suspiciously like Europe on the eve of World War I. Heisbourg is not a peace activist looking for arguments to oppose the arms trade, but a Senior Vice President of MATRA, one of the largest defence companies in France.

In truth, it is not just the countries of the Association of South East Asian Nations (ASEAN), but the region as a whole which is busy arming itself to the teeth. More and more countries can now afford large-scale military acquisitions.

THE END OF THE COLD WAR

During the Cold War, South East Asia and North East Asia were the domain of the politics of the superpowers. The biggest wars were fought, and the greatest defeats suffered, in this part of the world. The separation of North- and South-Korea took place against the background of a bloody war under the flag of the United Nations. France, the former superpower, and the United States, the new one, were both defeated in Vietnam. The rivalry between communism and capitalism played an important role in these conflicts. Theoretical justifications were invented for the war in Vietnam; the struggle against the Vietnamese nationalists was fought to contain the red menace'. The French convinced the US of the danger that a communist Vietnam might lead to a series of communist revolts throughout the area. China, the United States and Great Britain gave military support to the parties in the Cambodian civil war. In 1991 in Paris a peace treaty was made, in which the different parties in Cambodia expressed their willingness to accept a peace programme under the flag of the United Nations. In February 1994 the United States finally gave Vietnam access to the world market after a prolonged embargo. This put an end to most conflicts in the region. Nevertheless, two legacies of the Cold War remain in North East Asia: five years after East and West Germany were reunited, not only North and South Korea, but also Taiwan and China are still separated.

GEOSTRATEGIC IMPORTANCE

The rivalry between communist and capitalist powers was not only for economic influence in South East Asia itself. The region was also of great geostrategic importance. The oilfields of the Middle East lay behind this region from the perspective of Japan and of the United States. Any closure of the important sea routes throughout the Indonesian archipelago would mean oil tankers sailing around these islands, making a detour of 5000 km. Moreover, few of these channels are deep enough to allow for a safe passage of submarines. So these straits are vital to

the passage of warships and merchant vessels from the Indian ocean to the western Pacific, or vice versa (see map).

The economic boom in most countries in this area enhanced its strategic importance. The economic expansion made the trade with this region and consequently the control of the sea lanes more important. Not surprisingly, Australia, Japan, the United States, the United Kingdom, Germany and New Zealand protested vigorously against the closure of two straits (Lombok and Sunda) by Indonesia in September 1988. Indonesia did not regard them as international but as Indonesian waters. Reflecting the geostrategic significance, arms acquisitions in South East Asia tend to be of a maritime nature. Indonesia regrouped its navy in the early 1990s, with ships no longer stationed in particular regions, but grouped in mobile flotillas, to be despatched where needed. One reason for this was to cope with the large-scale missions envisaged for the navy in the 1990s. An example is the patrol of the strategic straits through which foreign ships enter and leave the Indian Ocean, particularly the Strait of Malacca. But the sea is vital to the economies of most countries in the region: natural resources, transit and seaborne trade are important for most of them. This was a second reason for Indonesia to regroup its navy. The six countries of ASEAN have a maritime exclusive economic zone (EEZ) which is 2.7 times greater than the entire land mass of ASEAN. The South China Sea is, for instance, the door to Guangdong, the most important economic region in China. This is one of the reasons the islands in this sea are the principle source of conflicts in this region. The importance of the sea lanes emerges even more clearly if one considers that intra-ASEAN trade has developed slowly compared to the trade with the European Union (former European Community) and North-American Free Trade Area (NAFTA). Countries in South East Asia depend increasingly on the sea for the transport of products to other regions. As a result, the sea lanes are a source of external and internal conflicts in the region.

ECONOMIC POSITION

The centre of world economy is shifting to Eastern Asia. Japan is the biggest economy in this part of the world, and as a result, it has great influence in South East Asia. Its economy is three times bigger than the economy of Germany, four times bigger than those of France and Great Britain and two thirds that of the United States, which is the biggest in the world. Japan is no longer regarded as just a small cluster of islands in the Far East, but is recognised as a highly skilled nation, which is the sixth most populous in the world.

It is also positioned in the region of the world with the most rapid economic growth. In a research report by the World Bank, it is stated that: From 1965 to 1990 the 23 economies of East Asia grew faster than all other regions in the world'. To elucidate further: an increase of 6% in the GNP over 10 years means that the GNP has doubled in that period. The economic strength is underlined by a further set of statistics: in 1980 the GNP of East Asia was 59% of those of the EC and the NAFTA countries combined. By 1990 it was 66% of NAFTA and 73% of the European Community. Such an increase in GNP does not necessarily reflect a corresponding increase in the wealth of the individual people in a country, but it does give an indication of national economic power.

POSITION OF THE SUPER POWERS

The struggle for influence in this part of the world has not yet ended. The two main reasons for this are the geostrategic position of South East Asia and its economic boom, both already outlined. Russia, which is the main successor to the Soviet Union, today plays little part in South East Asia. However, other countries are becoming involved. It is impossible to predict the outcome as the end of the Cold War has changed the balance of power in the region drastically. However, we can look at some recent developments.

India and Japan are among the countries which extend their influence to the area, whereas China makes its presence felt mainly through the improvement of its armed forces, but also by the acquisition of a Burmese harbour as a naval navigation centre in the Gulf of Bengal. This is one of the main concerns of China's neighbours. Japan, for example, has expressed concern to Beijing and to Burma in response to reports that China supplies weapons to Burma and is looking for naval bases in the Andaman Sea. In 1986 Indonesia had a dispute with India over the recent military build-up on the Great Nicobar island in the mouth of the Strait of Malacca.

The United States is still the most influential and strongest power in the region, and South East Asia is a major concern in US strategic policy planning. The US is reducing its military presence worldwide but the larger part of this 25% overall reduction is in Europe (57%) and the smaller part in Asia (12%). There is also a change in the nature of the US presence: foreign bases are being replaced by rapid reaction forces stationed in a region. Two of the three Marine Expeditionary Units (MEU's-the most readily available forces) are stationed in Asia, in the Indian Ocean and the Persian Gulf. The European unit, which is stationed in the Mediterranean, can easily move to Asia through the Suez Canal.

At present Japan is the biggest economic power in the region and the Japanese armed forces, officially called 'Self Defence Forces,' are one of the strongest armies of the world. Since 1993 Japan has improved its capability to exert influence outside its own territory by the purchase of tanker aircraft and naval transport ships and it is considering the acquisition of small aircraft carriers. Its powerful position is underlined by its official acknowledgement that it can produce nuclear arms within 24 hours. Japan spends a relatively small proportion of its GNP on defence: just one per cent. In absolute terms, however, 1990 figures showed Japan to be the third-biggest spender on arms worldwide, after the US and the Soviet Union. At the same time, it is the only country in the region which has the technical skills to compete in the production of smart weapons technology. The biggest problem for Japan is its relations with the other countries in the region which have not forgotten the Japanese expansionism of the 1930s and during the Second World War.

India has a geographical position just outside the region of South East Asia. Yet it exerts influence by means of its large army and its ability to use its newly developed ballistic missiles. It has also built up a blue water navy-a navy which can protect the sea lanes to the areas vital to its economic and political interests-including nuclear powered submarines bought in the Soviet Union. In January 1994 India stated that it would establish closer ties to ASEAN to strengthen its position against China.

China is the major threat to the stability of the region. China's position in the dispute about the Spratly islands (see below) does not reassure its neighbours. However, its weaponry is of poor quality even though it has a very large fighting force. Western countries speculate on the Chinese defence budget. The official figure of \$14 billion seems very low, viewed in the context of the military's size and compared to the expenditure of other countries. This figure is often neglected by analysts, who point to the high growth rate of Chinese expenditure. For if inflation is taken into account,

the absolute figures have not increased. The funding available to the armed forces from the defence industry and the industry related to the military is another source of confusion. In May 1994 US intelligence sources reported that the funds earned by military companies are not going to the military but are reinvested, mainly in civil companies.

It is however clear that the armed forces are being modernized. The old strategy, which was called the 'ant strategy' as Chinese soldiers would overwhelm the adversary by their numbers, belongs to the past. The military said: "Provided we concentrate our strength and tackle key problems, it is entirely feasible for China to catch up with advanced technological levels around the year 2000." China is transforming its army into a more modern, integrated organisation, with less manpower and more technological weapons, in order to protect its interests outside its own territory. This build-up of armed forces does not mean that China will be a power which can compete with other major powers in the near future. Nevertheless, for its smaller neighbours, it is a power to be reckoned with. That is why these smaller nations want the United States to remain involved in the security politics of the region. The hard line China took in the human rights discussion with the United States shows it has recovered its self confidence after the strong criticism following the violent repression of the student protests on the Tiananmen Square. Future developments in South East Asia will still depend on the position of several great powers. The United States has a key role. Yet others, such as China and Japan, have a lot of influence in the region, both military and economically. India exerts its influence from outside.

ASEAN

ASEAN was formed in 1967-during the Vietnam or Indo-China war. It includes Brunei, Indonesia, the Philippines, Malaysia, Singapore and Thailand. It was founded to form a block against the communist threat in Indo-China, and many experts expect that it will develop into a more defence-oriented organisation. ASEAN is one of the most important collective organisations in the region in terms of security and economic relations. The heads of government of ASEAN have an agreement to make the defence policy of each participating country more transparent to the others. At the same time, the role of ASEAN in building confidence in the region is often over-emphasised by ASEAN itself, and by independent experts.

An example of the tension between ASEAN nations is the recent attempt by the Indonesian government to prevent a human rights conference on East Timor (APCET) taking place in Manila. When Indonesia pressed the Philippine government to prohibit the conference, President Ramos initially resisted. He gave way after Indonesia seized some Philippine vessels fishing in Indonesian waters and threatened to end its role as mediator in the peace process between the Islamic opposition in Mindanao and the government. Subsequently, Indonesia also put pressure on Malaysia and Thailand to prevent a human rights conference at which East Timor was a topic. In July 1994, according to the human rights activist, Jose Ramos Horta, it threatened Thailand that it would delay the implementation of a joint development project, if Thailand did not stop the meeting organized around the ASEAN meeting in Bangkok. The ASEAN countries have recognised that a stable region is a precondition for economic prosperity. For Indonesia, however, the fuelling of criticism on human rights in East Timor has not stabilised its internal political situation. The government's policy is still based on the that of the notorious Dutch Governor General van Heutz at the beginning of the century: Indonesia must remain one country.

ASEAN's co-operation in military exercises is much overrated. Member countries are working together against minor threats, such as piracy, migration and smuggling. Whether this co-operation continues will depend on the presence of the United States and whether ASEAN survives as an economic bloc in the future.

Meanwhile, the joint military exercises are relatively unimportant. South East Asian defence co-operation would be more clearly demonstrated in a common military acquisition plan, as NATO countries have. Such a programme would make real co-operation in manoeuvres possible, because if you have the same weapon systems, you can-for example-easily exchange ammunition, fuel and communications. In present-day ASEAN such co-operation does not exist, except for the coincidental acquisition of F-16 and Hawk combat planes by most countries. If military co-operation is the aim, a common military acquisition programme should be a first step.

ASEAN policy in the longer term focusses on collaboration with the countries in Indo-China. This is contrary to the original purpose of ASEAN to contain the communist policy of these countries. When Vietnam left Cambodia in 1989 (the practical start of the Paris peace agreements two years later), the way was open to a closer co-operation with the ASEAN countries. In addition, Vietnam had adopted a market-oriented economy in 1986, called Doi moi. On July 1992 Laos and Vietnam signed a treaty of amity and co-operation with ASEAN members. Since that time they have held an observer status in ASEAN. Senior Minister Lee Kuan Yew of Singapore, Vietnam's largest trading partner, said it would take more than 15 years for Vietnam to change her system to meet the conditions for joining ASEAN. For this year's annual meeting Burma, Cambodia and Fiji were also invited.

The ASEAN collaboration should not be overstated. In certain areas members of ASEAN co-operate in cross-border economic development, as for example in the triangle linking Singapore, Johor (Malaysia) and Riu (Indonesia). At the moment three such triangles of growth exist. It is a close, but regional and undisputed co-operation. The implementation of one of these projects was used by Indonesia to put pressure on Thailand, as mentioned above. At present ASEAN comprises six markets which are often separated by high tariff barriers. Indonesia, for example, has 9.200 different tariff categories including a 200% duty on cars. The ASEAN Free Trade Area (AFTA) intends to bring down these trade barriers, although an attempt in the past year failed. Another sign of the lack of co-operation is the trade between ASEAN members which amounted to a mere 15 % of their total commerce, whereas that with the EU totalled 66%. In other words, ASEAN is first and foremost a platform for bilateral talks.

GLOBAL RELATIONS

The most important forum seeking to organize the relations between the Asian and Pacific countries is the Asia-Pacific Economic Co-operation (APEC). APEC is a forum for all countries surrounding the Pacific. In November 1993 a meeting was held in Seattle, which was used by the US to force Europe to be more co-operative in relation to US economic policy, for example in the GATT rounds. Calling the US a Pacific power¹, Clinton warned Europe that the US might shift its attention even more strongly to Asia.

Another important issue at the conference was the trade imbalance between China and Japan and other countries. These topics are what motivates the smaller South East Asian countries to join APEC. For them, the US is a counterbalance to Japanese and Chinese power. APEC is also a forum which can influence NAFTA and the European Union, the other two principal economic blocs. At the same time, the

smaller countries are afraid that the US wants to make APEC into an official body which can be used to make binding decisions on economic matters. An Australian diplomat who suggested changing the name to the Asia-Pacific Economic Community provoked vociferous opposition. This criticism, together with anger about US policy, has led to a more critical attitude of the South East Asian nations since the APEC meeting. Malaysia never had been in favour of strong ties with the US but it stood virtually alone. It initiated the East Asian Economic Caucus inside the APEC to have stronger influence on, "for example, matters of protectionism", as the Malaysian Prime Minister commented.

Encouraged by their economic success, South East Asian nations criticized the US for its policy of using human rights as a political bargaining chip. An audience of 800 senior Asian government officials and business people from Asia and the US gathered in May 1994. (NB: Where did they gather?????????) The policy of the Clinton administration met with sharp criticism at this conference. In March 1994 ASEAN members agreed that the meeting of APEC Ministers of Finance would remain informal.

The proceedings of APEC are a clear index to power politics in the region. It can be concluded that the US is encountering an increasing level of dissent, especially on its insistence on the improvement of the trade imbalances with Japan and China and its use of the human rights issue for its own political purposes. Yet, the continuing presence of the US in Asia is also welcomed by the smaller countries, because it provides a counterbalance to Japan, China and, to a lesser extent, India.

In theory ASEAN countries might also opt for the improvement of relations with Japan. The latter has invested twice as much as the US in ASEAN, Taiwan and Korea. In practice, it is more sensible for ASEAN nations to improve their economic relations with both. Japan had already warned ASEAN against any form of trade regionalism (with reference to EAEC) that would reduce the US presence in the region. Japan and the US are working closely together to dominate the region. On the other hand, US policy is aimed-although this is not stated officially-at controlling Japan and any other threat when and as it should arise. If ASEAN-countries maintain good relations with both the US and Japan, they balance each other and China as well.

ARMS RACE

Current arms acquisition programmes in South East Asia coincide with the end of the rivalry between the Super Powers in the region and the down-scaling of domestic security concerns (except for Indonesia, the Philippines, Cambodia and Burma).

Arms spending in the region is rising to a level that is conspicuously high in comparison to past levels, and in contrast to the general decline in the rest of the world.

One reason for this procurement can be found in the economic situation in the region. Most countries can now afford high technology weapons more easily. The trend in ASEAN countries is to spend a smaller proportion of GNP on Defence, but budgets are still rising because of economic growth. The tigers, Japan and ASEAN countries, spent in 1980-1981 just 17% of what NATO countries in Europe spent on defence. Since then, the ratio has risen to 47%. This was clearly demonstrated by an Indonesian official at the Indonesian Donor Meeting (CGI) in Paris in June 1994. When a journalist asked what part of that country's overall budget was devoted to the army, the official explained that Indonesia's army budget is 1.5% of the GNP, against an average of 2% in the region, and is still decreasing. He then smiled at the audience. In fact, the absolute figures rise in a steadily growing economy.

Weapon acquisition programmes aim principally to achieve secure lines of communication to protect foreign, intra-regional and global trade. Commodore Sam Bateman of the Australian navy explains the arms race in this way: "The ASEAN states clearly perceive that a risk of maritime military threat exists in the region, and thus they are developing naval forces (<193>) with a potentially powerful capability to detect and destroy the adversary's forces in their maritime approaches." In this way he interprets the acquisition programmes as merely serving each country's national defence, and enabling the armed forces to destroy an enemy near its coast. These acquisitions could, however, also be used to ban other nations from the sea-lanes surrounding a country. In this way the defensive weapon becomes offensive and can be used against an enemy who depends on the free use of the sea for his trade.

DEBATE

It is tempting to say on the basis of these alarming figures that there is an arms race in the region. Researchers and analysts are, however, still arguing debating whether there is indeed an arms race, or whether economic growth has simply provided the resources for new acquisition programmes to upgrade the armies. An arms race is often described as procurement caused by threat and motivated by uncertainty. Those who do see such a situation occurring in South East Asia cite conflicts in the region as an important factor in arms acquisitions. Others say the disputes between the countries in South East Asia itself will not lead to conflict.

One explanation for the military acquisition programmes stems from the changes that have occurred since the end of the Cold War. Previously, the security situation was clear: on the one side were the US and its allies and on the other side the Soviet Union. This polarity has faded away. The potential for rivalries to arise between individuals among the Great Powers still persists, however, and threatens to destabilise the situation. The threat of such a rivalry between Japan and China is enough to make both upgrade their armies.

Amitav Acharya, a scientist, made a remarkable statement in a 1994 conference on Defence in the Asian Pacific region: "It can be said with little exaggeration that the real arms race in South East Asia is a race among the suppliers, rather than the recipients. Major arms suppliers in the West and in the East face a need to compensate for the loss of markets in their home countries and unload surplus equipment abroad to ensure domestic employment. This has led to the creation of what has been described as the world's largest buyer's market."

Arms industries cannot be expected to be especially co-operative when arms regulations have to be implemented. Nor was the US helping disarmament when it rejected a proposal made by Indonesia and Malaysia to establish a South East Asia Nuclear Free Zone, arguing that regional deterrent strategies are much better than unrealistic disarmament measures. Yet the former First and Second world cannot be held solely responsible for the level of arms procurement, even though both blocs contribute to the build-up of South East Asian armed forces.

One contributor to the Asian Defence Journal wrote: "Japan is showing concern about China's military renaissance and wants to be able to cope with the threat. South Korea is in its turn concerned about Japan's response - That in its turn worries North Korea - which again troubles Japan and China. In this way the spiral continues. All countries in ASEAN fear being caught up in a tit for tat escalation."

In other words the arms race is motivated not by a possible conflict but by a possible enemy. Recent years have shown that it is not easy to predict the course of events in

the world. In this respect the discussion between the arms upgrade' and arms race' schools is somewhat academic. Intentions could change, conflicts could arise, and when a country has the arms to back its policies with military force, it could use them even if they were not acquired for that purpose. It is, for instance, possible that the United States will lose its grip on South East Asia and that one of the emerging regional powers will have hegemonic intentions in the region-or that changes in regional countries will bring nationalist governments into power which seek regional domination.

It is impossible to choose between these analyses because disputes already exist in the region and new disputes could arise. Politicians from ASEAN countries may say that have not had armed conflicts with each other for 25 years-since the Indonesian conflicts with Malaysia and Singapore in 1963 and 1966. Yet, the balance of power is changing and one can only guess what will happen in the next century. The end of the Cold War and the great changes within South East Asia make any prediction highly speculative. What is clear is that arms export to the region is a risky policy, as it could easily fuel a conflict in the future.

DOMESTIC ARMS INDUSTRY

The build-up of a domestic arms industry is seen as an important strategy by several developing countries, in order to weaken the influence of major powers. The developments in North Korea, which is working on the production of its own nuclear weapon, is the most striking example. In general, the development is limited to conventional weapons.

Currently, compared to other regions of the world, the domestic arms industries of South East Asia are not particularly strong. If the economies in the region continue growing at the present rate, this could easily change. "The economic gap between the leading new industrial countries in East Asia and the old industrial countries is fast closing, and so are the gaps in skills and knowledge," observed the Australian professor of economics Wolfgang Kasper, specifically mentioning progress in metal, electronics and machinery industries. As a result, leading nations in East Asia will be able to produce their own weapons in the longer run.

Among the ASEAN countries, Indonesia and Singapore are the most conspicuous in having developed their own arms industries. Each had different reasons, but after twenty years they could produce most small arms by themselves. In Indonesia a Parliamentary mandate in 1978 encouraged the development of a domestic defence industry to diminish Indonesia's dependence on foreign manufacturers and to reduce the spending of scarce foreign currency reserves on weaponry.

The products being made in Indonesia include FMS rifles, submachine guns, and machine guns produced under a licence issued by the Belgian company FN-Herstall. Singapore recently launched its first domestically-built minehunter, produced on the basis of a design by Kockums/Karlskrona of Sweden. Malaysia is also planning to upgrade its defence industry. The chief of the Malaysian navy said the acquisition of the newly built Offshore Patrol Ships (OPV's) serves in the first place to encourage the local defence industry to develop such a capability'. Malaysia has only a small arms industry at present.

The position of domestic arms industries is difficult. The arms produced by Russia, China and South-Korea-to mention only the producers in Asia-are cheap, which makes it hard to compete with them. Even Singapore, with its advanced domestic military industry, had to fire personnel and reorganize its production process in 1993 in order to be competitive. As for the European and US arms industries, Singapore

found that in their case, various forms of collaboration provided the answer. The same pattern is followed in South East Asia.

Indonesia has co-operated with Malaysia and Singapore for aircraft and maritime repairs and maintenance since the mid-1980s. New arms producers could rise in South East Asia as a result of the growing technical skills.

COUNTER INSURGENCY

In the past the arms acquired by the governments of South East Asia were used to quell internal uprisings by socialist and/or nationalist movements. These revolts were firmly repressed by the (military) governments in the region, and most were defeated in the past decade. In Malaysia the Police Field Force (trained by the British Special Air Service, SAS) has been deployed for public tasks since the Malayan Communist Party laid down its arms in December 1989. In Thailand the BPP, which was trained by the CIA, had its peak in the 1960s and 1970s in the struggle against the Communist Party of Thailand. At present the operations against nationalists and communists are a minor task of these forces. Instead, operations are mainly directed against the Patani United Liberation Organisation (PULO), a muslim separatist movement fighting for an independent state of Patani near the Malaysian border. Border control and the arrests of drugs smugglers have also become more important. So in other words, arms acquisitions are no longer motivated by the wish to suppress the population.

Only in Indonesia and in the Philippines are ASEAN governments confronted with armed conflicts inside their borders. In the other countries the military is no longer used mainly to suppress the people, but rather to strengthen the position of these countries in the regional balance of power. It is vital to take this trend into account when looking at the security situation in South East Asia in general. To oppose the arms race in South East Asia means to oppose the creation of new, strong armed forces and a new military bloc. If only the human rights violations in South East Asia are opposed, one of the most striking developments is neglected. The build-up of strong national armies could lead in the long run to a third military (and economic) bloc, besides those of North America and Western Europe. It is not in the interest of world peace to let this happen.

PRINCIPAL CONFLICTS

Regional conflicts should not be over-emphasized, but they exist. Three deserve special mention. These are: the conflict between North- and South Korea; the conflict between China and Taiwan; and the dispute over the Spratly's. Each of these conflicts could have an impact on the region of South East Asia as a whole.

It is possible that the problem of North Korea's nuclear weapons programme will be solved by peaceful means. The situation is a complex one, and it is not in the interest of China and the US to confront each other over this issue. Kim Il Sung died in July 1994 and we await further developments.

The stand-off between China and Taiwan continues. Yet, strangely, the Taiwanese are investing more heavily in China's most prosperous region than in any other country, in spite of an official ban on direct investments in China. It is a conflict which could last for years, but could equally be solved by greater co-operation in a

kind of triangular framework that would see China, Hong Kong and Taiwan emerge as one of the most influential powers in South East Asia.

Conflicts also persist within ASEAN. The Defence Minister of Malaysia has declared the Asia-Pacific region to be more peaceful and stable than any other region in the world, "territorial claims aside." The minister, who cynically described peace' as a period between wars', made light of the disputes in the region. However, one local researcher, Dr. Bilveer Singh of the Singapore Institute of International Affairs, has taken a pessimistic view about the prospects for an enduring peace in the region: "Traditionally, the states that constitute ASEAN were threatened more by each other than by outsiders, even though the latter were not absent." He pointed to several factors for this insecurity inside ASEAN: the geographical complexity and diversity of the region; the variety of colonial experiences which led to different organizations of governments and of the armed forces; assorted ethnic, religious and racial groups; and differing ideological and political systems which led to conflicting interests and orientations. Relations with foreign countries and groups are also a matter of concern for the ASEAN nations. Malaysia and Indonesia are suspicious of the close relationship between Singapore and the United States. Thailand was upset by Malaysia's support of Muslim separatists in southern Thailand. The Philippines had a similar problem with Malaysia.

Conflicts in the region

- Claims of Russia and Japan on the southern Kuril Islands.
- Dispute between Japan and South-Korea over the Liancourt Rocks (Takeshima or Tak-do) in the southern part of the sea of Japan.
- Dispute between China and Japan over the Senaku (Diaoyutai) Islands in East China Sea.
- Dispute between China and South-Korea over territorial water boundaries.
- Continuing claim of the Philippines to the Malaysian state of Sabah and its adjacent waters.
- Claims on the Paracel Islands by China and Vietnam.
- Border disputes between China and Vietnam.
- Border dispute between Vietnam and Cambodia.
- Border dispute between Vietnam and Malaysia on their offshore demarcation line.
- Border dispute between Malaysia and Brunei over both the unmarked, 274 km land border between Brunei and Sarawak, and the limits of their respective 200-mile EEZ.
- Dispute between Malaysia and Singapore over ownership of the island of Pulau Batu Putih (Pedra Branca) in the straits of Johore.
- Border dispute between Malaysia and Thailand.
- Border conflicts between Thailand and Burma.

- Border dispute between China and Burma.
- Hostilities along the Burma-Bangladesh border
- Territorial disputes between China and India.

Source: A New Era in Confidence Building, Desmond Ball; Security Dialog 1994, Vol. 25 (2), page 161.

The territorial disputes in the region are potentially the most worrying. Indonesia, for example, is involved in several: with Malaysia on the islands of Saidipan and Ligitan in the Celebes Sea; and with Vietnam on the continental shelf around the Natuna islands.

It would be unrealistic to characterize South East Asia as a stable and peaceful region. Co-operation in military and economic matters exists, but only on a low level. Desmond Ball from the Australian National University said: "Nevertheless, the high proportion of inter-state issues suggests that inter-state conflict is more likely in the Asia/Pacific region than elsewhere." According to Ball, arms acquisitions take place in an atmosphere of uncertainty and lack of trust.

THE SPRATLYS AND PARACELS

The disputes over control of the archipelagoes of the Paracel Islands and the Spratlys, both in the South Chinese Sea, are the most important for ASEAN. The Spratlys are the biggest single source of conflict throughout the region. Six countries (China, Vietnam, Brunei, Malaysia, the Philippines and Taiwan) claim the islands and have stationed troops on them. China and Vietnam have already had two clashes over the Spratlys (in 1974 and 1988).

The oil resources in the waters surrounding the archipelagoes are the most important cause of the conflict. In addition, the islands are of strategic importance in controlling the surrounding seas.

China is the strongest of the nations which claim the islands. It is also the country which is increasingly seeking to impose its control on the islands, and is at the same time less and less willing to engage in talks with the other parties. China has even granted an oil concession to the US Crestone Energy Corp. for the exploration of oil in the Vietnamese EEZ.

Until now, Indonesia has been the principal mediator in the conflict, organizing four informal workshops on the subject. The chairman of the centre for Strategic and International Studies in Indonesia was not very optimistic about the results of the talks, declaring at a Manila conference that "the four workshops have reached a plateau". The Singaporean Bilveer Singh, mentioned above, was even more pessimistic: "There has not been much movement because China is reluctant to participate.- The possibility of war cannot be ruled out."

Advances in the drilling technology for the extraction of oil and gas fuel the disputes between China and South East Asian countries. China has, for instance, promised to protect the drilling operation in the Vietnamese EEZ with their naval forces. China's overwhelming strength in comparison to the other countries involved in the Spratly dispute means there is unlikely to be any major conflict in the near future. But the exploration of oilfields which are subject to conflicting territorial claims could lead to conflict in the long term.

Three of the parties are not equipped with the naval and air facilities needed to be a

real party in such a war. Brunei possesses only small ships (FACs) which are almost worthless on open sea. In the future Brunei wants to buy Hawks and these could be of value in such a conflict. At the moment the Sultanate is the only one of the six countries without a military presence on any of the islands.

The Philippinean navy is based on several FACs. The Vietnamese navy is dated and only its military presence on one of the Spratlys causes any concern to the others. In other words, the poor weaponry of these countries probably restricts any potential conflict to Taiwan, China and Malaysia. These three countries have become armed in the past few years with numerous high-tech weapon systems from the United States, Europe and Russia. Taiwan also has the frigates and submarines needed for such an action. Malaysia has a navy which is fitted for coastal tasks. In the near future Malaysia will buy F/A-18 fighter aircraft from the United States, and it has just purchased MIG's from Russia. Nevertheless, the combined air and naval fleets of these two countries are no match for China which, together with Japan, is one of the two most powerful military powers in the region.

ASEAN as a whole has no policy towards the dispute. The Asian Defence Journal reported that the ASEAN Regional Forum in July will steer clear of controversial issues such as claims over the Spratlys. Vietnam and the Philippines are considering co-operation on the Spratly issue, but they are not strong enough to have any real influence. Only Japan or the United States could keep China from occupying the islands, if it continues with its policy of confrontation. But it is unlikely that either country will become involved in such a crisis. The warning by Bilveer Singh that a war cannot be ruled out is the worst scenario possible. Yet, it must be considered as one of the possibilities. Stirring up the fire by selling arms seems an ill-advised policy.

A CALL FOR THE BAN OF WEAPONS

From March 25th till 28th 1993, an Asia Pacific meeting of non-Governmental Organizations on Human Rights was organized in Bangkok, in preparation for the 1993 United Nations meeting in Vienna. 240 participants from 180 human rights and development organisations discussed several topics related to human rights. One of these was militarization and war.' The participants in this workshop noted that militarization was increasing in most countries of the Asia Pacific region. They were concerned about the threat militarization poses for dissidents, democracy, peace development and civil society; about the forced migration, suppression, genocide and maiming of indigenous and ethnic minorities; and the dehumanization, serious physical, mental and spiritual stress and the increase in sexual violence caused by military violence. 110 NGOs asked the UN "to adopt measures to bring the production, export and import of conventional weapons to an immediate end and to dismantle all weapons of mass destruction." This request to the Human Rights meeting of the United Nations constitutes an appeal to the peace movement in the West to campaign for a ban on the export of weapons to Asia. The situation in Asia is unstable, human rights are not respected and resources for military purposes could be better used for more humane purposes. As the Asian NGOs united in the Bangkok Conference to condemn their governments and military forces, we should blame the governments of our countries for condoning the arms trade. During the past century, Europe caused most of the world's major wars, but this should not be Asia's future.

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Belgium

Ernst Gülcher, April 1994

There have been numerous transactions between the Belgian arms industry and Indonesia. For both political and commercial reasons, Belgian companies generally set up local production facilities, often with the support of Belgian agencies for foreign trade or development aid. In the early 1980s, military and political co-operation reached its height, declining in the latter half of the decade as the Belgian companies lost ground to competitors such as the Germans. In the 1990s, Indonesia is no longer a market for Belgian arms exports.

SHIPBUILDING

Three small Belgian shipyards, Fulton Marine, Scheepswerven van Langerbrugge, and Chantiers Navals de Meuse et Sambre, came together in 1973 to form the Belgian Shipbuilders Corporation, in an effort to strengthen their market position. In March 1980 the group entered into a contract worth 1,8 billion Belgian francs with the Indonesian Ministry of Finance for the construction of 24 wooden patrol ships for the Indonesian Customs. Twelve ships would be built in Belgium. The components for the other ships would be exported to Indonesia and assembled locally at the military Surabaya Naval Shipyard. The Belgian shipyards would train the Indonesian personnel and give technical assistance with the assembly of the vessels in Indonesia.

The 24 ships were intended to form part of a fleet of 300 ships which would be used by the Indonesians to implement a large-scale transmigration programme, moving half a million people from Java - which is said to be overpopulated - to Sumatra. In the past, such operations failed because the migrants often returned secretly to their former homes. Press rumors had it that the 'Belgian' patrol ships would be used to stop this remigration process.

The Belgian agencies for development aid supported the export of the ships, in the context of a global support programme for the promotion of Belgian small and medium-sized firms. The shipyard obtained a subsidy of 100 million Belgian francs against the interest on export credits, and another BF100 million for the training of Indonesian personnel. At the end of January 1981, the Minister of Foreign Trade announced that Belgium would lend a further BF 350 million to the Indonesian government to buy industrial goods in Belgium.

The construction of the first twelve ships started at the beginning of 1981 and was completed a year and a half later. It created jobs for about 30 people. The Belgian Indonesia committee sent a letter to several members of the Belgian parliament in 1980, pointing out that the ships might be used by the Indonesian navy in the blockade of East Timor, to help break the resistance of the Fretilin liberation front. This letter was ignored, while in the same period the Belgian government informed the Indonesian authorities that Belgium would no longer resist the Indonesian claims on East Timor.

Until then, the Belgian authorities had voted in favour of the UN resolutions in which these Indonesian claims were rejected, and which had accused the Indonesian armed forces of violating the human rights of the local population.

SMALL ARMS

During the 1970s and the 1980s the Belgian companies FN-Herstal and Les Forges De Zeebrugge, the latter a wholly-owned subsidiary of the explosives manufacturer PRB, sold many of their weapon types to Indonesia. Most of these were produced locally under licence after initial deliveries from abroad.

PISTOLS

In the early 1980s the Indonesian ordnance factory PT Pindad manufactured the 9mm High-power FN Browning pistol which is called the Pindad P1A9.

RIFLES AND MACHINE-GUNS

By the end of the 1980s at least three types of Belgian FN rifles were being used by the Indonesian armed forces: the 7.62mm FAL, its predecessor, the 7.62mm SAF, and its successor, the 5.56mm FNC carbine. The Indonesians bought the 7.62mm MAG machine-gun and, more recently, its successor, the modern 5.56mm light machine-gun Minimi. As far as we know, all these weapon types are produced locally under licence.

According to Jane's Defence Weekly of 19th April 1986, the Indonesian armed forces have a stock of approximately 20.000 7.62mm Belgian LT Fal rifles.

The military also acquired a special machine-gun for light airplanes, the 7.62mm Twin Mag Pod (TMP). The order was placed around 1980. Since then this system has been the standard equipment of the BO 105 helicopters produced by the German firm Messerschmitt Bolkow Blohm (MBB) which were built in Indonesia under licence by IPT Nurtanio.

ROCKETS

By the end of 1986 the international press pointed out that the Indonesian military industrial group Pindad was producing on-guided 70mm rockets and their launchers for the Indonesian armed forces under licence from the Belgian firm Forges de Zeebrugge. Three types were mentioned: LAU97, LAU157 and LAU159. The Revue Internationale de Defense of April 1986 (p.483) shows a photograph of the Indonesian BO 105 helicopter mentioned above, which was equipped with these rockets. The publication remarked that by that time Nurtania had built 42 helicopters of this type for the Indonesian army (15), the airforce (15) and the navy (12). Two years later, 90 helicopters had been built. All of these could carry a variety of weapon systems but the FZ 70mm rocket system appeared to be the standard equipment. According to information from the Indonesian embassy in the Netherlands. (January 1993), IPTN is currently developing NPU-70 rockets and artillery rockets of 130mm calibre with licences from FN-Herstal.

France

Belkacem Elomari, Centre de Documentation et de Recherche sur la Paix et les Conflicts

Note: This country report was not in the Booklet STOP Arming Indonesia. It will be in the contents of the Dutch and Indonesian version.

The French marketing strategy in Indonesia is based on governmental support for both civil and military industrial investments in Indonesia. In France, two groups of parliamentarians are actively seeking to strengthen French-Indonesian ties, one in the Senate and the other in the National Assembly. Both are focussing on the development of economic relations between the two countries.

Simultaneously, several parliamentarians, with the encouragement of French support groups for East Timor, have expressed concern about the human rights situation in Indonesia. The official position of the French government has been to emphasise the fact France has never recognised the Indonesian annexation of East Timor and that it supports negotiations between Portugal and Indonesia to find a just, all-embracing and internationally acceptable solution to the issue. While acknowledging the Indonesian government's recent measures to improve the situation, the French government has taken every opportunity to voice their concern about the situation in East Timor with the Indonesian Authorities and seek ways to secure an improvement in fundamental human rights in the country.

ARM'S SALES

Cuts in French military procurement, coupled with strong US competition on the international market has created a situation where French industry has begun investing heavily in both military and economic sectors in Asia. In the past, this region had not purchased much in terms of French weaponry. Sales to the Far East, in 1991, represented only 6,8% of total French arms sales and 10,5% of sales to the third world. This year however marked the change in orders by Asian countries for French weaponry. Representing more than 50% of the French market, the region superceeded the Middle East as the most important client for French weapons.

SUPPLY OF MILITARY EQUIPMENT

Army equipment supplied by France to Indonesia was mainly light armoured vehicles of the types; AMX-13 - supplied largely by the Netherlands and to a lesser extent Belgium as second hand material having originally been purchased in France (405 pieces). Acmat vehicles - these were ordered for that section of the army responsible for combating insurrection and are well suited to rugged terrain. AMX-10P tracked armoured vehicles meant for marine troop transport. This deal was problematic due to the lack of proper after sales follow up. They have recently been transferred to armour. France has also, since the 1960's, supplied the Luchaire rocket launcher and the Milan Euromissile missile launcher (a product of European Union co operation) together with accompanying munitions. Recently French weapon producer GIAT signed a US \$ 17 million contract for the supply of 20 light 105mm cannons. GIAT

hopes other contracts will follow so that other units of the Indonesian army can be armed. Where airforce material is concerned, the inventory is far more detailed and contains Aerospatiale Puma and Super Puma helicopters for which, since 1981, manufacturing licences have been accorded. The Indonesian Navy has acquired several patrol boats from French concerns as well as Exocet anti ship missiles. The sale of electronic material consists of Thompson - CSF air surveillance radars : this French company is also assisting in the setting up of a maritime surveillance system for the sea straights of Malacca.

MILITARY COOPERATION

French weapon sales to Indonesia favour not only the arms industry of the former but also cooperation between the defense forces of both countries. This cooperation dates back several years but continues to this day.

In the aeronautical industry, FIAS (Formation Internationale Aeronautique et Spatiale) have sent experts to the IPTN training centre in Pusdiklat, Indonesia (3 up to 1989). This company has also set up an aeronautical training centre in Bandoeng and have up until the end of 1988 detached six its experts to that facility. In June 1988 a further contract was signed between FIAS and the laboratories for thermodynamics, engines and propulsion. This contract ran until 1993 and concerned the creation of a laboratory of thermal exchangers where engineers, researchers and technicians trained by FIAS will work.

Another contract of FIAS, relating to the Lapan space research centre made it possible for a group of sixteen engineers to begin work in 1988 followed by six more in 1989.

There has in total been, between 1980 and 1987, 158 Indonesian engineers and technicians trained for production by Aerospatiale and more than 50 for after sale service.

The French company Thompson-Brandt-Armaments has also sold licences for the production of mortars to Indonesia.

Thompson - SCF have also in co operation with local industry conducted a research into a surveillance system for the straights of Malacca for the Indonesian customs service.

The research institute into electronics (Lembaga Elektroniks Nasional - LEN) is responsible for the installation and operation of the communications systems.

EXCHANGE VISITS CONCERNING DEFENSE AND SECURITY

These visits foster trust between military and industrial circles in both countries and help create a favourable climate for arms sales. It was for this reason that Mrs Pratiwi Sudermomo was invited to Aerospatiale in 1989. In 1985 she was chosen by NASA to become the first Indonesian woman astronaut. In 1989 she visited the centre where Ariane launchers are integrated and various other air and space installations in particular FIAS, which was responsible for the training of Indonesian technicians.

In addition exchanges also took place between French and Indonesian military personnel in the form of visits by French warships to Indonesian harbours. Between March and October 1989 five such visits took place.

In 1989 the Indonesian Minister of Technology attended the French air show at Bourget and met with the French defense minister. In 1993 IPTN, the Indonesian civil and military aircraft company was represented at the Bourget show. Indonesian military students train in France in particular in the Ordnance School. In 1988 there were 86 Indonesian military students in France.

Germany

Although German law theoretically allows arms exports only in exceptional circumstances and under special conditions, there are no practical restrictions on selling weapons to Indonesia. The German government regards Indonesia as a friendly nation, considers its political situation to be stable, and treats the ASEAN states in general on a par with NATO countries. Since German companies have little difficulty in obtaining permission to supply weapons to NATO countries, it follows that there is nothing to stop exports to Indonesia. Whether these arms sales are strictly legal is unclear, but in any case, their legality has never been effectively challenged.

Habibie: Germany's Indonesian ally

In 1975, when the Indonesian president recalled Bacharudin Jusuf Habibie who was working at MBB in Germany at the time, he had a special task in store. Suharto wanted Habibie to develop an Indonesian high-technology industry with foreign know-how, and to stimulate production by obtaining manufacturing licences from overseas companies. The top priority of this high-tech industry would be to serve the needs of the military and their requests for the procurement of equipment.

The appointment of Habibie as Minister for Research and Technology was good news for Germany and its arms industry. Lürssen Ship Building, MBB (now called DASA), Ferrostaal, HDW Shipbuilding and, at a later stage, companies like Eurometaal could all count upon Habibie to back German interests. Not only had he been trained and educated in German universities; the German arms industry had supported him at an early stage of his stay in the country.

Habibie has since become one of the key figures in the network of power in Indonesia. Although he has recently been on the receiving end of criticism from some within the industry he administers, charged that his high-tech dreams have not led to prosperity and development, Habibie's position should not be under-estimated. He is a close relation of Suharto, and his family is highly influential. His sister, for instance, manages the Djakarta office of Ferrostaal, a major German producer of factories and industrial needs which is often the principal contractor for large arms exports. It will play an important part in the deliveries of submarines to Indonesia mentioned below, as well as the overhaul and export of 39 ships which belonged to the former East German navy.

Arms industry

In the mid 1970s, with the help of the German company MBB, Habibie started to create an aviation industry under the name IPTN. The German helicopter BO-105, which was later used in the war on East Timor and probably also in West Papua, was its first product. The military version of this helicopter is especially equipped for riot control and for wars in difficult terrain, as in East Timor and other areas where guerillas are active. Meanwhile, IPTN produced Spanish military air transporters (CASA), attack-helicopters from France (Aerospatiale) and a number of other sophisticated military aeroplanes under licence. Many German engineers worked in Bandung, where IPTN is located, during this period.

In the 70s Habibie oversaw the building of a shipyard in Surabaya, under the auspices of Lürssen from Bremen. This shipyard, called PT Pal, builds fast attack craft

and patrol boats for the police and the military. To import these ships from Germany would be a complicated procedure, as the German government has to give permission for the export of every single ship. The answer was to build the vessels under licence in Indonesia.

The activities of Lürssen Ship Yard in Bremen are typical of the strategies employed by German companies to export arms. In this, Lürssen co-operates with other shipyards, and sometimes with main contractors like Ferrostaal.

There are four main types of export:

- 1) the export of the prototypes of weapon systems, such as submarines and other warships;
- 2) the sale of know-how for construction under licence in Indonesia;
- 3) the sale of machinery and even complete production plants such as shipyards;
- 4) training of personnel and the supply of human resources.

Lürssen trained several thousand technicians for the production of ships in Surabaya and Bremen. Navy personnel were instructed by Lürssen in how to operate high-speed ships and their armaments. Lürssen's ships are among the most sophisticated vessels of their type in the world.

But the German company supplied more than just technical know-how. According to one instructor, the entire system of apprenticeship in the techniques of shipbuilding, including requirements, books and pedagogy, was transferred wholesale to Indonesia.

In Surabaya, PT Pal is assembling, overhauling and modernizing two submarines sold by the HDW shipyard in Kiel. Only one year ago the German government gave HDW permission to export another three submarines. Each submarine costs around DM 500 million.

Indonesia's navy is also benefiting from close co-operation in the field of telecommunications. A number of new naval bases for off-shore operations have been established; these are operated by technicians from German electronics companies who have also supplied simulation, radar and satellite communication equipment. Indonesia gives priority to the expansion of its naval programmes. The extension of the naval base Teluk ratai alone, for which the German naval base Wilhelmshaven is a model, will have cost nearly \$3 billion by the year 2008. For off-shore operations Indonesia has ordered five attack boats from Lürssen; production will start at Surabaya in the near future.

NVA warships to Indonesia

There was a peace rally in Peenemünde in North-East Germany on Whit Sunday 1993. Activists wanted to set up a peace camp near 39 ships, representing one half of the former GDR fleet, which had been sold to Indonesia. During that day, several peace campaigners entered the ships and caused damage.

Early this year (1994) several of the ships were actually exported. In the meantime, a number of the activists had been indicted, charged both with causing damage to the ships and putting up posters accusing the country's Defence Minister of supporting the Indonesian government in spite of its human rights violations. Under the terms of the contract, the ships were to be repaired and overhauled before being exported, while nearly 1500 Indonesian soldiers would be educated and trained in Germany. Following the reunification of the two Germanies, the government also sold weapons which belonged to the Neue Volks Armee to

Indonesia, with a view to strengthening military co-operation and securing orders for spare parts which are manufactured in Germany.

Some basic information on the deal

The deals cover the export of 39 different ex-GDR warships, which have been partly demilitarized in North Germany. They will, however, be refitted for military use in Indonesia by PT Pal. One of these ships will be used as a fighting ship; the others will reinforce the fleet, or provide troop transport for rapid reaction operations of the Indonesian army throughout the country. Ferrostaal has delivered shipyard facilities which will probably be used for the modernization of the former NVA fleet.

The Indonesian government paid only \$12 million for the ships, but after modernization and refitting they will be worth more than \$700 million. If the cost of equipping the shipyards is added, the whole deal will set back Indonesia more than £1,1 billion.

Habibie has again played a key role in the whole deal. Yet the deal may prove to be less of a coup for Germany than it first appeared. Habibie faces serious criticism as a result of an incident with one of the ex-NVA-ships during its transport to Indonesia. The ship nearly foundered and the crew had to be rescued by helicopters. After this incident, both the military and the Minister of Finance were harsh in their criticism, alleging that the ships were too expensive and unsuitable for military use. Backed by the military, several members of parliament are demanding an investigation into the NVA-deal. The critics argue that the government should not pay the full sum of 1,1 billion US\$.

Bremen 20 april 1994

The following data on German arms exports to other ASEAN-countries are added to highlight the importance of the German arms trade to Indonesia. They have been extracted from the official statistics on German exports of armaments and war material which were approved by the German Export Law (AWG). Unfortunately, the German government provides quantities, but no information on the nature of the arms in question.

German Arms Exports to ASEAN Countries, 1990

List	weapons, ammo	nukes	strategic, dual use	chemical, biological	Total
Brunei	1,34		2,79		4,13
Indonesia	123,73		157,70	147,36	428,79
Malaysia	3,10		12,46	1,05	16,61
Philippines	2,01		41,95	1,42	45,38
Singapore	22,72		91,63	2,73	117,05
Thailand	103,31		82,08	2,67	188,06

Total ASEAN					800,02
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German Arms Exports to ASEAN Countries, 1991

List	weapons, ammo	nukes	strategic, dual use	chemical, biological	Total
Brunei					
Indonesia	71,83	0,21	94,76	25,66	192,46
Malaysia	6,89		94,34	1,35	102,55
Philippines	0,55		15,70	3,81	20,06
Singapore	85,87		43,19	2,39	131,45
Thailand	39,27		110,82	28,74	178,83
Total ASEAN					625,35

German Arms Exports to ASEAN Countries, 1992

List	weapons, ammo	nukes	strategic, dual use	chemical, biological	Total
Brunei	3,50		2,14		5,64
Indonesia	120,73	0,15	4,08	10,04	134,40
Malaysia	22,17		23,80	1,42	47,39
Philippines			13,74	1,52	15,26
Singapore	6,33		23,29	3,48	33,10
Thailand	13,21		118,56	5,47	137,24
Total ASEAN					373,03

German Arms Exports to ASEAN Countries, 1992

List	weapons, ammo	nukes	strategic, dual use	chemical, biological	Total
Brunei					
Indonesia	228,22	0,32	41,88	5,76	276,18
Malaysia	21,58	0,04	39,98	1,68	63,28
Philippines			6,96	2,30	9,26
Singapore	11,05	0,05	15,06	3,92	30,08
Thailand	14,23	0,59	9,70	49,44	73,96
Total ASEAN					452,76

Total exports 1990-1993 ASEAN-countries

Brunei	9,77
Indonesia	1.031,83
Malaysia	229,83
Philippines	89,96
Singapore	311,68
Thailand	578,09
Total	2.251,16

There is a clear general decline of German arms exports to Indonesia between 1990 and 1993. While the sales of weapons and ammunition very significantly increased. The export of dual-use-products decreased at the same time. We do not know which chemical and biological materials Indonesia received in 1990 at such a high price.

Cracks in the Cilangkap bastion

The armed forces in Suharto's Indonesia

Welmoed Koekebakker, Amsterdam, 24 July 1994

Indonesia's 'smiling general' Suharto came to power through a military coup in 1965. In the almost thirty years since then Indonesia has become, despite continued internal resistance and mounting international pressure against the country's human rights record, one of the world's most stable regimes.

This article will attempt to shed light on how such stability has been achieved. What is the role of the military? How have they succeeded in maintaining the legitimacy and prestige necessary to be effective? Today's political situation is more complicated than that which characterised the coup. While it is well known that there are tensions between the President and the Cilangkap, the headquarters of the armed forces, it is also clear that both parties are dependent upon each other. And what about human rights? Will current tensions within the political elite be conducive to any improvement, if and when Suharto relinquishes power?

The first chapters will deal with the establishment, early development of the Indonesian army and its increasing involvement with politics, and outline the history behind the current conflict between civilian and military powers. In the second part, an analysis will be made of the power base of the armed forces since 1965 in respect of economic, political and ideological factors. The final section will deal with conflicts within the Indonesian regime since the early 1990s and the consequences this has for human rights. [1](#)

The legacy of the colonial war

The Indonesian army was formed on 5 October 1945 to defend the country's newly found independence which had been proclaimed on 17 August 1945, two days after the Japanese surrender, by two of the most prominent nationalist leaders, Sukarno and Hatta.

The Netherlands, refusing to recognise the new Republic, attempted to reinstate its colonial authority by force. Troops were sent in and two operations (the first named 'Operation Product') were carried out. The Indonesian army, unable to match the Dutch in conventional warfare, resorted to guerilla tactics based on a close co-operation with the civilian population and careful co-ordination of political and military functions.

There was little unity within this army of the revolution. A central military command was lacking and local commanders often behaved like 'warlords'. Part of the troop strength was *laskar*: recruited from political activists, farmers and some-time jagos (bandits). They were for the most part affiliated and only at a later stage 'incorporated' into the regular army. There was a lack of discipline and ideological coherence.

Rivalry between various units led to internal struggle. The most serious internal clash came in 1948 when troops loyal to Sukarno defeated communist and laskar units at Madioen. As a result Sukarno found favour with the United States, whose foreign policy at the time was based on the 'containment' of communism.

The officers of the newly formed army came from many different backgrounds. A small group had received professional military training in the KNIL (Koninklijk Nederlandsch-Indische Leger), the Dutch colonial army, which they had deserted in 1945 to join the independence struggle. Most came from the PETA troops of the Japanese occupation forces.

A few had a laskar background. Some were aristocrats but the majority had a middle class background and came from small towns, the notion of a social revolution in the interest of the rural masses was alien to them. Most were Javanese and non-orthodox Muslims (abangan). Though the officers readily used egalitarian rhetoric, they were on the whole elitist. [2](#) When peace came and sovereignty was handed over to Indonesia in 1949, it was the result of international pressure being brought to bear on The Netherlands. The war, had it continued, would have remained in the prevailing state of deadlock, as neither party could achieve outright victory.

The experiences of the Indonesian army during the revolution shaped its subsequent development in several respects. First, there had been no clear division between political and military tasks: the struggle for independence was politically motivated. When the civil Indonesian leaders were imprisoned by the Dutch in December 1948, de facto leadership of the revolution was taken up by the military; it was the the army which governed the nationalist controlled areas.

Secondly, there had been tensions between the civilian and military leadership from the start. Many military leaders did not regard diplomacy as a viable option and the concessions Sukarno and Hatta had made during negotiations had created permanent mistrust. [3](#)

Thirdly, the social distance between the greater part of the officers' elite and the rural population explains the resultant lack of engagement in the development a new social and political order.

And fourth, the colonial war (a black page in modern Dutch history) provides a historical explanation for today's popularity of the armed forces.

In conclusion, the present military regime has continued to emphasise the importance of the armed struggle for independence and play down the diplomatic activities of the civilian leadership in official history texts (educational material, films etc). The idea of a heroic struggle for independence contributes to the prestige of the military and provides an ideological basis for the role of the army in present day Indonesia.

From liberal democracy to martial law

In 1950, shortly after gaining independence, Indonesia adopted a parliamentary constitution in which the defence force was subservient to the civil authorities. This by no means put an end to the political role of the military. The young army leadership (Simatupang, Nasution), technocrats with a background in the KNIL, envisaged a professional and modernized but not necessarily apolitical army. This required a drastic reorganization resulting in an internal conflict between the leadership and the old guerilla fighters, who feared what seemed to be their inevitable redundancy. [4](#)

On 17 October 1952 the army leadership organised a protest in front of the presidential palace hoping to force Sukarno to dissolve the Parliament and so bring an end to its meddling in the internal reorganization of the armed forces. The

'Nasution-putsch' failed, with the military leadership losing ground.

These events occasioned the first major crisis between the civilian and (parts of) the military leadership. The affair demonstrated that as long as the army was divided, the officers would utilise every civilian crisis to the benefit of their particular faction, even though they were in the long term not in favour of any political role for the army.

The role of the military grew with every opportunity provided by weakness and crisis in the civil leadership. In the early 50s Jakarta was confronted with local resistance and peripheral nationalism. The worst crisis occurred in 1956-57. A regional movement, dominated by local army commanders who were dissatisfied with Java's political dominance and economic exploitation and suspicious of communist influences, organised a series of 'coups,' which were supported by the Muslim population.

President Sukarno, under pressure from the military, responded by declaring martial law, so bringing to an end the liberal democracy. The central military command, under Nasution, remained loyal to the president. In the view of the armed forces, liberal democracy failed because of the incompetence and egotism of politicians. This, however, does not take their own role into account: in fact the opposition of dissident officers in peripheral districts cleared the way for direct interference by the military in the government under martial law.

Guided democracy: covert militarisation

Guided democracy was based on the '1945 constitution' which replaced the parliamentary constitution in 1959 and gave the president wide ranging powers. Though the military leadership initially supported the president in the new system, they gradually became rivals. In reaction the president increasingly sought refuge in the only party with a firm power basis, the communist party (PKI). In this triangle of army, president and PKI, the president saw himself as dalang (wayang puppet player) but it was increasingly clear that it was the army that held the strings.

There are many examples of countries in which martial law, declared for specific reasons and a fixed period, has led to the army increasing its political influence, which it is then reluctant to relinquish when the period of crisis has passed. The Phillipines under Marcos is a good example: after Marcos had declared martial law in 1972, there followed a stealthy process of militarisation.

In Indonesia, martial law marked the beginning of the period of political power for the military. Officially, martial law was, in 1957, a response to regional uprisings. It remained in force until 1963; during this period Indonesia confronted the Netherlands over West Irian and campaigned against the Darul Islam.

In 1964 an adapted form of martial law came into force during the conflict with Malaysia. Martial law gave the central military leadership and regional commands wide powers - both in decision making and in operations against their political opponents.

Sukarno appointed military officials to key positions. The communist party, as a result of its confrontation politics over Malaysia and West Irian, played into the army's hands, which with military support from the Soviet Union developed into one of the best equipped in the Third World.

The army also extended its power to the economy. During the revolution the military had organised its own funding as there was no central budget. Smuggling, often in co-operation with Chinese merchants, was a popular method. In the mid 1950s there was an increase in these activities; according to the servicemen involved, this was

because the central government did not provide them with sufficient means. The involvement of the military in economic activities boomed under martial law when local commanders used their influence to secure licences, contracts, credits and protection for firms which had ties with the military. It reached its height in 1957, when a policy of nationalising plantations, oil, mining and trading companies was introduced.

These companies were the heart of the Indonesian economy but were still in Dutch hands. Most were placed under military authority and army officials were appointed as managers and directors. This not only provided the military with an unbridled source of income at the expense of the national economy, but also led to rampant corruption and personal enrichment of top military officials.

Chief of staff Nasution undertook action against several cases of abuse, but he was replaced in 1962 by General Yani who had a more 'flexible' attitude towards corruption and had himself acquired extreme wealth. The military leaders went further in undermining Sukarno's politics. The crisis increased with rapid economic decline and growing social contradictions between rural Javanese landowners and radical farmers' trade unions. There were even direct confrontations between radical trade unions of plantation labourers and generals who ran nationalised plantations.

The Coup D'Etat

On the night of 30 September 1965, six members of the general staff, among them Yani, were assassinated by a group of officers under the command of Colonel Untung. They called themselves the 30 September movement and claimed that they had prevented a coup against Sukarno. Then General Suharto seized power, put down the 30 September movement and accused the communist party of being the brain behind the coup.

While Suharto was keen to interpret the circumstances of the 'coup' to the detriment of the PKI, the ill-prepared assassinations and the ties between Untung and Suharto suggest, however, a greater involvement of the latter than he would admit. [5](#)) Large-scale persecution of communists, trade unionists, leaders of farmers, women's organisations etc. by the military, mobilised islamists and other anti-communist groups, followed Suharto's assumption of power.

More than half a million people were killed and a like number imprisoned between October 1965 and October 1966. Most remained incarcerated until the late 1970s without ever appearing in court. Even after their release they remained second-class citizens. During the same period, no more than a thousand people were tried. They appeared in military courts where there was little chance of receiving a fair trial. Several were given the death penalty and even as late as 1990 Suharto was ordering the execution of people who had been in prison for more than 25 years.

The New Order; the army in power

Though an army can stage a coup without the support of civilian groups, it can only consolidate and remain in power over a length of time by allying itself with civilian elites. [6](#)) When Suharto seized power in 1965, he was backed mainly by the army. The armed forces (ABRI: Angkatan Bersenjata Republik Indonesia) controlled the state under the New Order. Military officials held (without exception) the key portfolios in the cabinet, such as Internal Affairs and Defence and Security. In other departments, if the minister was not army, the top officials would be. Parliament was reduced to an advisory board and 20% of the seats were reserved for the military. The state controlled the parliamentary elections by means of a veto over candidates

and by determining the structure of the parties. A state party, the Golongan Karya (GOLKAR), represented government policy.

Gradually the military extended its stranglehold over the central state bureaucracy. Civilian karyawan (a term used to denote all civil servants) were replaced by military karyawan. This process was called penghijauan (making green).

By now all the higher levels of state bureaucracy were dominated by military officials. Civilians had only specialised functions with military advisers as their superiors. Research has shown that this process accelerated during the 1980s. [7\)](#) The military imposed control over the government with the help of a far-reaching security system. The armed forces (ABRI) are organised on a 'territorial basis' in units over the entire country roughly parallel to government structures (KODEM, KORAM, etc.). This system enables the army to exert its influence over civil government and is facilitated by the fact that former local commanders are often appointed as heads of local civil government. In addition they act as local agents for the central security system KOPKAMTIB, now called BAKORSTANAS. KOPKAMTIB was assisted by the intelligence service BAKIN, also largely military.

In short, the government was dominated by the military but that is not to say the state was entirely a military apparatus. The military also recruited civilians into positions of management. An important group consisted of so called technocrats. Many were economists educated in the U.S. (hence 'Berkeley Mafia') and who planned the economic policy. People with political support in social structures were systematically removed from government as the politicising of social groups was to be prevented by all means.

In its place the New Order established subsidised corporations in various social sectors such as labour (trade unions), youth, law etc. These 'corporations' or 'functional' organisations are the only such groups permitted, and in practice they control the whole sector, serving as instruments of patronage and mobilisation. The Social Organizations Act (ORMAS) of 1985 was passed to establish this corporatism officially in law.

Apart from repression and corporatism, ideology is a third important instrument of social control. The state ideology, which is called Pancasila, is the compulsory way of thinking for every Indonesian citizen.

The 'dwifungsi' as military ideology

There are few countries with as detailed and widely accepted a doctrine on the position of the army as Indonesia. The basic concept for the role of the military was laid down by Chief of staff Nasution in 1957, when he formulated the theory of a 'middle road' which set out to legitimize the role of the army in society. He had revised his original theory and come to the conclusion that the apolitical Western model did not suit the Indonesian situation. In Nasution's view the Indonesian army should not follow the Western model of an army as a mere instrument in the hands of the government. On the other hand, nor should it seize power, since that would trigger off a series of coups and counter coups as has been demonstrated in Latin America. Instead the army should opt for a middle road. 'The soldier and partisan must have both feet in politics'. [8\)](#)

Nasution's theory contained the nucleus of the dwifungsi doctrine, as it was to become officially known. The army would have a double function, both in military and in social, political and economic matters.

Economic interests

From 1957 onwards, the economic interests of the military formed an important component of its increasing power base. Safeguarding these interests was certainly one of the reasons for the military coup. Through their economic activities army units secured finance for salaries, weapons, housing, etc; which the central government had denied them. This, *inter alia*, was the basis for the regional revolts which had resulted in martial law and which had in turn strengthened the position of the military in the centre of power.

The integration of military and the economy intensified under the New Order. [9](#) It is as a result of this integration that researcher Nicole Ball cites Indonesia as a classic example of a country in which official statistics on arms acquisition and economic taxing by the military are much lower than the actual figures. [10](#) Military experts and peace researchers have assumed until now that the actual budget would be two or three times the official figures. Admiral Sudomo, however, who is head of the dreaded security commando BAKORSTANAS, remarked some time ago that the actual budget could be seven times higher than the official one. [11](#)

Individual officers, who supervise certain posts or who have access to certain sectors in the state system dominated by the military, have their own interests. In the examples mentioned above the interests of individual military personnel and of the military as a whole often run in parallel.

Patronage and centrifugal power

Political power decides economic power in the New Order. Control of posts in the government is the most important means of accumulating wealth and no company can be successful without political patronage.

The group around Suharto, the military elite and their local (Chinese) and international business partners were, as a result of their access to the state sector, the first to profit from the opening up of the economy to foreign capital which followed the coup. Subsequently, under protection of the existing authoritarian and bureaucratic state structures, a local class of capitalists was established. This wealthy class is in many ways interlinked with the military.

Army units run private companies while state companies are managed by military officials. Civil firms are interwoven by a network of joint ventures with these military companies and depend on the military state bureaucracy for protection, concessions and contracts. The top military bureaucrats belong to the most wealthy classes. And so on.

The military has a double role as the dominant faction within the state bureaucracy and as part of national capital. As the most powerful group within state bureaucracy, the military, for example, depends on the inflow of foreign capital, yet as a dominant group within the national class of capitalists their interests clash with those of foreign capital. [12](#)

These conflicting interests result in contradictions in economic policy, not least in the policy of industrialisation. In the long run the system of political clientele is an obstacle to further development as corruption and arbitrariness in the application of regulations create an unstable investment climate.

By definition there are tensions between the Suharto group, the military/bureaucratic elite, their clientele, and other economic elites including foreign investors and independent national capitalists. These conflicts centre on the measure and direction of state intervention and interference by the state bureaucracy and have occurred time and time again (in 1974, 1978, 1982, 1987, 1992-93, 1994) with changing

alliances. The patronage ties between Suharto and other powerful groups are centrifugal forces which repeatedly clash with the status quo. It is noteworthy that any protests from new interest groups are directed at the clientele group (Chinese financiers, bureaucrats, etc) while Suharto survives every new crisis and remains in the centre of power.

Since 1983 (when the decrease in oil prices resulted in a drastic reduction in revenue for the Indonesian state) the military and bureaucratic elite has come under pressure from the World Bank and lost some of its grip on state investments and state intervention. The position of the Suharto clique remains, however, unchanged.

Back to the barracks?

The 'dwifungsi' doctrine which legitimizes the omnipresence of the army, acquired an official status in 1982 when new defence legislation was implemented. Since mid-1989, however, there has been discussion in some political ranks on keterbukaan, literally 'openness', or the Indonesian word for 'glasnost'. Among other issues, the political role of the armed forces and the interpretation of dwifungsi have been debated. [13\)](#)

In the early 1990s groups both inside and outside the ABRI argued in favour of a less prominent role for the armed forces: tut wuri handayani, an old Javan idiom which translated means 'governing from the background'. Suharto has signalled support for this view, for instance through the army commander Faisal Tanjung, a Suharto loyalist. In several remarkable statements since the end of 1993 Suharto has also said that 'pancasila should be carried out flexibly,' and that 'the emphasis on security in current policy making should be shifted to welfare.' In these statements he depicts the ABRI as 'conservative,' presents himself as a reformer, and denies the supremacy of the army.

Differing positions have now emerged within the army itself. Even Abdul Haris Nasution, the father of the 'dwifungsi,' has assumed a more moderate stance. He feels that the army has become too much involved in politics. Only a minority follows Nasution's line, though. The generals of the military elite and the majority of the officers take an op

The History of Dutch-Indonesian Relations

Indonesia gained independence from the Netherlands in 1949, and many ties between the two countries remain today. There have, however, been many ups and downs in their relationship in the past fifty years. The Royal Dutch Indian Army (KNIL), reinforced by Dutch soldiers, initially fought against the newly-proclaimed Indonesian Republic, but left after intercession by the UN and the USA.

Apart from the Dutch/British petrol company Shell, all Dutch firms were nationalized by the Soekarno administration after 1956. The Netherlands suffered a further retrenchment during the Cold War, when it was forced to surrender Dutch New Guinea to Indonesia. The area was renamed Irian Jaya.

After 1963 military relations began to improve slowly, leading to an increasing level of co-operation. The massacre and mass detention which followed the First October revolt in 1965, and the coup by Suharto on March 11th 1966, provided a setback to this growing entente, and made overt military aid for a time impossible. But relations improved again, and since then, over the years an increasing number of Indonesian soldiers have been trained in the Netherlands to work with military surplus and Dutch-made arms.

The invasion of East Timor put arms sales on hold. Nevertheless, it proved another temporary setback, and Indonesia eventually received the arms for which both it, and Dutch military staff and officials, had been lobbying.

Outside the military, commercial links are also highly developed. Dutch firms, mainly multinationals, have made widespread investments in raw materials and trade. Development aid from the Netherlands has been targeted at stabilizing the Indonesian economy. The Netherlands played an important role in creating a profitable investment climate in Indonesia, and the Inter Governmental Group for Indonesia (IGGI), chaired by the Netherlands, arranged financial support by bank consortia as well as in the form of development aid.

Dutch development aid, like funds provided to Indonesia by the IMF, has often been invested in infrastructure projects such as bridges and railways, as well as dredging and agriculture. Meanwhile, large numbers of Indonesian students have been educated at technical universities in the Netherlands, contributing to the 'Habibienomics' of Indonesia today, with its emphasis on technology.

Arms trade legislation

While strategic arms exports are supposed to be subject to a number of conditions being met, in practice such restrictions are largely ignored by Dutch foreign policy and a selective arms export policy exists only on paper. The main criteria are that the country which is the final destination for the armaments should not be at war or be near a region with a (latent) conflict; and that there is no risk that the arms could be used against the people in that country. They can only be effective if correct information is available.

In this respect Dutch export legislation is a complete failure. The Ministry of Foreign Affairs, which is responsible for obtaining the information, requires it to come from the embassy in Jakarta and officials only. The former Minister of Foreign Affairs Van der Klaauw has referred to this one-sided information as 'accurate and objective'.

Export of three corvettes

Van der Klaauw was responsible for the export permit of three RSV Corvettes (1975-1980). He ignored reports from the United Nations and the Australian parliament about mass murder and starvation in East Timor after the Indonesian Armed Forces had invaded the island in December 1975.

The Dutch government follows a policy of accomplished facts: once a provisional export permit has been issued, a final agreement will almost automatically follow. This kind of policy was used in the case of the deliveries of three corvettes. The provisional decision was taken in November 1975 and was not cancelled, in spite of the invasion of East Timor. In the case of three RSV corvettes the normal procedure, to inform every minister concerned, did not take place. In 1973 Pronk, the Minister of Development Aid, was kept in the dark about the deal. Pronk's human rights policy conflicted with the arms trade lobbying of the Ministries of Defence and of Foreign Affairs and received no support in the government. Nevertheless, in 1992 he openly criticized the human rights situation in Indonesia once again.

It is unlikely that the Netherlands will obstruct any future arms transfer to Indonesia: the Dutch state has become a major supplier.

Co-operation and arms trade

From 1949 until 1956, after the war of independence (1946-1949), there was close military co-operation between the Netherlands and Indonesia. Nearly the entire infrastructure, equipment and facilities for arms repair of the Dutch colonial army were handed over to the Indonesian armed forces. Until 1956 spare parts were supplied and soldiers were trained. Between 1956 and 1968 there was hardly any co-operation. There was even an interval in 1963 when co-operation stopped officially. Shortly after the crisis in West Papua (Irian Jaya) in 1963, two large deals were arranged: 1500 buses and transport vehicles were sold by DAF and approximately 100 F-27 airplanes by Fokker. Although these were ordered for civilian use, a change of paint would be enough to use them for military purposes. In 1968 the Dutch embassy appointed a general as defence attache. After 1970 the number of visits of Dutch military delegations to Indonesia and vice versa increased enormously.

In the past decade arms trade to Indonesia has consisted mainly of deliveries of surplus equipment by the Dutch State: naval vessels formed the larger part of this. Visits to Indonesia by the Dutch Royal Navy were often used to promote Dutch arms and accessories (guns, radar, fire control, ammunition and so on). During an official visit by Defence Secretary Van Eekelen, in January 1981, a Memorandum of Understanding (MoU) was signed on the rehabilitation of Indonesian military victims. Agreements were made on defence research (airplanes and shipbuilding) and financial support was promised for military training in the Netherlands. Hundreds of trucks, stocked in the Netherlands, were shipped to Indonesia.

The delivery of six 'Van Speyk' frigates, Dutch naval surplus, between 1987 and 1991 was accompanied by a MoU for services, spare parts and naval training. The commander of the Eastern Indonesian fleet remarked upon the large transport capacity of these ships. Originally, the ships were designed for anti-submarine and air warfare, but according to this commander they will be used for other purposes. One might infer from his words that they will be used against the population.

Visits strengthen relations

Early in 1992, the Dutch Minister of Development Aid, Pronk, created a sensation by pointing at the human rights situation in Indonesia. The Indonesian government responded by putting an end to all aid programmes in March of that year. IGGI (the Inter Governmental Group for Indonesia) changed its name and continued without the Netherlands as a result of this decision. Meanwhile, the Dutch government tried to disassociate itself from Pronk's criticism. A series of visits by important Dutch officials tightened trade relations once again. Naval Commander Buis visited Indonesia in July 1993, followed by the Minister of Finance in October and the commander of the armed forces in November. A delegation including all the major Dutch political parties visited in January 1994, paving the way for a visit by Prime Minister Lubbers and his Minister of Foreign Affairs Kooijmans in March.

Kooijmans said in Jakarta: 'It is the right of every country to buy arms ' Though he is known for his human rights records in the UN, during this visit Kooijmans seemed to be more concerned with the balance of power in the region: ' it will create a very dangerous situation if Indonesia is arming at such a rate. Other neighbouring countries may see that as a threat to their own security.'

Indonesian delegations have also been visiting the Netherlands. Minister of Trade Arifin Siregar opened the Indonesian Trade and Distribution Centre (IDTC) in Rotterdam in May 1992. Habibie, Minister of Technology, visited the Dutch Fokker plant in Amsterdam in August 1993 and was brought up to date on transfers of space technology and production under licence in Indonesia. Fokker has close relations with the Indonesian aircraft industry and co-operates with IPTN in the production under licence of Fokker 50 and 100 airplanes. According to Major Satijn, a government official specialising in international material relations, it is desirable to create licenced production in Indonesia in the near future.

DUTCH ARMS EXPORTS TO INDONESIA AFTER 1975

TYPE	DELIVERED BY	PERIOD
8 F-27 Transport aircraft	Fokker	1976-1977
3 F-28M 400 M Troopship		
23 F-28 Fellowship Civil	Fokker	1976-..
M 8 firecontrol SINBADS on 2 209-submarines	HSA	1977-1981
3 Corvettes	Wilton Fijenoord/(RSV consortium) Hfl 466 million	1979-1980
3 x SEWACO, sensor weapon & Command systems	HSA	1979-1980

.. AMX-PRI reconnaissance vehicles	NL-State	1976-1978
Windtunnel project for Puspiptec research centra in Serpong	NLR & NL-State	1981
6 Bailey bridge sections	NL State	1981
100 jeeps	NL-State	1981
100 1 ton trailers 130 3 ton trucks 385 AMX-LTI 105 light tanks	NL-State	1979-1985
55 AMX-PRA armoured vehicles	NL-State	1981-1983
10 WASP Helicopters (ASW)	NL- state	1981
150 AMX-PRA 105mm Houwitsers	NL-State, revision by RDM & Wilton Fijenoord Hfl 160 milion	1983-1985
2 Minehunters Tripartipe type	v d Giesen de noord	1988
7 tugs + 4 tugs	built at Pt Galange Kodje Yard & Wilton Fijenoord Prattje, Baan Hoffmann Hfl 70 milion	1987-
2 Propulsion for two Indonesian government tugs	Stork-Wärtsilä	1991
1 Survey ship for maritiem research	Amels Makkum	1985
fire controll & radar on Lürssen patrol boats FPB-57	HSA
6 frigates Van Speyk type	NL-State	1987-1991
Overhaul	NL-State & HSA	1987-1996

EXPECTED DUTCH ARMS EXPORTS TO INDONESIA

TYPE	DELIVERED BY	PERI OD
up to 7 F-27 transport aircraft (sur-plus)	NL-State	1994 -..
23 fregates (corvettes)	Speculative licence production at PT Pal Shipyard Surabaya KMS de Schelde or Blohm & Voss (Ger.)	
Modernisation fregates van Speyk type	Rijkswerf, KMS	
Offer to train Indonesian commando's	NL-State	since 1985
2 Zwaardvis submarines	NL-State	1997 -..
2 Moray class submarines	RDM

Spain: Interests in the region

Arcadi Oliveres, *Campanya Contra el Comerc d'Armes (C3A)*

Since the beginning of the 1980s South East Asia has been an area of special interest for Spanish arms exporters. There have been arms transactions with several countries in the region including the Philippines, Singapore, Malaysia, and especially Indonesia and Thailand. Thailand, for instance, bought a helicopter carrier from the Spanish firm Bazan which will be used in practice as a small aircraft carrier equipped with Harrier fighter jets.

A number of South East Asian countries acted as intermediaries during the war between Iran and Iraq (1980-1987), and were staging posts for Spanish arms exports. The Philippines, Indonesia, Singapore and Thailand became the official destinations of explosives which were later turned over to Iran.

Thirdly, Spain is actively promoting its military equipment in the area. It participated, for example, in the 'Asian Aerospace' fair held in Singapore in 1992 and 1994. Spanish businessmen and officials regularly travel to Asian capitals, while official trade organisations provide active support and advice. The focus of these efforts is especially on Indonesia, which is seen as harbouring a potentially vast market, due to its political and demographical situation.

Privileged relationship

The importance of trade with Indonesia is evident if you consider that in the 1980s this country received 80 per cent of Spanish arms exports to Asia (the Middle East excluded). The lion's share of contracts with Indonesia were established by one company: Construcciones Aeronauticas, SA. (CASA). Since 1975 it has collaborated closely with the Indonesian company Industri Pesawat Terban Nusantara (IPTN), also known as NUSANTARA Aircraft Industries or NUTRANIO.

This co-operation consists mainly of contracts in which Spanish technology is granted to Indonesia for the production of C-212 Aviocar transport planes, and the CN-235 modernized version assembly, using parts supplied by CASA. The CN-235, of which Indonesia uses the transport version, is also called CN-235 MPA (Maritime Patrol Aircraft) and is being used by the Indonesian armed forces. The contract amounts to 117 units, 40 of which have already been supplied.

Spanish companies in other product sectors also sell to Indonesia. CESELSA, which is now owned by INDRA, for example, is developing a flight simulator for the CN-235. Small arms producers exported more than \$1 million worth of goods to the Asian country between 1988 and 1992. BAZAN has offered to supply corvettes and frigates. Finally, the recent offer of SESA to supply telephone communications to Indonesia may have military implications in future for the companies represented by SESA (the Spanish subsidiaries of ALCATEL and ATT).

Indonesia's position as a major target for Spanish exports is underlined by the fact that it has become, after Mexico and China, the third most privileged country for the Fondo de Ayuda al Desarrollo (Development Aid Fund, FAD), according to the last statement sent to parliament by the Ministry of Commerce and Tourism. In accordance with the trend of recent years, during 1992 Indonesia received \$90,4 million of development aid. 55 per cent of this was earmarked to finance telephone

lines, 18 per cent for maritime navigation signals, 11 per cent to improve telecommunication systems, and 16 per cent for education equipment. It is not clear whether any of this money could be used for military purposes.

Exports to Indonesia

It is not easy to obtain accurate data on Spanish arms exports, as they do not appear separately in the figures provided by the Ministries. Yet, there are accurate data on the aeronautic sector, which is the most important supplier, as noted before.

Military aeronautic export to Indonesia 1980-1992

Years	Military Aeronautic sales	Total Spanish exports to Indonesia % Aeronautic	Total Millions Ptas. in 1992 (*)
1980	2.103	9.629	21,8
1981	3.336	18.686	17,8
1982	7.207	32.953	21,9
1983	3.976	41.006	9,7
1984	4.239	20.672	20,5
1985	3.633	23.285	15,6
1986	1.424	8.167	17,4
1987	803	6.524	12,3
1988	1.272	9.203	13,8
1989	907	14.008	6,5
1990	1.090	12.649	8,6
1991	1.389	9.655	14,4
1992	1.490	16.800	8,9
Total	32.869	223.237	14,7

(*) The rate of exchange is 1 US\$ = 102,12 Ptas. in 1992 Sources: V. Fisas, Las armas de la democracia, Ed, Critica: Barcelona 1989 Instituto Español de Comercio Exterior (ICEX), Indonesia, Madrid 1989 Ministerio de Economía y Hacienda, Estadísticas del Comercio Exterior de España, years 1989, 1990, 1991 and 1992.

Reluctance to control the arms trade

Spanish legislation on arms sales is generally liberal. One exception to this is the Royal Decree 824 of 28th March 1993 which approves the 'Regulation of Defence Material and Dual Purpose Material in External Commerce', points out that exports will not be authorized if, for instance, "there are objective signs of the possibility of using defence or dual purpose material in actions which disturb global and regional peace and stability or security."

We think it evident that this phrase covers the Indonesian government's treatment of its civilian population (especially in East Timor, Irian Jaya (New Guinea) and Aceh in the northern zone of Sumatra) and that, consequently, Spanish sales of arms and dual purpose equipment to Indonesia should be stopped. However, this has not happened so far. Indeed, the recent creation of the 'Markets and Supports Promotion Office' by the Spanish Ministry of Defence seems to point in a very different direction. None of which is surprising if one takes into account that there is no parliamentary commission in Spain to monitor the arms trade. The 'Interministerial Committee of Regulation of Defence and Dual Purpose Material in External Commerce' has five members from the economic ministries, three from the Ministries of Interior Affairs and Defence and just one from the Ministry of Foreign Affairs. Naturally, these members will not take measures which are considered to be contrary to military and industrial interests. Under these circumstances, the current international campaign against exporting arms to South East Asia, together with any restrictive measures that can be achieved at a supranational level, have a vital role to play in restraining exports from Spain.

Swedish Arms exports to Indonesia

Swedish Peace and Arbitration Society (SPAS) July 1994

The Swedish companies FFV and Bofors already exported arms to the Dutch colonial forces on Java well before Indonesia became an independent state in 1949.

Deliveries continued to the newly-found republic. Between 1951 and 1957, FFV had permission to export machine guns and ammunition to Indonesia. During the 1950s Indonesia was a major buyer of Swedish arms and ammunition in the Third World; during the end of this decade and the early 1960s, Bofors exported both naval and field anti-aircraft guns. However, all arms exports to Indonesia stopped during the war between Indonesia and Malaysia (1963-1966), and apart from the sale of a small consignment of spare parts by Bofors in 1968, Indonesia remained closed for Swedish arms exports for many years.

In 1972 the arms industry complained repeatedly that their applications for export licences were always turned down. Two years later, however, the Swedish government gave Bofors the green light to start cultivating the Indonesian market, and in 1975 the Minister of Trade gave Bofors the go-ahead to sign a contract for naval anti-aircraft guns.

In December of the same year Indonesia invaded East Timor. The Social Democrat government advised Bofors not to sign deals with Indonesia. Bofors, however, anticipating a right wing government, ignored this warning and went ahead with the signing of a contract. The company also made use of the government's earlier permission to enter into the first of a long series of contracts with the Indonesian navy in February 1976.

Subsequently, the War Material Inspectorate advised Bofors against making new deals, an advice Bofors ignored. The government repeatedly gave in after much soul-searching, and granted approval for new arms exports to the occupying power, Indonesia. The Social Democrats, then in opposition, were highly critical of these sales. But the right wing government, which was in power from 1978 till September 1982, approved sales of sixteen 40mm guns, three 120mm guns and three 375mm anti-submarine mortars.

The Social Democrats, especially Mats Hellström (Minister of Foreign Trade) and Pierre Schori (Secretary of International Relations), were very critical of these sales. Yet, in November 1982, immediately after winning the elections, the Social Democrat government approved the sale of four new 40mm guns to Indonesia. The Prime Minister Olof Palme stated in 1982 that 'according to reliable sources, there is no fighting in East Timor at this moment'.

In January 1983 Mats Hellström was appointed Minister of Foreign Trade, and became responsible for the arms export. He stated categorically that he would not approve any new arms deals with Indonesia. At the same time, however, the Minister of Finance Kjell-Olof Feldt, wished Bofors 'Good Luck' in their negotiations in Jakarta to obtain new contracts for deliveries of guns. The first new contract was signed in 1983, the same year in which Indonesia launched a major offensive against East Timor.

For a long time Hellström refused to approve the deal, but in February 1986 the

Government overruled him and gave the go-ahead. Hellström did his best to cover up the deal, but it was revealed and he was strongly criticized. As a result, he resigned in October 1986 and was appointed as Minister of Agriculture. The new Minister of Foreign Trade, Anita Gradin, stated that there would be no more arms deals with Indonesia. In September 1991 the Social Democrats lost the elections, and a new right-wing coalition formed the government.

In November 1991 a massacre by the Indonesian armed forces in Dili, the capital of East Timor, was filmed by a television team and pictures were spread worldwide. In January the following year, the Social Democrats responded to the massacre by tabling a motion in Parliament demanding a stop to all exports of war material to Indonesia.

The Social Democrats could have stopped the deliveries of spare parts. In all controversial arms deals the government informs the 'advisory parliamentary committee', and each of the five parties represented has a right of veto. But in practice, nothing changed. The deliveries of spare parts continued, as the new conservative Minister of Foreign Trade, Ulf Dinkelspiel, confirmed in Parliament on December 8th 1992.

Between 1990 and 1992 Bofors exported naval guns to a value of six million Swedish crowns to Indonesia. There were no other exports. Then Bofors signed contracts for the supply of training ammunition. The government gave permission for export. They could still say that these were merely follow-up deliveries.

On October 6th 1993, however, SPAS (the Swedish Peace and Arbitration Society) revealed that Kockums was marketing submarines to Indonesia. The War Material Inspectorate stated that 'Indonesia fulfills the conditions in the guidelines for export of war equipment.' But the Minister for Foreign Trade Ulf Dinkelspiel (a Conservative) stated in reply to a question in Parliament: 'The government follows the guidelines. Therefore, only spare parts are exported at present.' In other words, the policy of the preceding years stood fast.

SPAS was critical of Sture Ericson, the Defence and Security spokesman for the Social Democratic Party, who, as a member of the advisory parliamentary committee, had acted against the Party's official policy. This fact and other controversial arms deals with the Middle East which SPAS revealed, contributed to the end of his political career: the local members of the party did not nominate Sture Ericson for parliament again.

Another result was that Pierre Schori, the Social Democratic spokesman for Foreign Affairs, publicly stated that the party will block new arms deals with Indonesia. But at the same time, the companies concerned have obtained permission from the government to sign new contracts.

If the Social Democrats win the September 1994 election and form a government, Mats Hellström will probably be Minister of Trade and Pierre Schori Minister of Foreign Affairs. Despite promises and past experience, it is unclear how the Social Democrats will act. Much depends on the support we can mobilize to put pressure on the government.

Export of arms and ammunition to Indonesia 1950-1992 in million Swedish crowns

1950	0,7	1960	6,8			1980	26,4	1990	0,0
1951	4,6	1961	6,2			1981	44,8	1991	1,8
1952	16,6	1962	26,5			1982	92,5	1992	4,0
1953	18,1	1963	0,4			1983	24,7		
1954	14,9	1964	0,4			1984	69,1		
1955	3,2					1985	26,8		
1956	3,4			1976	0,5	1986	104,4		
1957	5,7			1977	0,5	1987	51,3		
1958	0,7			1978	38,2	1988	17,7		
1959	0,2			1979	72,1	1989	49,8		
Total 68,1 million crowns		Total 40,3 million crowns		Total 111,3 million crowns		Total 507,5 million crowns		Total 5,8 million crowns	

Switzerland

Thomas Gass, Arbeitsgemeinschaft für Rüstungskontrolle und ein Waffenausfuhrverbot (ARW), Bern, Switzerland

Arms have frequently been sold to Indonesia via subsidiary companies and the granting of manufacturing licences. In this way, Indonesia has acquired Swiss assault rifles, rockets and air defence guns, which are now being used by the Indonesian armed forces, without the Swiss government having to take political responsibility for these supplies. In addition, in June 1993 the government gave the company Oerlikon-Contraves permission to export arms to Indonesia directly from Switzerland.

According to official data, Switzerland has exported arms to Indonesia to the value of 1,8 million Swiss francs between 1982 and 1993. This figure consists mainly of small quantities of accessories and ammunition for the air defence guns produced by Oerlikon Bührle. Indonesia acquired these guns (20mm and 35mm) through the French firm CMN and foreign subsidiary companies of Oerlikon Bührle. The guns are intended for use in German patrol vessels and mine-sweepers which are being built at the Indonesian shipyard PT Pal under a license issued by Lürssen. Sura rockets designed by Oerlikon-Contraves are made under licence in Indonesia for the German BO-105 helicopters. The first test rounds were fired in 1978 and since that time the helicopters have been equipped with these rockets, which originally came from Switzerland.

The constitution

The Swiss parliament amended the country's constitution on June 23rd 1993, making it possible to lift the existing arms embargo against Indonesia. Oerlikon-Contraves, from Zürich, asked for permission to deliver parts and ammunition for air defence guns, worth 10 million Swiss francs. Though the government admitted that the human rights situation in Indonesia is precarious, it sought to justify the deal on the grounds that air defence guns are defensive and unsuitable for internal use and would therefore not affect the human rights situation. The Swiss government decided that further supplies should be decided on a case by case basis.

Deliveries of air defence guns by subsidiary companies, which did not need the permission the constitution requires, have led through the years to a large number of orders for spare parts and ammunition. Demand for such items grew to such a level that the Swiss government felt obliged to abandon export control, even though its permission ran counter to the Swiss Arms Export regulations. These regulations forbid arms exports to regions with tension and to countries in which human rights are systematically violated. Yet the constitution does not make any distinction between offensive and defensive arms.

Originally, the government wanted to keep its decision secret, and it only became public after the anti-arms trade group ARW, which had been tipped off by an

informant, told the media. The controversial transaction involving Oerlikon Bührle has yet to take place.

Assault rifles, Trainer aircraft

The Schweizerischer Industriegesellschaft (SIG) sold assault rifles (type SG-540/541) to Indonesia through its subsidiary company Manurhun in France. Pilatus' aircraft industry is represented in Indonesia by the firm Transavia Utama. The Indonesian air force does not possess Pilatus trainer aircraft, but it does have "Islander" from Pilatus' English subsidiary company, Britten-Norman and more than 40 trainer aircraft which include AS-202/18A3 "Bravo" from another Swiss firm FFA Altenrhein. The Swiss government does not regard trainer equipment as arms. A total arms export ban In 1995 a new law on the regulation of arms exports will come into force. If parliament does not compromise too much, the granting of production licences will be regulated by the Swiss constitution. The federal states will have responsibility for preventing evasions through the use of subsidiary companies, such as those of SIG and Oerlikon-Bührle. In 1996 there will be a referendum on a total arms exports ban, including deliveries via overseas subsidiaries, mediation, production under licence, finance companies and the export of trainer aircraft. This is the result of an initiative by ARW, the Social Democrats and the Christian Friedensdienst.

Sources: Military Powers, October 1991; Friedens Politik Zeitung der ARW (ARW's Newsletter); Schweizerischer Aussenhandel Statistik.