

By Andreas Harsono

Clad in a sarong and cotton shirt, Chief Sergeant Ukas seems like an ordinary shopkeeper. He runs a family store next to his house on the outskirts of Merauke, a town in Indonesia's troubled Papua province. "I'm a retiree now," he says with a smile. In fact, Ukas retired from not one profession but two: the Army and the prostitution racket.

In 1996, when Ukas was the treasurer of the Merauke Military Command, he established the Nikita bar in downtown Merauke. Most town residents knew the Nikita made its money from the sex trade. "We usually bring in girls from Java or Makassar," Ukas said. "We contract them for three or four months. We also regularly check their health," he added.

Ukas is one of thousands of Indonesian military officers who profit from shadowy side jobs. Although they know it is illegal, the practice is so pervasive it's almost taken for granted. Even former President Suharto, the Army general who ruled Indonesia with an iron fist, was once demoted for smuggling. "Our salaries are not enough; we have to find extra income," Ukas argued.

Soldiers find ample opportunity in Indonesia, composed of thousands of islands stretching some 3,200 miles from east to west. Its 210 million people speak more than 500 different languages. Nearly 90 percent of its population is Muslim, concentrated on the islands of Java and Sumatra, though eastern provinces like Papua have a Christian majority.

Ethnic violence and separatist movements riddle Indonesia's modern history. Now many question whether Indonesia can survive as a nation-state given that its people's only common history is their Dutch colonial past. Suharto managed to keep the country together by brutal means after he rose to power in 1965, but after he left power in May 1998, the institutions he built began to crumble.

A common thread running through the chaos of Indonesian history is corruption within the Indonesian military (TNI—*Tentara Nasional Indonesia*). The New York-based group Human Rights Watch published a 126-page report in June 2006 titled "Too High a Price: The Human Rights Cost of the Indonesian Military's Economic Activities." The report described how the TNI raises money outside the government budget through a sprawling network of legal and illegal businesses.

An example is the large cache of military equipment found in the Jakarta houses of a dead Army general in June 2006 that included 145 weapons, 28,985 bullets, eight grenades, and 28 pairs of binoculars. Though the materiel was clearly moving through the black market, the TNI claimed the general collected weapons as a “hobby.”

The principal driver of military corruption is the fact that the military’s budget is only partially covered by the government. Cornell University’s Indonesia Journal estimated the government’s contribution to be as low as 30 percent of the total. The TNI must raise the rest of the funds from three principal sources: *yayasan*, a complex system of non-governmental foundations; provision of services such as security and transportation for civilian clients including U.S. mining giant Freeport McMoran; and illegal businesses, such as protection rackets for prostitution and gambling businesses.

The lowest level of Army personnel, such as Sergeant Ukas, conduct the latter type of businesses, while private security services are largely managed by the *Kodam* (provincial-level Army command) and *Korem* (a subcommand). Only the *yayasan* are under direct control of the Army Central Command in Jakarta. The Asian economic crisis damaged the *yayasan*, exposing their endemic corruption and poor management. Army headquarters, however, found them difficult to investigate as dozens of generals were involved. In 2001, Army headquarters finally understood that the *yayasan* bankruptcies posed a fundamental threat to the military institution and employed Ernst & Young to audit its biggest foundation, Yayasan Kartika Eka Paksi. The result was shocking: Only two of the 38 *yayasan* generated profits.

The Indonesian Parliament passed a law in 2004 requiring the TNI hand over all of its businesses to the government. The law mandates four ministries, including the defense and finance ministries, to audit some 1,500 military enterprises before turning them over by 2009. The TNI played hide-and-seek, however: A government team assigned to audit the firms estimated their total worth at only 1 trillion Rupiah (US\$100 million), far less than the value widely believed.

Their revelations took most legislators by surprise. “During the regime of former president Suharto, a number of generals held concessions for mining, forestry and other lucrative sectors inherited by TNI businesses, so the assets cannot be worth only 1 trillion rupiah,” said lawmaker Permadi Satrio Wiwoho of the Indonesian Democratic Party of Struggle.

House member Soeripto of the Prosperous Justice Party expressed similar shock. “As someone who knows a little bit about forestry, I learned that one way or another, military members managed to get shares in all 550 logging concessions. How can there be only two concession-holders with connections to the military?” he said.

Ukas and his generals in Jakarta only echoed what founding president Sukarno repeatedly said about the Indonesian military: “It’s a state within a state.” Defense Minister Juwono Sudarsono is not surprised to hear stories like that of Ukas. “Bad cops and soldiers who are involved in protection rackets happen in Jakarta. You could also easily find them in Chicago or New York,” he said.

But this kind of corruption does not only hurt the state. One of Ukas’ girls was 25-year-old Anita Ayu Sulandari, who worked at the Nikita for three years until she decided to “freelance” in the hinterlands of Kaname Island. “I was considered old,” she said. “In Kaname, I did business, looking for the *gaharu* in the villages.” The *gaharu* tree produces a hard, black resin that the Asmat peoples burn to connect with their ancestors and cast spells. Outsiders value *gaharu* as the source of expensive incense for the Asian and Middle Eastern market. Ayu traded *gaharu* for sex, selling the *gaharu* to middlemen in Kaname. “If (the *gaharu*) is of low quality, one kilogram buys a short time,” she said. “If the quality is excellent, it could be one full night.”

In October 2002, Ayu fell seriously ill and returned to Merauke. Doctors told her that she had contracted HIV. Devastated, she decided to stay in a Catholic-run HIV treatment house. Last year, Ayu decided to leave the HIV medical treatment facility and worked again on the street. “I can’t stand to live there. The (pocket) money was not enough. It’s also hard to see my roommates died one by one,” she said. I asked her if her consumers used condoms. “They said it is not natural,” she answered.

An estimated 90,000 to 130,000 Indonesians are HIV positive, 30 percent of them in Papua, though the island contains only one percent of Indonesia’s population. Papuan nationalists liken the spread of the disease to Indonesia’s harsh military occupation. Corruption’s role in both closes a deadly circle.