

Good Governance in National Defense Management: Challenges and Policy Directions in Indonesia

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Abstract: The application of good governance principles in national defense management has become a crucial issue in democratic state governance. The defense sector has unique traits due to its direct link to national security and strategic confidentiality, yet it is increasingly expected to adhere to principles of transparency, accountability, effectiveness, rule of law, and civilian oversight. This article aims to analyze how well good governance principles are implemented in Indonesia's defense management, identify main challenges that remain, and propose policy directions to improve defense governance in the future. This study used a qualitative approach, based on a review of laws and regulations, official policy documents, audit reports, and academic literature on defense governance. The findings show that although Indonesia has established a relatively clear legal and institutional framework, there are still challenges in transparency of the defense budget, governance of major weapon system procurement, civilian oversight effectiveness, and strengthening organizational integrity within defense institutions. Improving accountability systems, leveraging information technology in defense management, and boosting the capacity of oversight agencies are key strategic steps toward on a professional, efficient, and publicly trusted defense system governance.

Keywords: Civilian Oversight, Defense Management, Defense Governance, Good Governance, Public Accountability, Indonesian Defense Policy

INTRODUCTION

Over the last twenty years, the principles of good governance have become standard norms in managing the public sector across different countries (Larsen & Følstad, 2024). Transparency, accountability, effectiveness, the rule of law, and public participation are seen as essential for the legitimacy of modern state institutions and as foundations of public trust in government (Irvita & Asriani, 2025). This change has been driven by rising public demands for responsible budget management, fighting corruption, and providing quality public services. Along with these changes, the idea of good governance is no longer limited to civil administration but has also spread into previously closed areas, including the defense sector. In many countries, the level of military spending and the complexity of arms deals create governance challenges, like wasteful spending, information gaps, and weak accountability, unless there are proper oversight mechanisms in place (Barnum et al., 2025).

The defense sector presents governance challenges due to high levels of military expenditure, complex procurement arrangements, and long-term financing schemes. Comparative studies show that without robust oversight mechanisms, defense institutions are vulnerable to inefficiencies, information asymmetries, and risks of abuse (e.g., Milanova, 2020; Sysoeiev et al., 2024). However, research on security governance also demonstrates that democratic

oversight mechanisms such as civilian control, parliamentary supervision, and independent auditing can coexist with necessary operational secrecy when institutional balances are properly designed (Eryanto, 2021). Thus, the core challenge in defense governance lies not in choosing between transparency and secrecy, but in institutionalizing mechanisms of proportional accountability.

In the Indonesian context, the post-1998 political reforms brought fundamental changes to civil–military relations and the structure of defense governance (Nainggolan & Katharina, 2020). The reorganization of the military’s role, the strengthening of civilian authority through the Ministry of Defense, and the expansion of parliamentary oversight reflect efforts to institutionalize democratic control over the defense sector (Rawal, 2022). Additionally, a more integrated national financial system has placed defense spending within the framework of national fiscal accountability, including mandatory audits by state auditing agencies (Lim & Nam, 2023). However, large-scale modernization of weapon systems, the use of long-term financing plans, and the complexity of military technology introduce new challenges in ensuring transparency, efficiency, and effectiveness in defense expenditures. Several international reports also indicate that, globally, the defense sector remains among the areas most vulnerable to weak governance practices (Transparency International, 2020; Andalus & Djuyandi, 2025).

From an academic perspective, the development of good governance studies in Indonesia has largely concentrated on decentralization, bureaucratic reform, and public service delivery within the civil sector (Arwanto & Anggraini, 2022). In contrast, defense-related research tends to emphasize military professionalism, civil–military relations, and strategic orientation rather than governance and public management dimensions (Yabuki, 2024). Similarly, policy-oriented studies predominantly address defense posture, maritime strategy, and weapons modernization, with comparatively limited attention to budget accountability, procurement integrity, or institutional oversight mechanisms (Andalus & Djuyandi, 2025; Transparency International, 2020). Consequently, the literature reveals a fragmentation between political–military analyses and public governance approaches. Despite being an integral component of public finance and state administration, the defense sector has not been sufficiently integrated into broader scholarship on governance. Addressing this gap is essential to situate defense management within the framework of democratic accountability and public sector governance (Bruneau & Matei, 2013).

First, a theoretical gap persists between good governance scholarship and defense sector studies in developing democracies. Good governance literature provides frameworks on transparency, accountability, and public financial management in public institutions. However, defense sector research rarely integrates governance frameworks within analytical approaches. Defense studies concentrate on civil–military relations, strategic doctrine, and military modernization programs. Consequently, defense institutions remain examined outside broader public sector governance perspectives. Second, a sectoral focus gap exists within Indonesian public administration research. Empirical studies concentrate on decentralization, bureaucratic reform, and local government accountability issues. Defense governance receives limited attention within

Indonesian public administration scholarship. Existing defense research examines military professionalism, strategic posture, and weapons procurement politics (Laksmiana, 2019). Budget accountability, procurement integrity, and institutional oversight in defense institutions receive limited examination.

Third, an empirical measurement gap remains in defense governance assessment. International literature identifies defense institutions as high-risk governance sectors because secrecy, large contracts, and technological complexity prevail. These gaps are particularly relevant given Indonesia's increasing defense expenditure and accelerated modernization programs. Without an integrated governance framework, expanding budgets may exacerbate fiscal inefficiencies, external dependency, and weak public oversight. Therefore, this study seeks to bridge the theoretical integration gap, address the sectoral focus gap, and contribute empirical analysis to the measurement gap by applying a good governance framework to Indonesia's defense management practices.

Beyond conceptual gaps, there is also an empirical gap in assessing defense governance in developing countries. International literature consistently identifies the defense sector as one of the most governance-sensitive areas of public administration due to operational secrecy, high-value procurement contracts, complex supply chains, and technological opacity (e.g., Godinho & Gonçalves, 2020; Langlois et al., 2023). More recent studies further highlight those weaknesses in procurement oversight, limited parliamentary scrutiny, and restricted public access to budget information increase corruption risks and fiscal inefficiencies in defense spending (Finer, 2017; Sipri, 2019). These characteristics make defense governance structurally more vulnerable than that of other public sectors, particularly in developing democracies undergoing rapid modernization.

Without a systematic governance approach, defense modernization can lead to fiscal inefficiencies, dependence on foreign industries, and weak public oversight. In Indonesia, where the development of defense capabilities and the national defense industry has been accelerated, there is a growing recognition of the need for analytical frameworks that link good governance principles with defense management practices. Recent work has highlighted governance strategies for maintaining national defense interests (Sambuaga et al., 2023), and analyses of armed forces reserve components through a good governance lens show the relevance of transparency, accountability, and participation in defense policy implementation (Prasetyo et al., 2023). Moreover, studies on corporate governance in the defense industry and the implementation of internal control systems suggest that governance mechanisms are increasingly being considered as foundational for strengthening defense management effectiveness and accountability in Indonesia (Ahmad et al., 2023)

This topic is also important from a policy perspective, as Indonesia's defense spending has increased alongside ongoing weapon systems modernization and the expanding strategic role of defense in maintaining regional stability in the Indo-Pacific region (Laksmiana, 2020), thereby raising important questions about governance, accountability, and policy effectiveness. Increasing the budget without improving governance risks widening the gap between strategic goals and policy outcomes (Fiott, 2022). Additionally, weak defense governance can lead to declining public trust, diminished legitimacy of defense institutions, and increased

risks of resource mismanagement (Inkiriwang, 2021). Conversely, strong governance can improve spending efficiency, bolster military professionalism, and support defense diplomacy by boosting international credibility (Novita, 2022).

Addressing the identified gaps, this study develops a conceptual contribution through integration of good governance and public management literature within analysis of Indonesia's defense sector. The study also presents a policy contribution through identification of discrepancies between normative governance frameworks and existing institutional practices. This perspective broadens academic discussion on defense governance within developing democratic contexts. The study further establishes an analytical foundation for formulation of defense management policies oriented toward accountability, efficiency, effectiveness, and long-term sustainability.

METHODS

This study employed a qualitative document-based research design using systematic document analysis to examine how good governance principles are institutionalized and operationalized in Indonesia's national defense management (Bowen, 2009). This approach is appropriate because defense governance is primarily embedded in legal frameworks, institutional arrangements, public finance regulations, strategic policy documents, and oversight mechanisms, all of which require structured interpretation of formal texts and evaluative reports. Document analysis enables the researcher to examine institutional design, policy alignment, and accountability mechanisms within the defense sector in a systematic and theoretically informed manner.

The empirical materials analyzed in this study consist of 83 documents selected through purposive sampling based on relevance and analytical contribution. These documents include 18 legal and regulatory instruments governing defense and state finance management; 15 official policy and strategic documents such as defense white papers and ministerial strategic plans; 10 audit and oversight reports issued by state institutions; and 40 academic and analytical publications. The academic sources comprise peer-reviewed journal articles, scholarly books, policy papers, and working papers addressing good governance theory, public financial management, security sector reform, civil-military relations, defense procurement governance, and defense economics. The integration of regulatory documents, evaluative reports, and scholarly literature allows triangulation between normative institutional design, implementation evidence, and theoretical interpretation.

Documents were selected based on clear inclusion criteria. First, each document had to demonstrate substantive relevance to at least one governance dimension examined in this study: transparency, accountability, effectiveness, the rule of law, civilian oversight, or organizational integrity. Second, the document needed to be institutionally relevant to Indonesia's national defense management system. Third, publication credibility was ensured by prioritizing official government issuances, recognized oversight institutions, peer-reviewed academic journals, reputable academic publishers, or international organizations. Fourth, the

document had to provide analytical value rather than purely descriptive or opinion-based commentary. Materials that focused solely on operational military strategy without governance implications were excluded from the analysis.

The analytical procedure followed several systematic stages (see Figure 1). First, all selected documents were classified according to type and thematic relevance. Second, qualitative content analysis was conducted to identify how governance principles are articulated, institutionalized, and implemented within defense planning, budgeting, procurement, oversight mechanisms, and organizational structures. Coding categories were derived from the conceptual framework developed in the theoretical section, covering transparency, accountability, effectiveness, rule of law, civilian oversight, and organizational integrity. Third, the findings were organized thematically to compare normative institutional design with observable implementation patterns. A normative-institutional analytical lens was employed to assess the degree of alignment between formal regulatory frameworks and actual governance practices, thereby identifying structural gaps and implementation challenges.

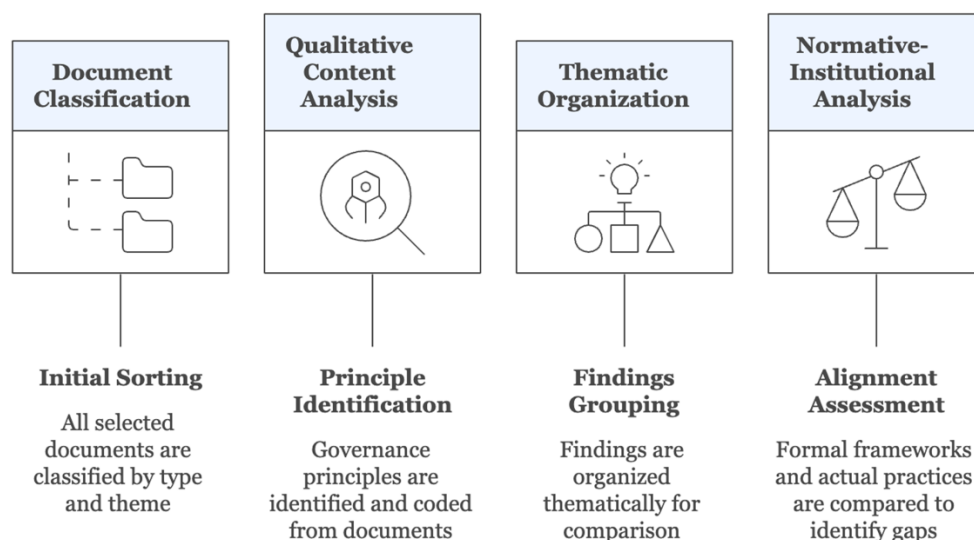


Figure 1. The analytical procedures
Source: Authors own

The study focuses on the post-1998 reform period for three principal reasons. First, the political reform era marked a fundamental transformation in Indonesia's civil-military relations, shifting from a military-dominated political structure to a framework based on democratic civilian control. Therefore, the post-reform period represents the institutional foundation for analyzing defense governance within a democratic accountability system. Second, during this period, defense management was formally integrated into the national public financial management framework, including performance-based budgeting, parliamentary budget approval, and mandatory audit mechanisms. Third, significant increases in defense expenditure and large-scale modernization of major weapon systems have occurred in the reform era, making governance issues, particularly transparency, procurement accountability, and oversight capacity, highly relevant. Focusing on

this period allows the study to examine defense governance under conditions of democratization, fiscal expansion, and institutional restructuring.

To enhance analytical validity, the study applies source triangulation by comparing findings across legal regulations, audit reports, policy documents, and academic literature. Conceptual triangulation is also employed by integrating public governance theory and security-sector reform frameworks to interpret the findings. Given the sensitive nature of defense governance and limited access to primary operational data, documentary analysis provides a rigorous, transparent, and replicable methodological foundation for evaluating the institutional quality of defense management in Indonesia.

RESULTS AND DISCUSSION

This section presents the findings derived from the systematic examination of 83 documents, including 18 legal and regulatory instruments, 15 official policy and strategic documents, 10 audit and oversight reports, and 40 academic publications. The specific legal documents analyzed include national defense legislation, state finance laws, public procurement regulations, and audit framework statutes that govern defense budget management and institutional accountability. The policy documents examined include defense white papers, ministerial strategic plans, and national development plans that define modernization priorities and institutional reform agendas. Oversight materials include summary audit reports issued by the Supreme Audit Institution (BPK RI), parliamentary budgetary deliberation records, and integrity assessment reports related to defense governance. These documents are systematically mapped against the governance dimensions presented in Table 1.

Table 1. Conceptual Framework of Defense Management Governance

Good Governance Dimension	Application in Defense Management	Main Challenges
Transparency	Limited disclosure of budget information and non-operational policies	Dominance of confidentiality and security considerations
Accountability	Budget audits, performance reporting, and parliamentary oversight	Complexity of defense contracts and multi-year financing schemes
Effectiveness	Threat-based planning and strategic capability development	Misalignment between planning and implementation
Rule of Law	Compliance with national procurement and public finance regulations	Legal grey areas in international defense contracts
Civilian Oversight	Oversight by parliament, supreme audit institutions, inspectorates, and ministerial control	Limited technical capacity of oversight bodies
Organizational Integrity	Military professionalism and defense bureaucratic reform	Hierarchical culture and resistance to organizational change

The results were generated by interpreting these regulatory, policy, and evaluative documents through the analytical lens of public sector governance and security sector reform theory. Table 1 serves as the analytical matrix guiding the coding process, linking each governance dimension transparency, accountability, effectiveness, rule of law, civilian oversight, and organizational integrity to concrete institutional evidence identified in the examined documents. For instance, transparency was assessed by examining provisions on budget disclosure and reporting requirements within state finance legislation and audit summaries. Accountability was evaluated through audit findings, performance-based budgeting regulations, and parliamentary oversight mandates. The rule of law was assessed through procurement compliance regulations and legal oversight frameworks, while civilian oversight was examined through statutory roles of parliament, ministerial authority, and audit institutions. Organizational integrity was interpreted using reform policies, internal control guidelines, and documented institutional challenges identified in oversight reports.

Discussion

The discussion centers on several important aspects of defense governance, including institutional structures, budget management, the oversight of major weapons procurement, civilian oversight mechanisms, and organizational culture and the integrity of defense institutions. Each aspect is examined to assess how well normative design aligns with actual practice, while also highlighting structural and operational challenges that impact governance quality. Therefore, this section connects the theoretical foundations introduced earlier with the development of policy recommendations to be discussed in the following sections section.

Institutional Framework of Defense Governance in Indonesia

Institutionally, Indonesia's defense governance is organized within the framework of democratic civilian control, where political authorities have decision-making power over defense policy while the military functions as a professional executor. In line with the research objective to assess how good governance principles are institutionalized in defense management, the analysis of constitutional provisions, defense legislation, and ministerial regulations shows that the formal structure reflects the core principle of modern civil–military relations, which places the military under legitimate civilian authority within a democratic government (Huntington, 1957). According to Indonesia's constitutional and statutory framework, the President serves as the supreme commander of the armed forces, while the Ministry of Defense is responsible for policy formulation, strategic planning, and defense resource management. The Indonesian National Armed Forces (TNI) executes operational defense duties in accordance with policies set by civilian leaders. This formal division between political–strategic authority and military–operational execution demonstrates the normative institutionalization of civilian oversight, which is a central indicator of accountable defense governance (Bruneau, 2024).

The role of parliament in this governance structure is significant when evaluated against the study's accountability dimension (Crum, 2018). Documentary analysis of parliamentary mandates and budgetary procedures

indicates that the House of Representatives (DPR) exercises legislative, budgetary, and oversight functions, including approving defense budget allocations and reviewing strategic modernization programs. In democratic governance theory, effective legislative oversight serves as a mechanism of checks and balances to prevent the concentration of power and ensure that public funds are used in accordance with policy objectives (Strøm, 2000). However, the findings also suggest that the effectiveness of parliamentary oversight depends heavily on access to classified information, the availability of technical expertise, and the capacity for analytical support, factors that directly affect the substantive realization of accountability rather than its formal existence.

Beyond the executive and legislative branches, the institutional framework includes external oversight bodies such as the national audit office and internal supervisory institutions. Examination of audit mandates and fiscal reporting requirements confirms that, normatively, defense expenditures are integrated within the national public financial management system (Lim & Nam, 2023). Independent audit institutions play a crucial role in safeguarding fiscal accountability, particularly given the scale of defense budgets and the complexity of procurement contracts (Watts, 2015). Cross-ministerial coordination mechanisms further aim to align defense policy with foreign, industrial, and fiscal policy objectives, reinforcing the effectiveness dimension of governance.

Nevertheless, when viewed through the lens of research that identifies gaps between normative frameworks and implementation practices, several structural challenges emerge. The literature and audit documentation reveal that capacity constraints, particularly shortages of technical expertise in civilian institutions, can limit the depth of oversight in areas such as high-technology weapons procurement and long-term force planning (Giwah et al., 2020). In practice, this may reduce oversight to procedural compliance rather than substantive evaluation. Thus, while Indonesia's institutional framework formally adopts good governance principles, its effectiveness depends on the quality of institutional interactions, technical competence, and the consistent enforcement of oversight mechanisms.

Empirical Illustration of Defense Governance Challenges in Indonesia

The challenges of transparency and accountability in Indonesia's defense budget can be better understood through the nature of weapons procurement, which is multi-year, high in cost, and often involves contracts with foreign partners. Long-term financing options, such as export credits and foreign loan arrangements, mean that some fiscal obligations extend beyond a single annual budget cycle. This creates a gap between the annual budget approval process in parliament and the long-term financial commitments already agreed upon by the government, making oversight of fiscal sustainability more difficult (Flynn & Pessoa, 2014). In the context of fiscal governance, long-term contracts lacking sufficient transparency risk causing cost overruns and limiting future budgetary flexibility.

Findings from the national audit institution also show that defense asset management continues to face administrative and systemic challenges. Common problems include irregular asset recording, delays in inventory processes, and suboptimal integration of logistics data with budget planning systems (BPK RI,

2022). These issues affect not only administrative compliance but also the quality of long-term defense planning, as inaccurate data can lead to misguided projections of defense needs. From a public management perspective, weaknesses in asset information systems risk reducing the effectiveness of capital spending and hindering the evaluation of defense program performance (Lienert 2013).

Beyond budgetary and asset considerations, governance complexity is also apparent in procurement policies that aim for defense industry self-reliance. Programs like technology transfer, offsets, and joint production are intended to strengthen the national industry while also expanding governance by involving industrial interests, defense diplomacy, and cross-border financing. Without clear mechanisms to measure economic and strategic benefits, such policies risk incurring additional costs that cannot always match the gains in domestic industrial capacity (Deslatte & Stokan, 2020). These challenges underscore the need for an integrated evaluation framework that can assess the effectiveness of defense industry policies from military, economic, and fiscal perspectives.

From an institutional perspective, coordination among actors in defense management is also a crucial factor. Military force planning, budgeting, procurement, and defense industry development involve multiple ministries and agencies. Without integrated information systems and clear delineation of authority, the risk of program duplication and policy inconsistency increases (Allen & Daniel, 2016). This highlights that the challenges of defense governance in Indonesia are not only about formal regulation but also about managerial capacity and institutional strength integration.

Challenges of Transparency and Accountability in the Defense Budget

In the Indonesian context, challenges of transparency and accountability in the defense budget arise primarily from the interaction between fiscal governance requirements and the structural characteristics of defense financing. Although defense expenditures are formally integrated into the national public financial management system, several governance constraints remain evident in regulatory documents and audit reports examined in this study (see Figure 2).

First, a major challenge is the limited public disclosure of detailed defense budget components. While aggregate allocations are published in the annual state budget (APBN), disaggregated information on specific procurement contracts, multi-year financing schemes, and technical specifications is restricted under security classifications. Although confidentiality is justified on strategic grounds, the absence of clearly defined disclosure thresholds may reduce the scope of meaningful parliamentary and public scrutiny (Matthews, 2020). This creates a structural tension between transparency obligations under state finance laws and secrecy norms in defense administration.

Second, audit reports from the national audit institution indicate recurring administrative weaknesses in asset management and budget execution within the defense sector. These include delays in asset recording, inconsistencies in inventory valuation, and incomplete integration between logistics systems and financial reporting mechanisms. Such weaknesses do not necessarily indicate corruption but demonstrate systemic challenges in ensuring accurate financial documentation and performance-based accountability. In a performance budgeting

system, incomplete or inconsistent data directly affects the ability to evaluate whether defense spending effectively improves operational readiness and strategic capability.

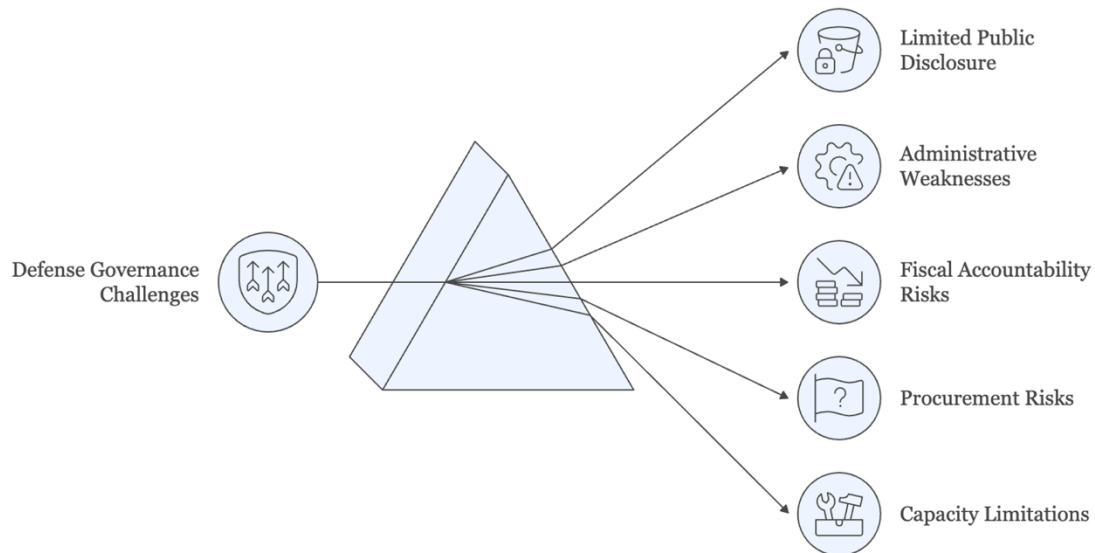


Figure 2. Challenges of Transparency and Accountability in the Defense Budget
Source: Authors own

Third, Indonesia's reliance on multi-year procurement contracts and foreign financing arrangements introduces fiscal accountability risks. Major weapons modernization programs frequently involve export credit schemes, foreign loans, and offset arrangements that extend beyond a single fiscal year. Fourth, defense procurement frequently involves foreign suppliers operating under different legal jurisdictions and commercial confidentiality norms. Without sufficient technical and legal expertise to assess complex defense contracts, oversight bodies risk focusing primarily on procedural compliance rather than substantive value-for-money evaluation. Finally, capacity limitations within civilian oversight institutions constitute a structural challenge. The technical complexity of defense budgeting particularly in high-technology weapons systems, lifecycle cost estimation, and maintenance projections requires specialized analytical capabilities that are not always fully available within parliamentary committees or audit teams. This capacity gap can weaken the effectiveness dimension of accountability even when formal mechanisms are in place.

Governance of Major Weapons Systems Procurement

The procurement of major weapons systems is one of the most strategic yet most vulnerable aspects of modern defense management (Korkmaz, 2024). This process involves high-value contracts, advanced technology, long equipment life cycles, and industrial as well as diplomatic relations between countries. Such complexity places defense procurement at a higher level of governance risk compared to procurement in other public sectors (Hellberg, 2023). The defense economics

literature shows that procurement governance failures can result in cost overruns, delays in delivery, reduced system performance, and mismatches between technical specifications and the operational needs of the military (Sulaeman et al., 2025).

One of the key challenges in weapons procurement is the information imbalance between the military, civilian authorities, and defense industry suppliers (Matthews et al., 2025). Suppliers generally have much greater technical expertise than buyers, which can lead to long-term dependency and unbalanced negotiations. Additionally, the monopolistic or oligopolistic structure of the global defense industry limits healthy competition, making it hard to fully implement the principle of open competition. In such environments, oversight mechanisms, technical audits, and independent evaluations are essential for maintaining efficiency and accountability procurement.

The principles of good governance in defense procurement require planning based on long-term strategic needs, rather than merely responding to short-term political dynamics or diplomatic pressures. Ideally, such planning should be grounded in threat analysis, defense doctrine, and measurable projections of operational capabilities (Fourie, 2017). Moreover, while secrecy is an important factor, the supplier selection process must still adhere to principles of procedural fairness, transparent documentation, and oversight by legally legitimate external authorities. International practice shows that a combination of specialized procurement committees, independent technical audits, and periodic reporting to Parliament can strengthen accountability without compromising security interests.

In the Indonesian context, this conclusion is derived from an examination of national public procurement regulations and audit documentation analyzed in this study. Over the past decade, Indonesia has introduced reforms aimed at strengthening transparency and efficiency in public procurement, including the expansion of electronic procurement systems (e-procurement), standardized bidding procedures, and centralized oversight mechanisms under national procurement regulations. These reforms are reflected in government procurement laws and implementing regulations that mandate competitive bidding, digital documentation, and the open announcement of tenders for most public-sector transactions (Yustiarini & Soemardi, 2020)

However, documentary analysis indicates that the application of these general procurement reforms to the defense sector is structurally constrained. Regulatory provisions allow exceptions for defense-related procurement on grounds of national security, strategic confidentiality, and compatibility requirements. Audit reports and policy documents further show that major weapons procurement often involves government-to-government agreements, limited supplier base, offset arrangements, and classified technical specifications, thereby reducing the applicability of open, competitive mechanisms used in civilian procurement (Permata et al., 2023).

Thus, the statement that procurement governance in Indonesia has evolved toward more transparent and digital-based systems is grounded in formal regulatory reforms and institutional design. The assessment that structural challenges persist in the defense sector is based on documented exemptions,

financing arrangements, and oversight limitations identified in the analyzed regulatory and audit materials.

Civilian Oversight and the Role of Oversight Institutions

The characterization of civilian oversight as a foundational element of defense governance is derived from both the theoretical literature on civil–military relations and the documentary evidence analyzed in this study. Classical and contemporary scholarship consistently identifies democratic civilian control as a core principle of accountable defense governance, emphasizing that armed forces must remain subordinate to constitutionally legitimate political authority to prevent abuse of power and ensure policy alignment with public interests (e.g., Mukherjee & Pion-Berlin, 2022). Within the security sector reform framework, civilian oversight is considered a primary mechanism for embedding transparency, accountability, and rule of law in defense institutions.

This conclusion is further supported by the regulatory and institutional documents examined in the Indonesian context. Constitutional provisions, defense legislation, and parliamentary mandates explicitly assign decision-making authority over defense policy and budgeting to elected civilian institutions, while positioning the military as an operational executor. The analyzed documents also demonstrate that parliamentary approval of defense budgets, audit review by the national audit institution, and ministerial supervision mechanisms are formally embedded within Indonesia’s governance structure (Jasutis et al., 2022; Hoque & Pearson, 2018). Therefore, the statement that civilian oversight constitutes a key foundation of defense governance is grounded in both established academic theory and the institutional framework evidenced in the documentary sources reviewed in this study.

Civilian oversight is the key foundation of defense governance in modern democratic systems. This principle puts the military under the control of legitimate political authorities and requires accountability mechanisms that allow for constitutional evaluation of defense policy. In the context of good governance, civilian oversight not only prevents the abuse of power but also ensures that defense policies and spending align with national priorities and the broader public interest. Therefore, civilian oversight plays a vital role in maintaining the balance between military effectiveness and democracy legitimacy.

Parliament is the key player in this oversight system. In addition to its legislative and budgetary powers, parliament acts as a forum where it evaluates the direction of defense policy, military doctrine, and modernization priorities (Jasutis et al., 2022). Through specialized commissions or defense committees, parliament can ask for explanations from the executive, review strategic programs, and assess budget implementation. However, the effectiveness of this role greatly depends on institutional capacity, access to sufficient information, and the presence of independent experts who can interpret complex defense issues into a policy oversight framework (Matthews, 2012). Without such support, parliamentary oversight may be limited to administrative matters rather than addressing the technical and strategic aspects substance.

In addition to the legislative branch, the roles of external audit institutions and internal government oversight is crucial for ensuring fiscal accountability in

the defense sector. The national audit office is responsible for evaluating compliance with regulations, program effectiveness, and the efficiency of public spending, even in sensitive areas like defense (Soltes, 2017). Performance audits are especially important in this context because they can show how much defense spending improves operational capabilities. Meanwhile, internal oversight functions as a preventive measure against administrative and financial irregularities (Nurgaliyeva et al., 2022).

In practice, overseeing the defense sector faces unique challenges not commonly found in other public sectors. The complexity of military technology, the secrecy surrounding procurement contracts, and the use of long-term financing schemes require multidisciplinary expertise from technical, legal, and defense economics fields. In Indonesia, enhancing the analytical capacity of oversight institutions is an urgent priority to ensure that oversight functions are more than just procedural. Without sufficient human resources, the risk of information asymmetry between defense authorities and civilian oversight bodies may weaken the effectiveness of democracy control.

Organizational Culture, Professionalism, and Integrity

Defense governance is shaped not only by institutional design and formal oversight mechanisms but also by the organizational culture within defense institutions. Values, norms, and internal practices influence how decisions are made, authority is exercised, and accountability is understood by both military and civilian personnel. Military professionalism, which includes technical competence, loyalty to the constitution, and commitment to professional ethics, forms the essential base for preventing abuse of power and protecting the neutrality of defense institutions (Paterson, 2019). Without a strong professional culture, formal rules and external oversight mechanisms are often not enough to guarantee organizational integrity.

The literature on public administration indicates that institutional reforms are often less successful when they are not paired with changes in organizational values and behavior. Alterations in procedures, regulations, or hierarchical structures alone do not automatically improve accountability if the internal culture still tolerates informal practices that conflict with good governance principles. In the defense sector, a hierarchical culture and a focus on operational secrecy can hinder progress unless they are balanced with the understanding that accountability and legal compliance are essential components of modern military professionalism. Therefore, internalizing principles such as transparency, public responsibility, and personal integrity becomes a vital part of defense governance reform.

In many countries, modernizing defense management is often accompanied by reforms in human resource management that emphasize merit-based systems, competency development, and performance evaluation based on results (Kim, 2012). Professional education and training focus not only on military technical skills but also on public ethics, humanitarian law, and principles of accountability in managing state resources. The implementation of clear codes of ethics, whistleblowing mechanisms, and consistent sanction systems strengthens a culture of integrity within the defense sector (OECD, 2015). This approach shows

that effective defense governance requires a balance between military discipline and public-sector ethical standards.

In the Indonesian context, strengthening organizational culture in the defense sector has become increasingly important due to the growing complexity of budget management, weapons procurement, and international cooperation. Bureaucratic reform in defense institutions should aim to reinforce competency-based promotion systems, eliminate patronage practices, and leverage information technology to improve transparency in administrative processes (Ramadhan et al., 2022). The digitalization of personnel systems, procurement, and performance reporting can decrease dependence on manual procedures that are prone to unofficial interventions. Therefore, enhancing professional culture and integrity is not just a normative goal but also requires the support of modern management systems aligned with the principles of good governance.

Policy Directions for Strengthening Defense Good Governance

The policy recommendation strengthening defense good governance is provided in Figure 3. First, a more systematic policy on the classification and management of defense information is necessary. Secrecy remains vital for protecting the strategic interests of the state, but international practice shows that undefined secrecy can undermine public accountability and weaken democratic oversight (Lefebvre, 2021). Therefore, risk-based classification guidelines are essential, along with periodic reviews of the confidentiality status of documents. This approach enables strategic information to stay protected while allowing parliament and oversight bodies to access relevant information within a limited accountability framework. A balanced classification system can also reduce the overuse of security justifications to hide administrative information that should be oversight.

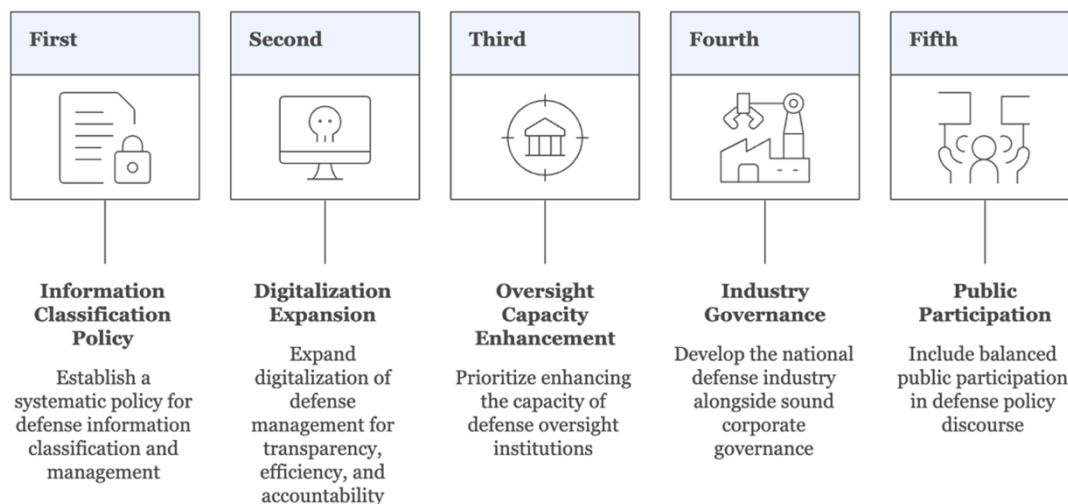


Figure 3. Key Policy Recommendations for Defense Governance
Source: Author's own

Second, the digitalization of defense management should be expanded as a tool to improve transparency, efficiency, and accountability. Integrating information systems in planning, budgeting, logistics, and procurement can strengthen audit trails, improve data consistency, and enable ongoing program

monitoring (Margetts & Dunleavy, 2013). Digital transformation also helps reduce direct interactions in administrative processes that could lead to conflicts of interest. However, defense sector digitalization must be paired with stronger cybersecurity, safeguarding sensitive data, and clear information technology governance to prevent new risks to national security (Bannister & Connolly 2014).

Third, enhancing the capacity of oversight institutions is a strategic priority in defense governance. Parliament, audit bodies, and internal oversight agencies need support from multidisciplinary experts who understand military technology, procurement contracts, and the dynamics of the global defense industry. Without such expertise, oversight often remains superficial and limited to administrative compliance. Investing in ongoing training, establishing specialized analytical units, and collaborating with research institutions and universities can improve the quality of defense policy and budget assessments. International cooperation in defense oversight can also serve as a platform for exchanging best practices and improving professional standards (Farrell, 2018).

Fourth, the development of the national defense industry must progress alongside sound corporate governance. Defense sector enterprises manage large public resources and contribute to national self-reliance strategies, so they must adhere to principles of transparency, risk management, and strong managerial accountability (Tricker, 2015). Implementing good corporate governance standards helps ensure that offset policies, technology transfers, and joint production are not just politically or symbolically driven but are also economically sustainable and operationally efficient. Oversight of state-owned defense enterprises must balance strategic interests with business discipline to prevent industrial self-reliance from causing long-term fiscal burdens.

Fifth, policy directions for strengthening defense good governance must also include balanced public participation in defense policy discourse. Although operational details remain restricted, publishing non-classified strategic policy documents, program performance reports, and engaging in policy dialogues with the academic community can improve the legitimacy of defense policy. Public and epistemic community involvement helps enhance substantive accountability without compromising operational secrecy. Therefore, defense governance becomes not only the exclusive domain of bureaucracy and the military but also part of a democratic system that is responsive and responsible.

CONCLUSION

The application of good governance principles in Indonesia's national defense management has demonstrated significant institutional growth since the reform era, especially through strengthening civilian control, establishing a defense regulatory framework, and integrating the state financial system. Normatively, Indonesia's defense governance structure aligns with democratic accountability principles, placing the military under civilian oversight and allowing for oversight by parliament and the national audit institution. However, gaps remain between the regulatory framework and its implementation, particularly in defense budget transparency, weapons procurement governance, and the effectiveness of

oversight based on technical aspects capacity. The integration of measured transparency, strong fiscal accountability, and effective civilian oversight will reinforce the legitimacy of defense policy while improving the efficiency of state resources utilization.

Thus, the policy focus for strengthening Indonesia's defense good governance should prioritize balancing national security needs with public accountability requirements. Ongoing reforms in budgeting, procurement, oversight, and institutional governance will establish a solid foundation for a professional, adaptable, and trusted defense management. These efforts also emphasize that sound defense governance is a key component of democratic consolidation and overall national stability resilience. This study has several limitations. First, the research relies primarily on document analysis of legal frameworks, policy documents, and institutional reports, which limits the ability to capture informal practices and internal decision-making processes within defense institutions. Second, restricted public access to sensitive defense information constrains the depth of empirical verification regarding procurement procedures and operational management. Future research could complement document-based analysis with interviews, expert assessments, or comparative studies across countries in order to provide a more comprehensive evaluation of defense governance practices.

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