

# The Future of Indonesia as a Unitary State: Separatism and Decentralization

Barbara S. Harvey



Project Asia is The CNA Corporation's focal point for Asian security studies. This ongoing project's work is contained in several types of products, including: regional assessments, country profiles, occasional papers, monographs, and conferences on important security topics. Project Asia's overall analytic approach seeks to synthesize the work of CNAC researchers, policy analysts, regional experts, and other sources of information with what is being said and written in the region; thus, it can provide the context necessary for policy makers to make decisions relevant to the region. Although the focus is on practical near-term issues, longer-term trends are not neglected.

Project Asia falls under the Center for Strategic Studies of The CNA Corporation (CNAC). The Center for Strategic Studies combines in one organizational entity regional analyses, studies of political-military issues, and strategic and force assessment work. Such a center allows CNAC to join the global community of centers for strategic studies, and share perspectives on major security issues that affect nations. There is a continuing need for analytic and assessment work that goes beyond conventional wisdom. The Center for Strategic Studies is dedicated to providing a deeper level of expertise, and work that considers a full range of plausible possibilities, anticipates a range of outcomes, and does not simply depend on straight-line predictions.

While the Center's charter does not exclude any area of the world, Center analysts have clusters of proven expertise in the following areas:

- The full range of East Asian security issues, especially those that relate to China
- Russian security issues, based on ten years of strategic dialogue with Russian institutes
- Maritime strategy
- Future national security environment and forces
- Strategic issues related to the Eastern Mediterranean region
- Missile defense
- Latin America, including guerrilla operations
- Operations in the Persian (Arabian) Gulf.

Project Asia is under the direction of Dr. David Finkelstein, who is available at (703)824-2952 and on e-mail at [finked@cna.org](mailto:finked@cna.org). The Center for Strategic Studies is under the direction of Rear Admiral Michael McDevitt, USN (Ret.), who is available at (703)824-2614 and on e-mail at [mcdevitm@cna.org](mailto:mcdevitm@cna.org). The administrative assistant for Project Asia and the Center is Ms. Brenda Mitchell, who can be reached at (703)824-2137 and on e-mail at [mitchelb@cna.org](mailto:mitchelb@cna.org).

Approved for distribution:

September 2002



RADM Michael McDevitt, USN (Ret.)  
Director  
Center for Strategic Studies

This document represents the best opinion of the authors.  
It does not necessarily represent the opinion of the Department of the Navy or The CNA Corporation.

Distribution unlimited. Specific authority: N00014-00-D-0700.  
For copies of this document call: CNA Document Control and Distribution Section at 703-824-2943.

**Copyright © 2002 The CNA Corporation**

# Table of Contents

Introduction .....	1
Aceh .....	5
Government Policy .....	7
Indonesian military and police forces in Aceh .....	10
Acehnese players.....	12
Prospects for negotiation .....	16
Autonomy.....	19
Conclusion .....	21
Papua.....	23
The Papuan elite.....	25
Indonesian government policy .....	28
Indonesian military and police forces in Papua .....	29
Autonomy.....	32
Conclusion .....	34
Decentralization .....	37
Conclusions.....	45

## **About the author**

Barbara Sillars Harvey's Foreign Service and academic careers have centered on Indonesia. She served as Deputy Chief of Mission at the American Embassy in Jakarta, Indonesia, from 1993 until 1997, and had earlier assignments as Principal Officer of the U.S. Consulate in Surabaya and as a Public Affairs Assistant with the U.S. Information Service at the same post. She was Assistant Director of the Office of Indonesia, Malaysia, Brunei and Singapore Affairs in the Department of State, 1989-91. In 1974 she received a PhD in Government from Cornell University, and was a Lecturer in Politics at Monash University, Melbourne, Australia 1974-1978. She was appointed Adjunct Associate Professor in the Asian Studies Department of Georgetown University in January 2001. In addition to several book chapters, articles and book reviews on Indonesia, she has published a monograph, *Permesta: Half a Rebellion*.

# Introduction

The ability of the Indonesian government to deal with separatist pressures and implementation of regional autonomy is hampered by weaknesses of leadership, lack of vision, and ineffective institutions—the same hindrances to coherent and effective government found in all areas of government policy and endeavor. Even so, Indonesia is not likely to disintegrate. Shared history, the sense of being “Indonesian,” and the advantages of being part of a large political and economic unit serve to counterbalance centrifugal forces, even in provinces rich in natural resources, such as Riau. The oldest separatist movement in Indonesia, the so-called Republic of the South Moluccas (*Republik Maluku Selatan*, or *RMS*) has more resonance among its aging exiles in the Netherlands than in Maluku itself. Dissatisfaction with the central government, fragmentation at the provincial and district level, and outbreaks of violence cloaked in ethno-religious guise will continue to plague the country, but will not sunder it. How well the experiments in decentralization and special autonomy for the rebellious provinces of Aceh and Papua are implemented, and the extent to which human rights abuses are curbed and punished, will determine much for the future integrity of the Indonesian state.

Policy toward the only significant separatist movements, those in Aceh and Papua, has suffered from a lack of coherence and consistency, reflecting the long absence of a single designated office with responsibility for these trouble spots and a lack of attention from the senior levels of government. This may be changing. In February 2002, the coordinating minister for political and security affairs, General Susilo Bambang Yudhoyono, was given overall authority for the implementation of a comprehensive program for resolving the situation in Aceh.<sup>1</sup> Many critics have asserted that the military has given primacy to the security aspects of the program, that violence in the province has increased to levels comparable to those of the worst periods of abuse in the 1990s, and that the emphasis on military actions has undermined efforts for dialogue and peace negotiations. Military leaders, for their part, have begun to seek parliamentary support for heightened military action against the Acehnese rebels, and President Megawati is reported to have “instructed all security troops across the country to maintain national unity at all costs.”<sup>2</sup> A policy review is under way, and further announcements can be expected within the month.

---

<sup>1</sup> *Instruksi Presiden Republik Indonesia Nomor 1 Tahun 2002 tentang Peningkatan Langkah Komprehensif dalam Rangka Percepatan Penyelesaian Masalah Aceh*, on web site [www.deplu.go.id/policy/view/aceh/inpres01-02.htm](http://www.deplu.go.id/policy/view/aceh/inpres01-02.htm).

<sup>2</sup> *The Jakarta Post*, 2 and 9 July 2002; also numerous press reports between 24 June and 8 July 2002.

There has been a lack of integration of political and military aspects of policy toward Aceh and Papua, and a lack of coordination between civilian and military leaders at the national and the provincial level, and between these levels. A clear vision of what might be a constructive relationship between the central government and the rebellious provinces of Aceh and Papua, clearly enunciated by President Megawati, might provide the basis for a coherent policy and productive negotiations based on an agreed policy. Without such a vision, and without an agreed coordinated policy, negotiations can hardly go beyond temporary ceasefires. As long as the Indonesian military is reluctant to move from the military to the political arena in attempts to solve the separatist challenge, negotiations will continue to be undermined by military operations against separatist leaders. Recent directives and statements by senior security officials that separatists would be “crushed with military operations” indicate that the military is reasserting its primacy and hard-line position, with apparent support from President Megawati and many in the national parliament.

The recently enacted laws granting special autonomy to Aceh<sup>3</sup> and Papua are positive steps, as the laws do meet some of the demands of the separatists and of other provincial leaders, especially in the more favorable division of revenues from regional enterprises. However, in both Aceh and Papua, the fundamental demand for justice in holding accountable those responsible for human rights abuses is not addressed in the law for Aceh, and only marginally in Papua. Accountability is a nationwide problem, one that is just beginning to be addressed in the case of East Timor. It is a major problem in Aceh, where military and police abuses have been severe, and continue.

The separatists in Aceh, the Aceh Liberation Movement (*Gerakan Aceh Merdeka*, GAM) are not militarily strong enough to defeat the Indonesian military, but they can continue to mount guerrilla actions that will be costly in human casualties for both sides and the general population. Unless the Indonesian police and the armed forces, Tentara Nasional Indonesia (TNI) change their past pattern of reprisals against guerrilla activity, their activities will ensure a continuing flow of recruits to the GAM and sympathy among ordinary Acehnese for the cause of independence that the GAM espouses. While a diminution of international support for Indonesia’s territorial integrity is unlikely, continuing human rights abuses in Aceh will further damage Indonesia’s international reputation and limit opportunities for cooperation between the Indonesian military and foreign, especially U.S., militaries.

Although there is widespread support in Papua for independence, the armed separatist movement, the OPM, never strong and poorly armed in any case, has been overshadowed by the coming together of a more representative group of Papuans in the Papuan Presidium Council. The Presidium appeared to be a body

---

<sup>3</sup> Although the law changed the name of the province to *Nanggroe Aceh Darussalam*, for the sake of simplicity, the word Aceh is used here to refer to the province or area.

with which the Jakarta government could negotiate, and indeed some members were involved in drafting the autonomy law. However, the November 2001 murder of the head of the Presidium, Theys Eluay, reportedly by elements of the TNI special forces, has ended that prospect, at least for the present. Recent reports of the presence of the extremist Islamist militia Laskar Jihad in Papua has heightened an atmosphere of tension, although relations between indigenous Christians and Muslim still appear relatively unaffected. Some foreign analysts concur with Papuan suspicions that elements in the military may plan to use the Laskar as a tool against those who favor independence for Papua. Accountability for past abuses is also an issue in Papua. Although the Papuan Autonomy Law does provide for a Truth and Reconciliation Commission, its composition and tasks are still to be specified.

In both Aceh and Papua, it is possible that implementation of autonomy that really benefits the local people may undercut desires for independence and result in willing continuation of these territories as parts of Indonesia. It is difficult to imagine any government in Jakarta countenancing independence for Aceh for the foreseeable future. Despite Papua's resource wealth, the sense of Papua as an integral part of the Republic of Indonesia is less strong than is the case with Aceh, and, in time, possibly 15 or 20 years, independence might be feasible. At present, in neither Papua nor Aceh, do the separatists have much idea of the shape of a government they might form or of the foreign policy they might follow. In the unlikely event that Aceh becomes independent, it has the economic and human resources and sense of its own identity to survive. Papua has the economic resources to survive on its own, but the sense of Papuan identity is fragmented, and human resources are still meager. The impact on the rest of Indonesia of the separation of either of these territories would not be grave in economic terms. Whether independence for either would inspire other regions to seek it as the East Timor referendum did for Aceh and Papua, will depend on their experience under the new decentralization scheme.

In fact, the current implementation of decentralization has been proceeding more smoothly than many feared, given the haste with which the program was devised and the lack of a number of implementing regulations when it went into effect on 1 January 2001. The role of the provinces, left out in the devolution of responsibilities to the districts and municipalities, is still evolving, both in practice and in consideration of amendments to the relevant laws. Identifying local sources of revenue to fund decentralized services remains a problem, as does working out relationships between local governments and foreign investors. In response to complaints from foreign mining companies, the Ministry of Home Affairs is reviewing a number of regional decrees and has annulled one regionally imposed levy. Local officials have proved to be more competent than the Jakarta-bound had feared, although no less corrupt than central government officials. Incorporating or making other provisions for the central government officials devolved to the provinces and districts is a challenge currently being faced, as

their salaries represent a financial burden on whichever level of government pays them.

Insofar as a more decentralized system of government better meets the needs of Indonesia's people, the unity of the republic will be strengthened, and separatist pressures in areas other than Aceh and Papua eased. Early indications are that the new system provides for more involvement of the population in local governance, thus strengthening democratic and reformist impulses. Concerned Indonesians and foreign advisers and consultants uniformly urge that local representatives and leaders be directly elected; such a change would enhance accountability and good governance.

A more democratic, participatory, and more effectively governed Indonesia would strengthen the republic and enable it to resume the key role it once played in ASEAN. A strengthened ASEAN would be in the U.S. interest, as a counterbalance to the growing power and influence of China. A fragile, poorly governed Indonesia would be a source of instability in a region of strategic concern to the United States. Given the strength of Indonesian nationalism and resentment of any implication of foreign interference in Indonesian internal affairs, there are clear limits to what the United States, or any other country, can do to be helpful. The U.S. has, of course, long been engaged in institution building through government and private aid programs, and this can and should continue. Training for the Indonesian military is a subject of considerable controversy—and Congressional limitation. The recent branding of the Aceh rebels as “terrorists” raises the danger of entangling the United States in this intractable internal dispute if resumed training of the Indonesian military is pursued under the rubric of anti-terrorism. Some training of police forces is being undertaken; given their reputation for venality and lack of professionalism, this may well be helpful. While past U.S. training of the Indonesian military has received mixed reviews, virtually all the pro-reform elements in the TNI have had some U.S. training. Because of the hiatus in training, few of the current senior officers have had such training, and, in fact, many have had limited contact with the United States and are likely to be resistant to U.S. attempts to influence them. Nonetheless, it is evident in both Aceh and Papua that a more professional military, following clear rules of engagement that protect civilians, would have substantial benefits both, in human terms, in bringing the conflict to a resolution and in increasing the attractiveness of continuing as a part of the Republic of Indonesia.



# Aceh

The most serious separatist movement in Indonesia continues in Aceh, North Sumatra, where an armed movement for Acehnese independence, GAM (*Gerakan Aceh Merdeka*), has intensified since 1998. Recent press reports estimate that more than 1,700 people were killed in 2001 alone and more than 400 had been killed by early May 2002, including 11 public figures in the past two years.<sup>4</sup> These figures are comparable to estimates of casualties during the entire period 1990-98, when Aceh was designated an area of military operations (*DOM, Daerah Operasi Militer*), a period when it is now admitted that military excesses occurred and for which then Minister of Defense and Commander in Chief of the armed forces Wiranto apologized in 1998.<sup>5</sup> That casualties remain so high despite negotiations between the two sides that produced a “Humanitarian Pause” from June 2000 to March 2001 and a subsequent “Peace Through Dialogue” agreement is an indication of the difficulty of achieving a resolution to the conflict.

The history of central government neglect of Acehnese aspirations and broken promises has resulted in a lack of trust on the part of the Acehnese population in the central government, or in Acehnese with ties to the central government. This lack of trust seriously complicates efforts to resolve the rebellion by negotiation or compromise. At the same time, the Indonesian armed forces (TNI), particularly the troops on the ground in Aceh, appear convinced that armed rebellion must be put down primarily by military means, despite the evidence that serious abuses accompanying prior military campaigns have alienated large segments of the Acehnese population, and created sympathy for and recruits to the GAM. Reports that at least some troops recently assigned to Aceh have been given human rights training are encouraging.

Most estimates of the sentiment of the Acehnese population assert that 80 percent of the estimated four million people of Aceh want peace and security in their daily lives. The ordinary Acehnese, one-third of whom live in densely populated East Aceh, the heart of GAM strength, are caught between the GAM and the TNI. Both the TNI and GAM have been responsible for human rights abuses. In an August 2001 report, Human Rights Watch documented numerous abuses, most attributed to one side or the other, although both sides tend to accuse the other of responsibility, and both sometimes dress in civilian clothes, making identification of perpetrators problematic:

Indonesian forces have been implicated in the summary execution of civilians and captured GAM members or suspected members, direct attacks

---

<sup>4</sup> *The Jakarta Post*, 8 February, 11 May, 12 and 15 June, and 1 July 2002.

<sup>5</sup> International Crisis Group, *Aceh: Why Military Force Won't Bring Lasting Peace*, ICG Asia Report No. 17, 12 June 2001, p. 3; Human Rights Watch, *Indonesia: The War in Aceh*, Vol. 13, no. 4 (C), August 2001, p. 8.

against civilians and civilian property, the use of indiscriminate or disproportionate military force, and the use of collective punishments. They have also been responsible for violations of international human rights law, including extrajudicial executions, “disappearance,” rape, torture and arbitrary arrest, as well as imposing unlawful restrictions on the rights to expression, association and assembly. GAM forces have been implicated in the summary execution of civilians and captured soldiers, destruction of civilian property, and unlawful detention.<sup>6</sup>

In an indirect acknowledgement of GAM abuses, one of its negotiators, Sofyan Ibrahim Tiba, in a recent interview with *Radio Netherlands*, is said to have claimed that “GAM’s popular support remains strong despite increasing violence on its part. ‘They will be able to distinguish between GAM’s strategic commitment to independence and excesses [of violence].’”<sup>7</sup>

Under Indonesia’s new democratic governments, the police, now separated from the TNI, have been given primary responsibility for internal security, although most observers believe they lack the necessary training for this task. The TNI has back-up authority, but in the view of a number of senior military officers, recently expressed in parliamentary hearings, because the problem in Aceh is not only of law and order but armed rebellion, the TNI should have primary responsibility.<sup>8</sup> The problem for both is how to provide peace and security without alienating the population, a task made more difficult by of the history of past abuse, lack of command and control, lack of clear direction from Jakarta, and lack of coordination between central and local commands.

While a desire for a peaceful existence may be the immediate demand of the Acehnese, the basic demand, shared by virtually all Achenese, is for justice. Justice is defined, in the first place, as cessation of human rights abuses and holding accountable those responsible for past human rights abuses. The TNI has made a few gestures toward holding accountable those of its members responsible for some of the worst abuses during and immediately after the DOM period of intensified military operations from 1990-1998. However, these have been low ranking officers and soldiers; the highest-ranking officer, a lieutenant colonel, has disappeared, and no one in the chain of command has been held responsible. It should be noted that this lack of accountability for military abuses is a problem not only in Aceh, or East Timor, but throughout Indonesia.

A second aspect of the demand of the Acehnese for justice is for economic justice: that Aceh receive a fair share of the revenues generated by the resources of and

---

<sup>6</sup> Human Rights Watch, *Aceh*, p.36.

<sup>7</sup> Aboeprijadi Santoso, *Radio Netherlands*, in *The Jakarta Post*, 14 June 2002.

<sup>8</sup> Interviews with senior TNI officers in Jakarta, December 2001; see also report of views of Army Chief of Staff General Ryamizard Ryacudu in *Kompas*, 25 June 2002.

economic activities in the province. The focus of this demand has been on the revenues generated in the Arun industrial complex, particularly the Exxon-Mobil natural gas installation in Lhokseumawe. This demand might be more readily met, especially as the new special autonomy law for Aceh comes into effect. However, there is a question of what significant resources Aceh will have when the natural gas reserves at Lhokseumawe are depleted in an estimated eight years. The ending of the rebellion and attendant military operations would enable the rural Acehnese to return to their traditional livelihoods of farming and fishing, in which more than half the work force is ordinarily engaged.

## Government policy

Policy toward Aceh has suffered from a lack of decisive leadership at the top, and tensions between advocates of a military strategy and those looking toward a more political, negotiated solution based on a grant of autonomy to the province. Until recently no single office or person within the central government had responsibility for policy toward Aceh. President Megawati Soekarnoputri has demonstrated no obvious leadership in seeking a solution in Aceh, and is thought by many observers to be prepared to defer to military opinion, sharing with the military an overriding concern for Indonesia's national unity and integrity.

In February 2002 a presidential instruction put the coordinating minister for political and security affairs, Susilo Bambang Yudhoyono, in charge of government policy toward Aceh.<sup>9</sup> He had previously had authority to coordinate policy, but was believed by many informed observers to lack the real power and authority, and possibly the inclination, to exert leadership on policy formulation. He is, however, credited with devising the so-called comprehensive six-point policy established in Presidential Instruction No. 4 in March 2001, which remains official government policy, as amended in subsequent Presidential Instructions, most recently that of February 2002.<sup>10</sup> Military operations against the GAM are included as one of the points; the others "include the passing of the autonomy law, the revitalization of Aceh's local government, economy and society, the reassertion of the rule of law and an information campaign to explain the strategy to the Acehnese."<sup>11</sup> An initiative of then-president Abdurrahman Wahid, who also initiated contacts with the GAM that resulted in a series of negotiations during 2000-2002 under the auspices of the Henry Dunant Center for Humanitarian Dialogue in Geneva, the program has been described as simply instructing government officials to carry out their functions. It seems to have had little

---

<sup>9</sup> International Crisis Group, *Aceh: A Slim Chance for Peace*, Indonesia Briefing, 27 March 2002, p. 9.

<sup>10</sup> Interviews in Jakarta and Washington, DC, December 2001 and January 2002.

<sup>11</sup> International Crisis Group, *Aceh: Can Autonomy Stem the Conflict*, ICG Asia Report No. 18, 27 June 2001, p. 4; also Susilo Bambang Yudhoyono, *Aceh Perlu Keadilan, Kesejahteraan dan Keamanan* (Aceh Requires Justice, Welfare and Security), reprint of interview with *Media Indonesia*, 10 April 2001, p. 3. The text of the instruction is reprinted in the latter, pp. 35-43.

impact in Aceh, although human rights activists criticize the program as providing political cover for intensified military operations.

Recent signs of reliance on a military strategy include the reestablishment of a separate military command (KODAM) for Aceh, announced following a cabinet meeting on 10 January 2002. In response to a GAM call for a general strike to oppose military brutality and the reestablishment of the military command, then-commander of military operations in Aceh, Brig. Gen. Djali Yusuf, told *The Jakarta Post* on 14 January that he had “ordered all security personnel to shoot on sight those found intentionally disturbing the public interest or peace.”<sup>12</sup> A week later Maj. Gen. I Gde Purnawa, then-commander of the Bukit Barisan Military Command (responsible for Aceh, North and West Sumatra), welcomed the formation of vigilante forces in Southeast and Central Aceh. He admitted that the police and armed forces had been unable to crush the GAM because, he said, it was “backed by the local bureaucracy, politicians and students.”<sup>13</sup>

A lack of coordination of government policy was evident in the decision in early 2002 to reestablish the separate military command for Aceh. On 10 January 2002, Minister Susilo announced that a decision had been taken to reestablish the *Iskandar Muda* Military Command in Banda Aceh; on 15 January *The Jakarta Post* reported that then-Army Chief of Staff Gen. Endriartono Sutarto “admitted he had no knowledge of the issue.” Despite opposition from many Acehnese and national NGOs and human rights organizations, the command was inaugurated (by General Sutarto) on 5 February, with Brig. Gen. M. Djali Yusuf (an Acehnese) as commander.

Coordination also appears to be lacking between military authorities in Jakarta and in Aceh, or between senior officers in Aceh and troops in the field. According to a senior military officer, following the Presidential Instruction of March 2001, the police and TNI no longer attack or enter villages to fight the GAM, but remain outside the villages and target only those with weapons, who are assumed to be GAM members.<sup>14</sup> On 22 May 2001 the TNI commander of “Operation Restore Order,” Brig. Gen. Zamroni, issued an order forbidding troops to “destroy, burn, or take people’s property.” However, according to Human Rights Watch, those practices have not ended.<sup>15</sup>

Lack of coordination has also been evident in GOI positions on negotiations with GAM representatives. On 4 January 2002 the minister of home affairs, retired general Hari Sabarno, announced that future negotiations with the GAM would be undertaken by the provincial government of Aceh, and that no foreign

---

<sup>12</sup> 15 January 2002.

<sup>13</sup> *The Jakarta Post*, 22 January 2002;

<sup>14</sup> Interview with staff of Coordinating Minister for Political and Security Affairs, Jakarta, 15 December 2001.

<sup>15</sup> Human Rights Watch, *Aceh*, p. 19.

organizations would be involved.<sup>16</sup> On 18 January, Aceh Governor Abdullah Puteh said he would invite the GAM military commander in Aceh, Abdullah Syafi'ie, for a dialogue. However, before the invitation reached Abdullah Syafi'ie, he was killed by a unit of KOSTRAD (Army Strategic Reserves), battalion 330, on 22 January in what the military described as a "routine patrol."<sup>17</sup> (This was not the first instance in which military action seemed timed to undermine negotiations.) On 28 January 2002, *The Jakarta Post* reported that the GAM had requested a postponement of a meeting with the GOI scheduled for 2-3 February in Geneva, questioning whether the GOI wanted "peace talks or violence." However, the meeting was held as originally scheduled, under the auspices of the Henry Dunant Center for Humanitarian Dialogue in Geneva, with the anticipated result being merely reestablishment of communication.<sup>18</sup> Again, a lack of coordination was evident in the failure of the police in Aceh to release the passports of five GAM negotiators invited to the February talks until ordered to do so by Coordinating Minister Susilo (by then too late for the five to arrive in Geneva in time for the talks).<sup>19</sup> According to press reports, following the meeting, Coordinating Minister Susilo "expressed the government's reluctance to pursue talks with GAM," and noted the government's intention to pursue a "security" approach in Aceh, because "any separatist movement must be crushed."<sup>20</sup> Nonetheless, on 12 March Minister Susilo and Coordinating Minister for Social Affairs Jusuf Kalla, who had mediated talks in Malino to resolve conflicts in Maluku and Poso, announced that the government proposed to hold similar peace talks including "all parties in Aceh."<sup>21</sup>

In yet another twist, following the May Geneva negotiations, the GOI again emphasized a security/military approach. According to press reports, Coordinating Minister Susilo "issued new directives on [17 June], urging troops to intensify their security operations against hard-line rebels," and in his first press conference after being installed as TNI commander, General Endriartono Sutarto warned that "efforts to separate from the unitary state of the Republic of Indonesia would be crushed with military operations."<sup>22</sup> Following a cabinet meeting on 4 July, Coordinating Minister Susilo for the first time described the GAM as a terrorist movement, and, although he indicated that "the peace policy" for Aceh was being reviewed, he also said that parliament is being asked to recommend that the security status of the province be upgraded to a state of civil emergency (which would give the TNI, not the police, responsibility for security).<sup>23</sup> In an apparent effort to provide evidence for labeling the GAM a terrorist organization, on 8 July the army chief of staff, Gen. Ryamizard Ryacudu,

---

<sup>16</sup> *Tempo Interactive*, 5 January 2002.

<sup>17</sup> *The Jakarta Post*, 25 January 2002.

<sup>18</sup> *The Jakarta Post*, 5 February 2002.

<sup>19</sup> *Kompas Cyber Media*, 1 February 2002.

<sup>20</sup> *The Jakarta Post*, 8 February 2002.

<sup>21</sup> *The Jakarta Post*, 13 March 2002; *Kompas Cyber Media*, 13 March 2002.

<sup>22</sup> *The Jakarta Post*, 20 June 2002.

<sup>23</sup> *The Jakarta Post*, 5 and 6 July 2002.

linked GAM supporters with recent bombings in Jakarta, and a TNI spokesman said that five suspects had been arrested on 6 July.<sup>24</sup>

Another theme in the push for an increased emphasis on military action in Aceh is that the civilian authorities have not been able to end the violence in the province. Minister of Home Affairs Hari Sabarno, a retired three-star general, was reported in the press as saying that the failure of the local Aceh administration to “solve the conflict would ultimately lead to the imposition of a civil emergency status,” which he said would be a worse outcome than a military emergency status. While disparaging the civilian authorities, Minister Sabarno did hold open the possibility of holding the all-inclusive dialogue provided for in the Geneva agreements.<sup>25</sup>

Under President Megawati, the military clearly has the lead on Aceh policy and, not surprisingly, favors a military solution. Because of his earlier role as a negotiator with the GAM in Geneva, Foreign Minister Hasan Wirayuda may continue to exert some influence on policy toward Aceh. However, he seems to have limited backing for his efforts from other members of the cabinet, or from President Megawati. As a negotiator, Wirayuda listened to the GAM representatives and gained their trust. However, his efforts to move from agreement on a “Humanitarian Pause” to discussion of more substantive issues, such as the possibility of transforming armed groups into political groups that would participate in a democratic process, was rejected by the military authorities. As long as the GAM continued to demand independence, the military could not believe its promises.<sup>26</sup>

## Indonesian military and police forces in Aceh

The reestablishment of the Iskandar Muda military command in Aceh on 5 February 2000, under Brig. Gen. Muhammad Djali Yusuf, appears not to have replaced the Operational Command, formerly headed by Djali, nor to have formally taken over primary responsibility for security in Aceh from the police.<sup>27</sup> However, no new head of the Operational Command has been appointed, and it remains to be seen how the structure and relationships of military units in Aceh will evolve. The TNI is said by a number of analysts to actually be in charge of operations against the GAM, which may be preferable in view of the reputation of the police, especially the Mobile Brigade, for “brutality and arrogance,”<sup>28</sup>

---

<sup>24</sup> *The Jakarta Post*, 9 July 2002; *The Post* concluded its article with the comment: “The stigmatization is suspected of being the initial stage in a move by the military and government to win both domestic and international support for their plan to wage a massive military anti-insurgency operation in Aceh.”

<sup>25</sup> *The Jakarta Post*, 9 July 2002.

<sup>26</sup> Interview, Minister Hasan Wirayuda, Jakarta, 5 December 2001; Confidential interviews, Washington, DC, 18 January and 25 June 2002.

<sup>27</sup> *Kompas Cyber Media*, 5 February 2002.

<sup>28</sup> ICG, *Slim Chance for Peace*, p. 4.

indiscipline, arbitrary rules of engagement, and lack of accountability—the latter facilitated by a tendency to wear civilian clothes rather than uniforms.<sup>29</sup>

Estimates vary of the number of army and police personnel assigned to Aceh. For police, including the Mobile Brigade, estimates range from 14,000 to 20,000. At his installation, Brig. Gen. Djali said there were 16,700 troops in the province; he did not specify whether this included territorial forces and “organic” troops assigned to the KODAM (or to the Operations Command that he had headed) as well as “non-organic” troops from other territorial commands or from KOSTRAD or KOPASSUS. In mid June 2001 the International Crisis Group estimated that there were 15 “non-organic” and 3 “organic” battalions, for a total of about 30,000 troops.<sup>30</sup> Press reports in June 2002 estimated more than 21,000 troops and thousands of police in Aceh. The Indonesian air force was reported to have launched a 60-day operation in late May, intended to “quash” the GAM and to help maintain security at such vital sites as the Arun oil and gas complex.<sup>31</sup>

The reestablishment of the Aceh command, which had been disbanded in 1985 as part of a territorial reorganization throughout Indonesia, was welcomed by Governor Puteh (who may actually have initiated the idea) and some members of the provincial legislature and other urban elites. The reestablished command was denounced by NGOs and human rights activists in Aceh and Jakarta on the grounds that it was likely to result in a resumption of the abuses that had characterized the DOM period. In June, the coordinator of the Human Rights Aid Institute in Aceh, Maimul Fidar, was quoted in the press as saying that the reestablishment of the local command had not brought peace, or even a reduction in violence, although it had placed limits on civilian activities, such as banning seminars.<sup>32</sup>

A number of observers, however, believe that the military has learned lessons from its past record, or at least that some better-trained units, some with specific human rights training and more sensitive to how to treat civilians, are now posted in Aceh.<sup>33</sup> Troops in Aceh have been given “guidelines printed on plastic cards that detail the situations in which lethal force is acceptable, with the threat of disciplinary action if the rules are broken.”<sup>34</sup> In a speech at the conclusion of

---

<sup>29</sup> ICG, *Aceh: Military*, p. 10.

<sup>30</sup> *The Jakarta Post*, 7 February 2002; ICG, *Aceh: Military*, pp. 9-12. John Haseman, a well-informed analyst of the Indonesian military, estimated in April 2001 that the TNI numbered 12,000 and police forces about 20,000 in “Jakarta hardens Indonesia policy,” *Jane’s Defense Weekly*, 2 May 2001.

<sup>31</sup> *The Jakarta Post*, 19 and 22 June 2002. Six air force personnel were killed, reportedly by the GAM, on 19 June.

<sup>32</sup> *The Jakarta Post*, 24 June 2002.

<sup>33</sup> Interview with Foreign Minister Hasan Wirayuda, Jakarta, 5 December 2001; discussions with John McBeth, Jakarta Bureau Chief, *Far Eastern Economic Review*, Washington, DC, 6 January 2002, (repeated in a USINDO meeting on 7 January); John Haseman, personal e-mail communication, 12 March 2002.

<sup>34</sup> ICG, *Slim Chance for Peace*, p. 4; ICG was shown one of these cards by an army officer in Aceh.

training for 14 combined (Marine, KOSTRAD, and KOPASSUS) companies to be sent as replacements in April for the *Rajawali* I units, Deputy Army Chief of Staff Lt. Gen. Kiki Syahnakrie “warned the troops against committing human rights abuses in Aceh.” He was quoted as saying that the army leadership did not want “any more victims in the operational region due to the poor skills and professionalism of soldiers,” and that “the tactical and technical skills you possess in guerrilla warfare will be meaningless should the local people not support you.”<sup>35</sup>

Some who analyze the TNI believe that the military would be reluctant to leave Aceh, and indeed has an interest in prolonging the insurgency and its role in combating it. More important than the political calculation of demonstrating its continuing importance in protecting the integrity of the nation, some say, are the economic benefits available to military personnel in troubled areas. Underpaid and lacking official budgetary allocations for even essential functions, the military has long relied on raising funds locally. Military organizations, and individuals, provide security for a fee and, according to many reports, engage in even more deplorable activities, including extortion, illegal logging, and the marijuana trade.<sup>36</sup> These are problems nation-wide, which can be tackled only by a commitment to reform of military structure, budgeting, training, and personnel practices.

## Acehnese players

### The Free Aceh Movement (GAM)

The titular head of the GAM is Hasan di Tiro, described by the International Crisis Group as “a descendant of pre-colonial sultans and enigmatic envoy of the previous revolt,” who has resided in Sweden since fleeing Aceh in 1979.<sup>37</sup> Now in his late 70s, di Tiro is more a symbol than an operational leader, although the recently killed head of the armed wing of GAM in Aceh, Abdullah Syafi’ie, is said to have been a loyal follower. Di Tiro did participate in the first negotiation session under the auspices of the Henry Dunant Center, in January 2000. In subsequent meetings, including the most recent ones in February and May 2002, Malik Mahmud, described by di Tiro as his “prime minister,” has led the GAM delegation. Malik, resident in Singapore, is said to clearly defer to di Tiro in

---

<sup>35</sup> *The Jakarta Post*, 1 and 3 April 2002; the speech was read by Kiki on behalf of Army Chief of Staff Gen. Endriartono Sutarto..

<sup>36</sup> For example, ICG, *Aceh: Military*, pp.12-14.

<sup>37</sup> ICG, *Aceh: Military*, p. 3. Hasan di Tiro is said to have been a member of the Indonesian delegation to the United Nations in 1953 when he declared himself instead the envoy of the *Darul Islam* rebellion, then active in Aceh, South Sulawesi, and West Java; Tim Kell, *The Roots of Acehnese Rebellion, 1989-1992* (Ithaca, NY: Cornell Modern Indonesia Project, 1995), p. 61.



making commitments, although it is far from clear that commitments made by those residing abroad would be honored by GAM fighters on the ground in Aceh.

The GAM's political program is said to be limited to the demand for an independent state. Although the GAM did "begin to construct an alternative government at the village level in parts of Aceh" as it pushed out central government forces and intimidated local government officials in mid 2002, its supporters destroyed schools and government buildings without providing alternatives.<sup>38</sup> Neutral parties who have contact with the GAM leaders say they have thought little about the shape of an independent Aceh state, its economy, or its likely foreign policy. One senior GAM leader has mentioned Brunei, as an Islamic sultanate, as a possible model, admitting that GAM has thought little about democracy. Some GAM leaders, basing their claim to independence on the past history of an Aceh sultanate, are said to foresee an independent Aceh as replicating the structure of the 19th-century sultanate.<sup>39</sup> In general, the GAM leaders are described as isolated and unsophisticated, focusing narrowly on the goal of independence without giving much thought to what would come next.<sup>40</sup>

There have been splits within the GAM, among former GAM members based in Stockholm and in Malaysia, but neither splinter group is said to have much influence within Aceh.

Following the January 2002 killing of GAM military commander Abdullah Syafi'ie, several reported GAM spokesmen said that their fight would continue until independence was attained, and that, after consultations with GAM leaders abroad, including Hasan di Tiro, command had devolved to Syafi'ie's deputy, the Libyan-trained Muzakkir Manaf.<sup>41</sup>

In mid 2001, many analysts believed that GAM controlled or influenced about 80 percent of Aceh's villages.<sup>42</sup> Taking advantage of the Humanitarian Pause, which began in May 2000, the GAM replaced the local Indonesian government apparatus in many villages, particularly in the heartland of GAM strength along the northeastern coast (the districts of North Aceh, East Aceh, Pidie, and Bireun).<sup>43</sup> By the end of 2001 both Indonesian government representatives and independent observers indicated that GAM had been pushed out of many of these villages. GAM representatives admitted that its control of the province had declined in their estimate from 60-70 percent a year ago to only 30-40 percent in

---

<sup>38</sup> ICG, *Slim Chance for Peace*, p. 5.

<sup>39</sup> Edward Aspinall, "Sovereignty, the Successor State, and Universal Human Rights: History and the International Structuring of Acehese Nationalism," *Indonesia*, No. 73 (April 2002), p. 15.

<sup>40</sup> Confidential telephone interviews, New York and Washington, DC, 15 March 2002.

<sup>41</sup> *Kompas*, 24 January 2002; *The Jakarta Post*, 25 January 2002, *Koran Tempo*, 25 January 2002; ICG, *Slim Chance for Peace*, p. 2.

<sup>42</sup> ICG, *Aceh: Military*, p. 5.

<sup>43</sup> ICG, *Aceh: Autonomy*, p. 11; Human Rights Watch, *Aceh*, p. 10.

early 2002.<sup>44</sup> The relative lack of support for the general strike called by GAM in January 2002, and the reported calm in the rebel heartland of Pidie following Abdullah Syafi'ie's death, may be evidence of a diminished GAM presence in those areas.<sup>45</sup>

Membership in GAM is variously estimated at anything from 15,000 to 27,000, with, however, only 2,000 to 5,000 members in its military wing, and only between 1,000 and 2,500 modern firearms, mostly "acquired" from the police and the TNI.<sup>46</sup> GAM is notionally organized on a territorial basis, with a recognized chain of command, but local commanders appear to operate quite independently of the nominal hierarchy with little apparent discipline or accountability.

There is no evidence of links between the GAM and *al Qaeda*/bin Laden or other terrorist groups. Nor is there evidence of links between the GAM and extremist Islamic groups within Indonesia. GAM spokesman Ayah Sofyan opposed plans of the *Laskar Jihad* to hold a mass meeting at the Grand Mosque in Banda Aceh in February 2002, stating that "The conflict in Aceh is between the Acehnese people and the Indonesian government and it is political in nature and not sectarian."<sup>47</sup> According to press reports, the Laskar Jihad has opened an office in Banda Aceh, but the "mass" meeting, held on 18 February, attracted only 200 people, mostly Laskar members.<sup>48</sup>

Earlier, several hundred Acehnese were trained in Libya, and at least 250 of this group are said to have joined GAM on their return to Aceh in 1989, reinvigorating the rebellion. Hasan di Tiro was based in Libya at the time, and is said to have had a network of contacts within liberation movements supported by Libya. There is no indication that he maintains such contacts at the present. Libya's support is said to have been limited to training, not to weapons.<sup>49</sup>

In early June there were several press reports that Acehnese with links to GAM were in or at the border with East Timor, purportedly to purchase weapons, or trade marijuana for weapons, with "former East Timorese pro-integration militia members."<sup>50</sup>

While the Malaysian government has given no support to the GAM, the large Acehnese community in Malaysia is said to have been a source of funds and to have provided sanctuary to GAM members escaping Indonesian military

---

<sup>44</sup> ICG, *Slim Chance for Peace*, p. 2.

<sup>45</sup> *The Jakarta Post*, 18 January 2002; *Tempo Interaktif*, 26 January 2002.

<sup>46</sup> ICG, *Aceh: Military*, p. 7.

<sup>47</sup> *The Jakarta Post*, 16 February 2002.

<sup>48</sup> *The Jakarta Post*, 20 February 2002.

<sup>49</sup> Kell, p. 73.

<sup>50</sup> *The Jakarta Post*, 10 and 11 June 2002. I have seen no other reports of contacts between GAM and East Timorese, of whatever persuasion.

operations within Aceh.<sup>51</sup> A GAM splinter group is based in Malaysia, but suffers from internal factional strife and is said to have little influence within Aceh.

## Other Acehese players

GAM's influence in the villages of Aceh may have been facilitated by the decline in the position of religious leaders (*ulama*) in rural Aceh, of whom there are estimated to be only about 1,000. Many *ulama* were local leaders of the earlier *Darul Islam* rebellion, but now, caught between pressure from the GAM and the military, seem to concentrate on religious and social matters.<sup>52</sup> Neither of the two *ulama* organizations in Aceh currently exerts political influence. The Council of Indonesia Ulama (MUI) was compromised by its readiness to work with the central government and the military against the GAM—although it “did not necessarily approve of the methods used by the army to quell the insurgency.”<sup>53</sup> A group formed in 1998 or 1999, *Himpunan Ulama Daya Aceh* (HUDA: The League of Ulama of the Religious Schools of Aceh), supported peaceful resolution of the conflict through a referendum, but has faced intimidation from one or both of the armed parties.<sup>54</sup> Another aspect of the loss of influence of the *ulama* in rural Aceh is that, in general, their children have not succeeded them, but are said to form the nucleus of a new secularly educated middle class that developed in response to increased educational opportunities during the Soeharto period.

This “new technocratic elite,” centered on *Syiah Kuala* University in the provincial capital of Banda Aceh, has also staffed many local government positions. Some, notably the respected rector of *Syiah Kuala* University, Dayan Dawood, have been killed, by unidentified assassins. Some members of this elite have joined the national elite based in Jakarta, a number holding positions as ministers.<sup>55</sup> (Ethnic Acehese have also been well represented among the senior ranks of the armed forces.) Although many of these prominent Achenese have strong ties with the central government and might be thought possible intermediaries, they are distrusted by the bulk of the Acehese population, whose own experience with the central government has been one of continuous betrayal.

Students and NGO leaders, on the other hand, who have been outspoken in opposing military abuses, do have the trust of many Acehese. However, they are often seen by the central government, particularly the military, as being tools of the GAM. Many have been arrested, some tortured and killed.<sup>56</sup> The largest student organization is the Centre for an Aceh Referendum, known by its

---

<sup>51</sup> Kell, p. 73.

<sup>52</sup> ICG, *Aceh: Autonomy*, p. 15.

<sup>53</sup> Kell, pp. 78-80.

<sup>54</sup> ICG, *Aceh: Autonomy*, p. 15.

<sup>55</sup> Kell, pp. 29-30.

<sup>56</sup> Human Rights Watch, *Aceh*, provides many detailed examples; see also ICG, *Aceh: Autonomy*, pp. 14-15.

Indonesian acronym, *SIRA*. Formed in January 1999, apparently inspired by then President Habibie's offer of a referendum to East Timor, SIRA organized mass rallies in Banda Aceh in November 1999 and November 2000 to demand a referendum for Aceh. In contrast to the GAM demand for independence, groups like SIRA see a referendum, which would include an independence option, as being a more "democratic and just" way of resolving the conflict by determining the wishes of the people.<sup>57</sup> A Jakarta-based Association of Aceh Students and Youth demonstrated in front of Minister Susilo's office in early May, calling for dialog rather than military action to reach a settlement in Aceh and supporting the scheduled Geneva talks.<sup>58</sup> A youth group affiliated with HUDA, the *Rabitha Thaliban Aceh*, claims to have 75,000 members throughout Aceh. The most politically significant NGOs are those concerned with human rights; some are branches of national human rights organizations.<sup>59</sup>

Acehnese women are active in both student and non-governmental organizations. They have organized rallies for peace, and, recently, some 40 women market traders marched to the governor's office to protest against extortion and diversion of financial assistance by the local administration.<sup>60</sup> They may represent a relatively untapped source of support for a peaceful end to the conflict.

## Prospects for negotiation

Most analysts believe that the GAM is unable to win a military contest with the GOI. The GAM, can, however, make the Indonesian government's efforts to crush it painful and costly. Thus, a negotiated settlement may be the only realistic alternative. However, so long as the GAM maintains that it will accept nothing short of independence as its ultimate goal, and the GOI refuses to countenance the possibility of an independent Aceh, agreement is unlikely. Involvement of other Acehnese in negotiations, which the GOI now appears to be contemplating, implementation of the new law on Acehnese autonomy, and a reduction in human rights abuses might enhance the possibility of a resolution.

The record of attempted negotiations to date is mixed. A Joint Understanding on a Humanitarian Pause was achieved in May 2000, following three rounds of discussions in Switzerland between GAM and GOI representatives, facilitated by the Henry Dunant Center for Humanitarian Dialogue. There was a decrease in violence in the months immediately following the agreement, but the GAM took advantage of the opportunity provided by the Pause to extend its control in many villages, displacing much of the local government in its East Aceh heartland. A joint monitoring team did not function well and basically ceased functioning in August 2000; there was little humanitarian aid for the projected Joint Committee

---

<sup>57</sup> Aspinall, p. 19.

<sup>58</sup> *The Jakarta Post*, 3 May 2002.

<sup>59</sup> ICG, *Aceh: Autonomy*, pp. 14-15.

<sup>60</sup> *The Jakarta Post*, 20 February 2002.

on Humanitarian Action to deliver, and this committee never really functioned. Efforts to move on to talks on substantive political issues were delayed by GAM reluctance. In meetings, described as a workshop, held in Geneva in January 2001, the negotiators, with the assistance of outside mediators, agreed to an agenda of political issues, including the possibility of moving from armed confrontation to political competition in a political process. However, as noted above, the military authorities remained distrustful of the GAM so long as it continued to demand independence, and this idea was dropped. GAM, for its part, distrusted the GOI, and its assigning only low-level personnel to agreed-on field commanders meetings and its insistence on a total cease-fire contributed to the demise of the joint monitoring team.<sup>61</sup>

In addition to the same outside mediators as in the January 2001 talks, several international “wise men” were invited to take part in the February 2002 meeting. The presence of these outsiders—in particular, U.S. General Anthony Zinni—is said to be the reason that GAM decided to talk part in the talks despite the killing of its military commander, Abdullah Syafi’ie. GAM, it is said, felt that the internationalizing of the situation and the involvement of the world’s only superpower would be to its advantage.<sup>62</sup>

According to a report in *The Jakarta Post*, the February 2002 talks between the GOI and the GAM, again sponsored by the Henry Dunant Center for Humanitarian Dialogue, resulted in agreement on the following confidence-building measures:

- Ending of hostilities and all acts of violence during 2002
- Holding an “all-inclusive and transparent political dialogue for Aceh between 2002 and 2003”
- Establishing a “democratically elected government in Aceh through free and fair elections in May 2004.”<sup>63</sup>

The same report, based on comments to the press of Coordinating Minister Susilo, stated that the government would “facilitate new peace talks that will include all parties in Aceh,” similar to the recent talks in Malino concerning conflicts in Maluku and Poso. The *Post* noted that officials had not clarified whether these proposed talks were related to the recent Geneva agreement. Later indications are that the Geneva negotiations between the GOI and the GAM and the all-inclusive dialogue among Acehnese are separate tracks, although both are being facilitated by the Henry Dunant Center.<sup>64</sup>

---

<sup>61</sup> Interview with Foreign Minister Hasan Wirayuda, Jakarta, 5 December 2001; *The Jakarta Post*, 13 May 2000.

<sup>62</sup> Confidential interview, Washington, DC, 15 March 2002. The other wise men were former Thai Foreign Minister Surin Pitsuwan and former Yugoslav ambassador to Jakarta, Budimir Loncar, who is highly regarded by Megawati and other members of the Jakarta elite. See also ICG, *Slim Chance for Peace*, p. 11.

<sup>63</sup> *The Jakarta Post*, 13 March 2002.

<sup>64</sup> *The Jakarta Post*, 6 July 2002.

The International Crisis Group's report notes that both sides showed some flexibility in the February talks: GAM agreed to "neither accept nor reject" special autonomy, instead of rejecting it out of hand; the Indonesian negotiators did not insist that GAM abandon its demand for independence. (Whether the negotiators have the confidence of their constituencies remains to be seen.) In addition, the ICG notes that an Aceh Civil Society Task force, representing civil society groups in Aceh, had some influence on the talks. It is not yet clear whether this group will participate in the projected wider dialogue. Finally, the involvement of the three international "wise men" is seen as useful pressure on the two sides to compromise.<sup>65</sup>

Another round of talks between GAM and the GOI was held in Geneva, under the Henry Dunant Center for Humanitarian Dialogue, 8-10 May. The Indonesian delegation was led by senior diplomat Ambassador Wirjono Sastrohandoyo; the three wise men, including General Zinni, were again present. Although both sides were cautiously positive about the outcome of the talks, both expressed doubts about the commitment of the other side to implementing agreements reached. According to Indonesian government representatives, the GAM had agreed to accept the special autonomy law for the (renamed) province of Nanggroe Aceh Darussalam as a basis for further discussions. Following his return to Jakarta and a meeting with Coordinating Minister Susilo, Wirjono told the press that the talks had been "positive" and that the two sides had agreed "to work toward a cease fire." He added that he "hoped that the next meeting could be held in Jakarta in about two months time." Asked about reported differences between the TNI and the Foreign Ministry, the diplomat Wirjono is said to have replied that "he was aware that the two organizations have yet to work more harmoniously." He also avoided a direct answer to the question of whether the government might consider a reduction in the number of troops posted to Aceh.<sup>66</sup> In early July, as indications increased of a likely decision to increase military operations against GAM, Wirjono was quoted in the press as saying that such a decision "would put him in a difficult position to negotiate with GAM," and that the conflict could be ended only if both sides abided by the agreements reached in Geneva.<sup>67</sup>

The May meetings also discussed the proposed all-inclusive dialogue among "all elements" of Acehnese society, a monitoring mechanism for ensuring respect for the ceasefire, and possibilities for international involvement in the monitoring and in aid to Aceh. The Henry Dunant Center would facilitate the all-inclusive

---

<sup>65</sup> ICG, *Slim Chance for Peace*, pp. 10-11.

<sup>66</sup> *The Jakarta Post*, 14 and 15 May 2002; confidential interview, Washington, DC, 25 June 2002.

<sup>67</sup> *The Jakarta Post*, 6 July 2002.

talks; a delegation from the Center visited Indonesia, including Aceh, in June to evaluate the results of the talks to date.<sup>68</sup>

Having failed to reach substantive agreement with the GAM, the GOI may believe that expanding participation in the talks to include other Acehnese may result in putting pressure on the GAM to modify its insistence on independence, particularly if others in Aceh are prepared to give autonomy a chance. For its part, the GAM, weaker after having lost its field commander and some of the gains made during the Humanitarian Pause, may be prepared to consider autonomy, perhaps as a way station to full independence. Involvement of other Acehnese, which might include the “technocratic elite,” NGO and student leaders, could broaden the basis for an agreement—and for its implementation. However, the lack of trust among all elements of Acehnese society, as well as between the Acehnese and the central government, will make agreement difficult, especially when it comes down to determining election regulations, for example.

## Autonomy

The law providing special autonomy for the Province of Nanggroe Aceh Darussalam, Law number 18, 2001, was signed by President Megawati Sukarnoputri on 9 August 2001. The law makes a number of symbolic gestures to Aceh’s history and culture, including the name of the province and of subordinate levels of government, and Aceh’s legal system is to be based on Syar’iyah law. More substantively, the grant of autonomy is to the provincial government, not, as in the national decentralization laws, to the district or municipality. While the distribution of revenues appears to be similar to that granted to other provinces, it is certainly higher than what Aceh received in the past.

The law provides for a symbolic head of state, the *Wali Nanggroe*, to preserve the culture, traditional law (*adat*), and unity of the people of Aceh, but specifies that this institution will have no political or government functions. How the *Wali Nanggroe* is to be selected is not specified. (Chapter VII)

The governor and deputy governor comprise the provincial executive, and are to be directly elected for five-year terms, but this provision will be implemented only after a minimum of five years. In the meantime, the governor and deputy are to be selected by the provincial legislature. The law continues the current description of the position of the governor as both the head of the province, responsible to the provincial legislature, and the representative of the government, responsible to the president. (Chapter VIII)

---

<sup>68</sup> *The Jakarta Post*, 15 May and 21 June 2002. The team’s presence in Indonesia coincided with the harsh statements on crushing separatists noted above; reportedly, Aceh Governor Puteh did not meet with the delegation; confidential interview, Washington, DC, 25 June 2002.

The members of the provincial legislature are to be chosen in a general election. (Chapter I) Among their responsibilities are “the defense and protection of the unity of Unitary Republic of Indonesia as well as to realize democracy and the welfare of the community.” (Chapter VI, section 5)

In addition to local taxes, the province is to receive back from the central government, the following percentages of natural resource revenues:

▪ Property taxes	90 percent
▪ Rights to land and buildings	80 percent
▪ Forestry, fishing, and mining	80 percent
▪ Natural gas	30 percent
▪ Personal income tax	20 percent
▪ Oil	15 percent

These percentages appear to be the same as those specified for other regional and local governments in Law number 25 of 1999. In addition to local taxes and revenues returned by the central government, the province is authorized to borrow from domestic sources with the approval of the provincial legislature and from foreign sources with approval from the central government as well as the provincial legislature. The provincial government is authorized to invest in state enterprises that operate solely within the province, and will share in their revenues. (Chapter II)

Provincial police forces are to be part of the national police; the provincial chief of police is to be appointed by the national police chief with the consent of the governor. The provincial police chief will have operational responsibility for security in the province, in coordination with the governor. (Chapter X)

Judicial functions in the province will be carried out as part of the national attorney general’s office. The head of the local office (*kejaksaan*) is to be appointed by the attorney general with the consent of the governor. (Chapter XI) Syar’iyah law is to be enforced by a syar’iyah court, based on Islamic syariat and the national law system. (Chapter XII)

Do this law’s provisions meet the basic demands of the Acehnese? Recognition of Aceh’s culture and traditional local political structures is symbolically important, and a fairer division of revenue does meet the demand for greater economic justice. Implementation of the revenue-sharing provisions, however, has not met the expectations, or calculations, of the Aceh provincial government.<sup>69</sup> More fundamentally, the autonomy law alone does nothing to address the problem of military abuses and lack of accountability. Unless these demands of the Acehnese

---

<sup>69</sup> *The Jakarta Post*, 23 May 2002.



are met, autonomy alone will not stem the demand for justice or the belief that it may be possible to attain justice only through independence.<sup>70</sup>

## Conclusion

The tangled situation in Aceh is in many respects a reflection of problems facing Indonesia as a whole: absence of a clear national policy, absence of leadership at the national level, and ineffective institutions.<sup>71</sup> Buoyed by recent military successes in Aceh, the TNI appears determined to continue to rely on a military strategy, while tossing out the carrot of an all-inclusive dialogue among Acehnese, a tactic that could undermine GAM's hope to represent the aspirations of the Acehnese people. At the same time, involvement of other elements of Acehnese society in substantive discussions on the future of the province could contribute to a peaceful resolution of the conflict.

Implementation of the autonomy law, particularly the revenue-sharing provisions, would help to overcome the distrust of the Acehnese of past GOI promises. The weakness of governmental institutions, national and local, may make this difficult. Results to date are not encouraging.

Unless the TNI and police can improve their command and control over their troops in the field, abuses will continue, whatever policies and statements are made in Jakarta. Unless abuses are substantially ended, and those responsible for past abuses held accountable, resentment of the central government, especially the police and military, will make achievement of peace almost impossible. Indications that the military, with Megawati's strong support, is looking to intensified military action to eliminate the GAM as the way to end the rebellion, raise questions of how much it has learned from past experience. If eliminating the GAM terrorizes the civilian population, resentment of the military, and of Indonesia, will fester and could easily be reignited.

Maintaining the territorial integrity of the Republic, and keeping Aceh within it, is psychologically important to Indonesia. Most Indonesians are aware of Aceh's long struggle against the Dutch and crucial assistance to the Republic during the 1945-49 revolution. Acehnese have been important in Indonesian academic, political, business, and military circles. They are seen as being "Indonesian" in a way the East Timorese, and probably the Papuans, never have been. Further, a break-away Aceh could inspire other regions to aspire to independence, again unlike East Timor or Papua.

---

<sup>70</sup> These conclusions have also been expressed by Rizal Sukma, a respected analyst (who happens to be Acehnese) of the Center for Strategic and International Studies, Jakarta, in a USINDO-sponsored Bilateral Policy Dialogue on 27 September 2001; pp. 10-11 in the published transcript.

<sup>71</sup> Interview with a senior TNI officer, Jakarta, 14 December 2001.

Economically Indonesia might miss the revenues from Aceh's resources, but the gas is running out, and the current military campaigns are costly.

While continuing to support the territorial integrity of Indonesia, the United States might be able to play a low-key role in encouraging serious negotiations between the central government and the Acehnese. Support for economic development in Aceh, where poverty and unemployment contribute to the rebellion, and for responsible NGOs should continue. Professional training of Indonesian police and military under proper safeguards could also be helpful, but would have to consider Congressional sentiments, as well as the implications of the military's recent designation of the GAM as a terrorist organization.

## Papua

Separatist sentiment in Papua, formerly Irian, has been fueled by many of the same grievances against Indonesian rule as found in Aceh: military repression, economic exploitation, and lack of respect for local culture, traditions, and inhabitants. In contrast to Aceh, however, the Papuans are few in number, are divided into numerous tribal groups with mutually incomprehensible languages, and inhabit a largely mountainous territory that makes communication within the province difficult. Whereas the ethnic Acehnese are clearly dominant in Aceh, the influx of migrants, government-sponsored and spontaneous, now estimated at 30 percent of the provincial population of just over two million, has contributed to the Papuans' sense of having been marginalized in their own land.<sup>72</sup>

A particular focus of the burgeoning Papuan nationalism since 1998 has been the “correction” of the history of the integration of Irian into the Republic of Indonesia. Official Indonesian histories emphasize the role of the United Nations in completing the transfer of West Irian from the Netherlands, as anticipated in the Round Table Agreement of 1949 that gave Indonesia its independence, and the “Act of Free Choice” of 1969, in which GOI-selected traditional leaders voted, under pressure, to become a province of Indonesia. Some Papuan nationalists claim that Papuan independence should be dated from 1 December 1961, when the Morning Star flag and the national anthem, adopted in October that year by Papuan members of the New Guinea Council, were first raised and sung. They assert that Papuan wishes were not considered in the U.S.-brokered 1962 agreement between the Netherlands and Indonesia, which provided for an interim UN role, a period of Indonesian administration, followed by an act of Papuan self-determination.<sup>73</sup>

Since its formation in 1964, the Free Papua Movement (OPM) has symbolized Papuan resistance to Indonesian rule. The OPM has suffered from internal splits and limited military capabilities; it is poorly armed with modern weapons. According to a former military commander in Irian, the OPM receives no weapons or other support from outside sources.<sup>74</sup> The OPM's most effective operations have been along the border with Papua New Guinea, where its fighters could find sanctuary among refugees who had crossed the border. Described as a

---

<sup>72</sup> International Crisis Group, *Indonesia: Ending Repression in Irian Jaya*, ICG Asia Report No. 23, 20 September 2001, pp. 5-6.

<sup>73</sup> ICG, *Irian Jaya*, pp. 3-5; Human Rights Watch, *Human Rights and Pro-Independence Actions in Papua, 1999-2000*, Vol. 12, No. 2 (C), May 2000. An Australian-based researcher states that the New Guinea Council's Manifesto “clearly asserted a right to sovereignty,” but did not actually proclaim independence; Peter King, “Morning Star Rising? *Indonesia Raya* and the New Papuan Nationalism,” *Indonesia*, No. 73 (April 2002), p. 108. For an account of the Indonesian-Dutch negotiations and the role of the United States, see Christopher J. McMullen, *Mediation of the West New Guinea Dispute, 1962*, Institute for the Study of Diplomacy, Georgetown University, 1981.

<sup>74</sup> Interview with Lt. Gen. Johny J. Lumintang (now Secretary General of the Department of Defense), Jakarta, 6 December 2001.

“low-level insurgency,” the OPM has attacked Indonesian military posts and engaged in sporadic guerrilla resistance. The OPM gained publicity, and some notoriety, through minor acts of sabotage at the U.S.-owned Freeport McMoran copper and gold mine, and taking hostages, most notably in January 1996 when it kidnapped a group of scientists, Indonesian and foreign, who had been conducting research in the highlands.<sup>75</sup>

The OPM has been eclipsed since the fall of Soeharto by the rise of a broader-based Papuan nationalist movement, “led by an urban elite, supported by key leaders with traditional authority, advocating independence by non-violent means,” which formed the Papuan Presidium Council in February 2000.<sup>76</sup> Indonesian government efforts to conduct a dialogue with Papuan leaders, inconsistent and sporadic as they may have been, are now at an impasse because of the killing of the chairman of the Presidium Council, Theys Eluay, on 11 November 2001. Almost from the start the local special forces (KOPASSUS) was widely believed to have been involved, and in June the national military police commander, Maj. Gen. Sulaiman A.B., told the press that three mid-ranking officers and six non-commissioned officers have been charged with murder, will be tried at the high military court in Surabaya, and would face a maximum sentence of 15 years in prison if convicted.<sup>77</sup> Although the presumed killers have been identified, suspicion remains that the murders were politically motivated, or the consequence of commercial competition, with the military perpetrators just the “hired guns.” The failure of the various investigations of the murder, including by the National Commission on Human Rights as well as military and police teams, to get to the root of the murders (or to publicize their findings, if they have done so) has greatly increased Papuan distrust of the Indonesian government and the TNI.<sup>78</sup> Human rights activists also criticize the decision to try the suspects in a military tribunal rather than a civilian court as more likely to protect the military as an institution and to overlook the human rights abuse represented by the murder of Theys.<sup>79</sup> This distrust is unlikely to be alleviated until those responsible are brought to justice in a credible judicial proceeding.

The recently reported presence of the extremist Islamic militia, the Laskar Jihad, in Papua has raised tension, although it has not yet led to conflict between Christians, largely indigenous, and Muslims, largely immigrants from elsewhere in Indonesia.

---

<sup>75</sup> ICG, *Irian Jaya*, p. 2; Human Rights Watch, *Papua*, pp. 6-7.

<sup>76</sup> ICG, *Irian Jaya*, p. I; King, “Morning Star,” pp. 106, 122-23..

<sup>77</sup> The Irian Jaya chief of police admitted to reporters in January that there were “indications that some Kopassus members had a hand in the murder,” and in March the TNI spokesman, Maj. Gen. Sjafrie Sjamsoeddin told the press that some TNI members were “close to being named as suspects,” while denying that Theys was slain in a military operation with the full knowledge of TNI headquarters”; *The Jakarta Post*, 16 January and 27 March 2002.

<sup>78</sup> The murder and the investigations have been heavily covered in the Indonesian press.

<sup>79</sup> *The Jakarta Post*, 29 June 2002.

The law granting special autonomy to the renamed province of Papua was passed by the Indonesian parliament on 22 October 2001, based in part on proposals submitted by Papuan intellectuals. The initial reaction from the Presidium and the OPM was that they were pleased to have autonomy but would not abandon their demand for independence.

## The Papuan elite

The Papuan elite largely consists of graduates of Dutch and Indonesian educational institutions, which brought together Papuans from different regions and tribal groups. Its members are employed in the provincial and district bureaucracy, churches, and universities; they lead political, religious, and community organizations, including NGOs. Recognizing the fact of Indonesian power, the elite accommodated itself to the political reality of Indonesian rule:

The dominant mode of accommodation is borne [sic] out of a pragmatic acceptance of Indonesian authority over Irian Jaya and the opportunities it provides for economic, political and social development of the territory as well as for personal political and career advancement... [Some] were motivated by their sense of responsibility to protect their [people] against what they perceived to be the overwhelming force that the Indonesian authorities were able to mobilize.<sup>80</sup>

Several leading members of this elite were active participants in Soeharto's New Order. The slain Presidium chairman, Theys Eluay, a Sentani, was one of the tribal leaders who signed the Act of Free Choice in 1969 and served three terms in the provincial legislature as a member of GOLKAR, the government party. Even more controversial is Yorrys Raweyai, previously best known as a leader of the New Order's thuggish youth group, *Pemuda Pancasila*. The son of a Papuan mother and a Chinese father, Yorrys is thought by some to have used his wealth and political connections with the Soeharto family to become the recognized leader of the Papuan community in Jakarta and to obtain a position on the Presidium. The Presidium's deputy chairman, Thom Beanal, a leader of the Amungme in the Timika area, is less controversial, although questions have been raised about his acceptance of a position as a commissioner of Freeport-McMoran in 2000, just three years after he had taken the company to court in the United States "on environmental and human rights issues."<sup>81</sup>

This elite began to coalesce in July 1998, shortly after the fall of Soeharto, when a group of "church leaders, activists and intellectuals" formed a Forum for the

---

<sup>80</sup> ICG, *Irian Jaya*, p. 9.

<sup>81</sup> ICG, *Irian Jaya*, pp. 12-13; Human Rights Watch, *Papua*, p. 13; Octovianus Mote and Danilyn Rutherford, "From Irian Jaya to Papua: The Limits of Primordialism in Indonesia's Troubled East," *Indonesia*, No. 72 (October 2001), pp. 126-29; King, pp. 97-100, includes information on a number of other members of the Papuan elite, including religious and NGO leaders, and those in exile.

Reconciliation of the Irian Jaya Society (*FORERI*), and proposed a dialogue with the central government. The Habibie government “cautiously welcomed” this proposal, and agreement was reached for a meeting to be held in February 1999 between President Habibie and a “representative group of 100 Papuans.” At the meeting with Habibie and 22 members of his cabinet on 26 February, Thom Beanal, the leader of the Papuan team, said that there was no alternative to independence for West Papua, and other members of the team explained why. President Habibie is said to have been “astonished” by this turn of events and, although he acknowledged that the Papuans’ desire for independence was heartfelt, no further meetings were held.<sup>82</sup>

The meeting with Habibie did have an impact on the burgeoning Papuan nationalist movement. Many members of *FORERI* and the Team of One Hundred, as it came to be known, became active members of the Presidium. To bolster their credentials as representatives of the Papuan community, team members, who were community leaders, conducted a province-wide informal referendum on future options for Papua, establishing for this purpose “communication posts” (*posko*). The results of the referendum are said to have heavily favored independence over autonomy or a federal structure. The ability of the elite to conduct such a survey “demonstrated the flourishing of province-wide networking despite Irian’s formidable geography and lack of infrastructure.”<sup>83</sup>

A year after the meeting with Habibie, a consultative meeting was held in Jayapura (23-26 February 2000) to prepare for a Papuan congress. The organizers of this preparatory meeting identified nine “pillars” in the community on which they could rely, and from which representatives were drawn for the Papua Presidium Council established at that time. The nine, which did not include the OPM, were: religious leaders, customary or traditional leaders, professionals, students, women, youth, former political prisoners, heroes of the historical struggle, and the political dialogue group (*FORERI* and the Team of One Hundred).<sup>84</sup>

Initially welcomed, and partially funded, by President Wahid, the Papuan Congress was held from 29 May to 3 June 2000 in Jayapura. The Presidium formalized at the Congress has been described as “broadly reflective of Papuan society.” Although OPM representatives attended the Congress, and an exiled OPM member, John Ondawame, had by then been added to the Presidium, relations between the OPM and the Presidium were said to be “uneasy.” The Congress reaffirmed its commitment to independence through non-violent means, while the OPM continued its past tactics of sporadic attacks and

---

<sup>82</sup> Mote and Rutherford, pp. 124-25.

<sup>83</sup> Human Rights Watch, *Papua*, pp. 10-12.

<sup>84</sup> King, pp. 101-06.

kidnappings.<sup>85</sup> Delegates to the Congress disseminated its results to their local communities through the *posko*, and also set up local task forces charged with maintaining security (*Satgas Papua*). These local organizations helped to forge links between the elite and the ordinary people, with the *Posko* and delegates returning from the Presidium Congress representing a nascent province-wide organization under central leadership.<sup>86</sup>

A militia, also called *Satgas Papua*, was associated with Theys, and was said to be funded by Yorrys. By October 1999 this militia was reportedly involved in “harassment and extortion,” and, although the military at times allowed it to “handle crowd control at public events,” such as the May-June Papuan Congress, the military is said also to have “used the *Satgas Papua* as a scapegoat whenever disturbances have occurred.”<sup>87</sup>

Neither the OPM nor the Presidium has received significant foreign support. Although some OPM members have found refuge along the border with Papua New Guinea, the PNG government has been more concerned to maintain good relations with Indonesia than to support a separatist movement in West Papua. Presidium members, including Theys Eluay, attended the Pacific Islands Forum in Kiribati as members of the Nauru delegation in October 2000, but were excluded at the 2001 Forum in Nauru, following a change of government there. The communiqués at both Forums expressed concern about violence and abuses of human rights, and urged dialogue and consultation to resolve differences between the Indonesian government and “secessionist groups,” but did not go beyond that to support Papuan independence. Other governments—Australia, New Zealand and the United States in particular—have also voiced concern about human rights violations in Irian Jaya, but have supported Indonesia’s territorial integrity.<sup>88</sup>

The ease with which expressions about concern for human rights or support for dialogue can be misinterpreted as support for political aspirations is indicated by the reaction in Papua to a May 1998 letter to then President Habibie from the U.S. House of Representatives Subcommittee on Human Rights that called for dialogue with the people of East Timor and Irian Jaya “on human rights protection and a just solution to their political status.” Many Papuans are said to have interpreted this letter as support for their cause.<sup>89</sup> Looking outside Papua for a miraculous rescue may be based on a millenarian tradition in Papua, manifested, for example, in the “cargo cults” around the time of the Second World War.<sup>90</sup>

---

<sup>85</sup> ICG, *Irian Jaya*, pp. 12-13; Mote and Rutherford, pp. 126-27; King, p. 107; *The Jakarta Post*, 4 and 5 June 2000.

<sup>86</sup> ICG, *Irian Jaya*, p. 13.

<sup>87</sup> Mote and Rutherford, p. 127; ICG, *Irian Jaya*, p. 13; King, p. 100.

<sup>88</sup> ICG, *Irian Jaya*, p. 16.

<sup>89</sup> Mote and Rutherford, pp. 123-24.

<sup>90</sup> King, pp. 92, 100.

## Indonesian government policy

The meeting between then President Habibie and the Team of One Hundred in February 1999 was the only dialogue between the Papuan leaders and the GOI for nearly a year. The GOI reverted to past policies of arresting and detaining activists, banning meetings, closing the local weekly, *Tifa Irian*, for two weeks, and banning travel abroad of five intellectuals who had participated in the dialogue. When Papuan activists continued to hold demonstrations and to raise the Papuan Morning Star flag, the authorities stopped them, with force if necessary.<sup>91</sup>

Fluctuations and inconsistencies in Indonesian government policies are in part a reflection of changes in the Indonesian presidency. Abdurrahman Wahid, who succeeded Habibie as president in October 1999, was more prepared to negotiate with separatists and met with Papuan leaders in the provincial capital of Jayapura on 31 December 1999. He gave an impression of listening carefully to their views and agreed to permit the flying of the Morning Star flag and to change the name of the province to Papua. He also agreed to a proposed Papuan Congress and contributed substantial funds to help cover costs. Wahid was criticized for these gestures by the Jakarta bureaucracy, the parliament, and, quietly, by his vice president, Megawati Soekarnoputri.

The upper house of the Indonesian parliament, the MPR, in its annual meeting in August 2000, strongly criticized President Wahid for his “accommodative attitude” toward the Papuan Presidium and Papuan demands. The Ministry of the Interior had already advocated a less accommodating approach, and, following the MPR session, a three-point strategy emerged:

- Provide a program of special assistance to Irian Jaya—known as the “Crash Program”
- Remove the Presidium from the center of the political stage and the symbols of Papuan nationalism from the public arena
- Promote the alternative of special autonomy.<sup>92</sup>

The “Crash Program” essentially involved rapid disbursement of a sum—nearly equal to the current provincial budget—for economic and social development. While welcoming the additional money, Papuans recognized its political purpose. The directive to remove “the symbols of Papuan nationalism from the public arena” was directed at the flying of the Morning Star flag, which was seen by Papuans as symbolizing both their desire for independence and their defiance of Indonesian rule. Conflicts over the flying of the flag in the ensuing months raised

---

<sup>91</sup> Human Rights Watch, *Papua*, pp. 15-37, describes a number of incidents.

<sup>92</sup> ICG, *Irian Jaya*, p. 18.



tensions, and resulted in a number of violent incidents, some resulting in casualties.<sup>93</sup>

In December 2000 the provincial police authorities detained Presidium Chairman Theys Eluay and four other presidium members on charges of subversion. Despite an appeal from President Wahid for the release of Theys, Coordinating Minister Susilo said that this could not be done until the investigation of Theys and the others was completed.<sup>94</sup> The five were released from detention on 15 March 2001; their trial began in May.<sup>95</sup> The case against Theys was dropped after his death. On 4 March 2002, three of the Presidium members—moderator, the Reverend Herman Awom, secretary-general Thaha Al Hamid, and member Don Flassy—were acquitted by the Jayapura District Court. (The trial of the fifth person accused, John Mambor, had been postponed because of his hospitalization.) According to a press report, the presiding judge “contended that the three could not be sentenced to imprisonment because they had organized the congress with the full knowledge and support of the local and central government.”<sup>96</sup>

Although Wahid had given Megawati responsibility to deal with conflicts in eastern Indonesia, including Irian Jaya, she visited the province only once as vice president, in May 2000. Accompanied by a large entourage of cabinet ministers and army generals, and protected by heavy security at every stop, Megawati was met in the highlands capital of Wamena by pro-independence demonstrators waving the Morning Star flag, who surrounded her vehicle and the airplane on which she had flown in. The demonstrators outnumbered the troops and guards in her security detail, and a riot was avoided only by the intervention of local Presidium members.<sup>97</sup> Megawati had personal reasons for opposing independence for Irian Jaya, aside from her commitment to preserving Indonesian territorial integrity. The “return” of West Irian to Indonesia had been a cornerstone of the foreign policy of her father, Sukarno, and her first husband, an Air Force pilot, was lost in the military campaign to “liberate” West Irian in the early 1960s.<sup>98</sup>

## Indonesian military and police forces in Papua

The fluctuations and inconsistencies in Indonesian government policy toward Papua have inevitably affected military policies and actions in the province. West Irian was declared a military operations area (DOM) in 1969, following Irian’s incorporation into Indonesia. This status was only lifted in October 1998,

---

<sup>93</sup> ICG, *Irian Jaya*, pp. 18-19; Mote and Rutherford, pp. 134-37.

<sup>94</sup> *Kompas Cyber Media*, 1 December 2000; *The Jakarta Post*, 9 and 26 December 2000.

<sup>95</sup> ICG, *Irian Jaya*, p. 20.

<sup>96</sup> *The Jakarta Post*, 5 March 2002.

<sup>97</sup> Mote and Rutherford, pp. 133-34.

<sup>98</sup> Mote and Rutherford, p. 132.

following the fall of Soeharto. Intimidation and repression are reported to have been particularly widespread in the run-up to the Act of Free Choice, in putting down a 1977 uprising in Wamena, the highland capital, and in responding to OPM attacks, notably the 1996 kidnapping of Indonesian and foreign scientists. In the mid 1980s an Australian author wrote: “Indonesian reprisals continued to be the [OPM]’s greatest recruiting tool,” and both Human Rights Watch and the International Crisis Group have documented the pattern of “repression and alienation.”<sup>99</sup>

President Wahid’s more conciliatory policy, including permitting the flying of the Morning Star flag, seems to have been supported by local police and military officials, at least until contradicted by army headquarters. Raising of the Morning Star flag, a potent symbol of the Papuan desire for independence, had frequently resulted in attacks on the perpetrators, and some community leaders feared reprisals if the flag were flown in planned commemorations of the 1 December “independence” anniversary. On 26 November 1999 the army chief of staff did indeed forbid flag raisings, but, in a compromise worked out by the local authorities and Papuan community leaders, it was agreed that both the Indonesian and the Morning Star flags could be flown, and the Indonesian national anthem sung. Key to this agreement were the Irian Jaya police chief, Brig. Gen. S.Y. Wenas, and the newly arrived regional army commander, Brig. Gen. Albert Inkiriwang (both Protestant Christians from North Sulawesi). A number of flag raisings took place peacefully throughout the province on 1 December. However, in Timika (near the Freeport mine), demonstrators refused to lower the flag and were forcibly dispersed by security forces. Although initially the police denied that there had been shooting or injuries, on 3 December Gen. Wenas admitted that the incident had involved shooting, apologized for it, and said that the incident would be investigated and those responsible for opening fire would be held accountable.<sup>100</sup> It was also Wenas who permitted the *Satgas Papua*, the security teams established by the Presidium, to provide security for the May-June congress.<sup>101</sup>

Following Megawati’s assumption of the presidency in July 2001, the TNI and police assigned a new team to the province, with instructions to take a firmer line against separatist political maneuvers. (The new TNI commander, Maj. Gen. Mahidin Simbolon, is well known for having captured the East Timorese rebel leader, Xanana Gusmao.) According to a well-informed American observer on the scene, the TNI also “doubled the size of the Kopassus [sic] intelligence task force in Irian, and, for the first time, assigned to it a large combat/counter-terrorist element.” The task force was to locate and go after the armed OPM and other armed bands. The same source says that it appears that the Kopassus

---

<sup>99</sup> Robin Osbourne, *Indonesia’s Secret War: The Guerrilla War in Irian Jaya* (Sydney: Allen & Unwin, 1985), p. 58; ICG, *Irian Jaya*, p. ii and passim; Human Rights Watch, *Papua*, passim.

<sup>100</sup> Human Rights Watch, *Papua*, pp. 27-31.

<sup>101</sup> *The Jakarta Post*, 4 June 2000; the mixed reputation of the Satgas has been noted above.

operation has followed “strict rules of engagement, and used only necessary force.”<sup>102</sup>

In March and April 2002, reports began to surface of the presence of the *Laskar Jihad* in Papua, with some indications that the Laskar was particularly active in the districts of Sorong, Fak Fak, and Manokwari, home to many Muslim migrants from other parts of Indonesia. Papuan religious leaders, including not just Christians but the head of the Papuan Council of Ulamas and the Muslim secretary general of the Papuan Presidium, Thaha Al Hamid, have rejected the presence of the Laskar Jihad as designed to provoke conflict and chaos.<sup>103</sup> Some Papuans say that the elements of the TNI sent the Laskar to Papua as a tool to fight the separatists.<sup>104</sup> On 17 April 2002 the Papua police chief, Inspector Gen. Made Mangku Pastika, announced that two armed members of the Laskar Jihad had been arrested in Sorong and Fak Fak districts, and others are said to have been captured by members of the community in Jayapura and Wamena.<sup>105</sup>

General Inkiriwang, a highly respected professional soldier, is said to have had good relations with the Papuan community. Lt. Gen. Johny Lumintang, regional commander in the mid 1990s, also was respected as a professional soldier, although his reputation was somewhat tarnished by controversy surrounding military actions in response to the OPM kidnapping of scientific researchers in 1996. Although the troops involved were from KOPASSUS, under the command of Gen. Prabowo Subianto, because of his position in the regional command, Lumintang was thought by some to share responsibility. Interestingly, much of the criticism of actions in this incident seems to have focused on the military, or the International Committee of the Red Cross, which had tried unsuccessfully to negotiate a peaceful resolution, and not on the kidnappers.<sup>106</sup>

Compared to the number of troops in Aceh, Papua is reported to have a relatively modest 4,350 deployed in the province, although this may have increased somewhat in recent months.<sup>107</sup> Most security operations in the province appear to

---

<sup>102</sup> Personal communication, 18 March 2002.

<sup>103</sup> ELSHAM News Service, 16 March 2002, in e-mail from Malukuwashdc, 21 March 2002; *The Jakarta Post*, 18 April 2002.

<sup>104</sup> ELSHAM report, introduction, which states: “One Jihad militia commander in Makassar admitted to an AFP journalist in February 2002 that the purpose of sending the Jihad militias to Papua is to assist TNI in ‘fighting the Papuan separatists.’” Confidential telephone communication, 7 July 2002, in which the source also said that he understood that, when battalion 733 moved from Maluku to Sorong, they brought elements of the Laskar Jihad with them, and that a Pakistani member of the Laskar Jihad, who had been invited to Papua by a Buginese from South Sulawesi, had been captured (Battalion 733’s home base is in Makassar).

<sup>105</sup> *The Jakarta Post*, 18 April 2002; confidential telephone interview 7 July 2002.

<sup>106</sup> Personal knowledge from assignment as DCM Jakarta, 1993-97; telephone interview, 21 January 2002, with Octovianus Mote, former *Kompas* Bureau Chief, Jayapura, now a Visiting Fellow with the Southeast Asia Program, Cornell University. Lumintang had a reputation as a commander who was strict in enforcing discipline on his troops while local commander in East Timor, as well as in Irian Jaya; in both places, he had little or no control over troops not under his command.

<sup>107</sup> *The Jakarta Post*, 16 March 2002.

be carried out by the TNI, not the police, although some Mobile Brigade troops are assigned to Papua.

## Autonomy

Law number 21, 2001, provides for special autonomy for Papua province. A team of Papuan intellectuals, appointed by the governor, had prepared a compendium of ideas for inclusion in the law, and some Papuan concerns are reflected in the law's provisions.<sup>108</sup> The law's financial provisions are quite favorable to the new province, and the law provides for a Papua People's Assembly charged with protecting the rights of the indigenous people, as suggested by the governor's team. The change of the name of the province from Irian to Papua and the recognition of a provincial flag and anthem were also in accord with widely expressed views of Papuans. The law also gives significant attention to education, culture, sustainable development, and protection of the environment—all elements in the Papuan draft. The law does provide for a Truth and Reconciliation Commission, but says nothing explicitly about accountability and compensation for past human rights abuses, a major concern in the Papuan community, which was reflected in the Papuan draft. Although the law does give considerable authority to the provincial government, among the responsibilities of the governor and provincial legislature stipulated in the law are the preservation of the integrity of the Republic of Indonesia.

The governor and deputy governor are to be selected by the provincial legislature and, with the approval of the Papuan People's Assembly are to be proposed to the president of the Republic of Indonesia. They serve for 5-year terms and may be re-elected. As head of the provincial administration, the governor is responsible to the provincial legislature; as representative of the central government, the governor is responsible to the president. The governor is responsible for the administration of the province, maintaining peace and order, and facilitating cooperation and settling disputes between subordinate government units. (Articles 4, 11-18)

The provincial legislature is composed of both elected and appointed members in accordance with regulations that are still to be formulated (implicitly by the central government). It is charged "to take into consideration and convey the aspirations and complaints of the people of Papua Province." In addition to its role in selecting the governor and deputy governor, the provincial legislature is to elect the province's representatives to the national People's Consultative Assembly (MPR). (Articles 6-10)

---

<sup>108</sup> Team Established by the Governor of Papua Province, "Principle Ideas as Background for the Drafting of the Bill of Special Autonomy for Papua Province in the Form of a Self-Governing Territory," [typescript], Jayapura, 2001. I am indebted to Mr. Octovianus Mote for a copy of this report.

Government units below the province are similar to those elsewhere in Indonesia only at the district/municipality level. Below that, local government units are to be based on traditional communities, bound by traditional law and custom (*adat*), whose members are Papuan natives “with a high feeling of solidarity among its members.” In addition to indigenous ethnic groups, described as being Melanesian, a person “accepted and acknowledged as a Papua native by the Papua *adat* community” is defined as a Papuan native. (Article 1)

The Papua People’s Assembly is an institution, proposed by the Papuan team, unique to Papua. It is charged in particular with “the protection of the rights of the Papua natives,” and to develop and preserve the traditional life and culture of Papua. The members are to be elected by the *adat* community, the religious community, and the women of the community as their representatives in accordance with provincial regulations yet to be stipulated, that are in accord with central government regulations. (Articles 19-25)

In addition to local taxes and fees, and profits of enterprises owned by the province, the province is to receive back from the central government the following percentages of revenue collected by the central government:

▪ Property taxes	90 percent
▪ Rights to land and buildings	80 percent
▪ Forestry, fishing and mining	80 percent
▪ Natural gas	70 percent
▪ Personal income tax	20 percent
▪ Oil	70 percent

The percentages for natural gas and oil are considerably higher than those for Aceh, or other provinces, although these will decline to 40 percent and 50 percent, respectively, after 25 years. In view of Papua’s mineral, oil, and gas reserves, these provisions represent a significant financial benefit to the province. The law stipulates that, of the oil and gas revenue, at least 30 percent is to be allocated to education and at least 15 percent to health and nutrition. The province may accept foreign assistance after notifying the central government; loans from domestic sources must be approved by the provincial legislature; loans from foreign sources must be approved by the provincial legislature and the central government. (Articles 33-37)

In addition to chapters devoted to protection of the rights of the traditional communities, the law specifies that economic ventures in the province must respect the rights of the traditional *adat* communities and empower their members to play a role in the economy. Natural resource ventures should also follow the principles of sustainable development and protection of the environment (also spelled out in detail in Chapter XIX). Existing licenses and

work agreements granted by the central or provincial governments are to be respected, thus ensuring legal certainty to entrepreneurs. (Articles 38-44)

A chapter on human rights provides for establishment in Papua of a representative office of the National Human Rights Commission, a Human Rights Court and a Commission for Truth and Reconciliation. In addition to formulating reconciliation procedures, the latter commission is to “clarify the history of Papua to strengthen the unity and integrity of the nation within the Unitary state of the Republic of Indonesia.” The composition and procedural rules of the commission are to be proposed by the governor for stipulation in a presidential decree. (Articles 45-47)

Provincial police forces are to be part of the national police; the provincial chief of police is to be appointed by the national police chief with the consent of the governor. The provincial police chief will have operational responsibility for security in the province, in coordination with the governor. The provincial police are authorized to select and train their personnel, with officers trained by the national police; assignment of police from outside the province by the national chief of police should take local conditions into account and be coordinated with the governor. (Articles 48-49)

In addition to the judiciary office (*kejaksaan*) that is part of the national attorney general’s office, the law provides for *adat* courts to investigate and adjudicate civil disputes and criminal cases within the *adat* communities. The disputing parties may appeal a decision of the *adat* court to the provincial court system. The *adat* courts, however, do not have the authority to impose criminal penalties of imprisonment or confinement. (Articles 50-52)

The law also includes chapters protecting freedom of religion and belief; providing for promotion of education and protection of culture, including preservation of local languages; establishing health services; giving priority to native Papuans for employment in the province and requiring consent of the governor for placement of people in Papua under the national transmigration program.

## Conclusion

The killing of Theys Eluay has cast a pall of fear over the activities of the Papuan Presidium Council and will complicate efforts to achieve an agreement with those Papuan activists committed to non-violent means of achieving their goals. The reported presence of the Laskar Jihad in Papua will further disrupt the situation. Support for independence appears to be widespread among Papuans, elite as well as mass. However, the elite, many of whom have worked closely with the Indonesian government and have participated in Indonesian government

institutions in the past, are more pragmatic and prepared to compromise than are the ordinary people, particularly those who may have directly experienced police or military brutality. Some in the elite, notably those with higher education, are aware that Papua lacks the trained people to run an independent government, and would require time and attention to educational development to overcome this lack of capacity.<sup>109</sup> Indeed, one of the first actions of the Papuan DPRD under the new autonomy law was to allocate 30 percent of the budget to education and to eliminate fees for students from elementary through high school, provide scholarships for higher education, and establish vocational training institutes at the tertiary level.<sup>110</sup> Many in this group would be prepared to work within the framework of special autonomy for Papua, postponing for the present the question of independence—which they see as unattainable at present in any case.

If special autonomy is fully and fairly implemented, and there is no reason why it should not be, Papuans may come to accept a future within Indonesia. The division of revenue, if carried out as specified in the law, would meet the demand for economic justice. The change of the name of the province from Irian to Papua, the recognition of the Morning Star flag as the provincial flag, and the acknowledgement of the Papuan anthem provide symbolic recognition to a special Papuan identity. However, it will be crucial for the autonomous governmental institutions to function in the interests of the Papuan population. Finally, military abuses must be curbed, and those responsible for past abuses must be held accountable. Chairman of the foremost Papuan human rights organization, the Institute for Human Rights Study and Advocacy (ELSHAM), John Rumbiak, made this explicit in a seminar in March 2002. As reported in *The Jakarta Post*, he said that “Special autonomy status for Papua will not achieve peace unless past human rights abuses are settled and dialogs [sic] between the central government and local people take place....”<sup>111</sup>

For Indonesia, Papua is an important economic resource. With an investment of over US\$5 billion since 1967, Freeport-McMoran is one of the largest foreign investors in Indonesia, and one of the largest corporate taxpayers. In addition to taxes, dividends, and royalties, since 1996 Freeport has set aside substantial funds for local community development. BP and the Indonesian oil company Pertamina are beginning to exploit a major natural gas field in Bintuni Bay, Manokwari. Indonesia’s share of these revenues will decline under the new autonomy law, but they will still be substantial.

---

<sup>109</sup> ICG, Irian Jaya, p. 15. In its report, the Papuan team noted that nearly half of the population of the province had never graduated from or enrolled in elementary school; 22 percent had graduated from elementary school, 10 percent from high school, and barely 2 percent from university.

<sup>110</sup> *The Jakarta Post*, 13 June 2002.

<sup>111</sup> *The Jakarta Post*, 22 March 2002.

Still, economic reasons alone would not be enough to determine Indonesian policy toward Papua. As members of the generation of the 1945-49 revolution, and those who were involved in the campaign for West Irian, leave the scene, a newer, more democratic generation of Indonesians may be more prepared to grant independence to Papua. They may also, however, hope that a more generous and less brutal policy, granting real autonomy and ending military abuses, may influence Papuans to accept a future within the Indonesian state.



## Decentralization

A federal system has been anathema in Indonesia ever since the Dutch government established a series of “states” during the national revolution in an effort to weaken the infant republic. Within six months of achieving independence, the republic, based in parts of Java and Sumatra, absorbed the other “states” into what became the unitary Republic of Indonesia. In the intervening years it had become clear that the overly centralized system, with its imposed uniformity on regions of quite varying character, was increasingly ineffective as a governing system. In the words of a respected former governor of West Nusa Tenggara, “We had a formal structure that didn’t work, and *adat* (traditional) communities that weren’t recognized.”<sup>112</sup> Over-centralization and failure to recognize local conditions and traditions also contributed to separatist sentiments in several disaffected regions, particularly Aceh and Papua. During this time there were a number of attempts to devolve central functions to the local level, usually termed “deconcentration,” but virtually no shift of actual decision-making authority to lower levels of government.

Following the financial crisis of 1997 and the resignation of President Soeharto in May 1998, there was a virtual collapse of the central government, which opened the way for reformers to push for governmental decentralization. In Indonesia’s case, real decentralization was an imperative thrust forward by the collapse of the center, rather than resulting from political maturity and prudent planning.<sup>113</sup>

The reformers had a number of objectives: democratization by bringing government closer to the people, improving economic performance by making government more attuned to local situations, political autonomy as a way of maintaining national integrity. Aware of the fears of some national leaders, evident in now-President Megawati Sukarnoputri, that decentralization would encourage separatism, the drafters of the laws on decentralization devolved autonomy to the second-level units, below the province, the district (*kabupaten*), or municipality (*kotamadya*).<sup>114</sup> The law specifies that there is not a hierarchical relationship between these second-level units and the provinces. The provinces do retain a number of functions, such as supervision of province-wide services, including infrastructure maintenance, providing services that the districts or cities are unable to carry out, and facilitating inter-regional cooperation. The question of the proper role of the provinces continues to be a focus of attention, with provincial governors urging that the autonomy law be revised to clarify their role

---

<sup>112</sup> Interview with Dr. Ben Mboi, Jakarta, 7 December 2001.

<sup>113</sup> USAID Briefing Paper, 2 July 2001; unless otherwise noted, information in this section is from these AID briefing papers.

<sup>114</sup> Interview with Dr. Andi Mallarangeng, Jakarta, 12 December 2001; also mentioned in discussions with USAID officials and others in Jakarta.

and responsibilities, and to give them more authority in their dealings with the heads of the second level regions.<sup>115</sup> Many in the reform group, notably the Partnership for Governance Reform, also see the lack of clarity in the provincial role as a weakness to be remedied, although some in that group believe the central government is more interested in recouping power for itself than in better defining the role of the provinces.<sup>116</sup> For the time being, the central government has indicated that it will evaluate the implementation of the decentralization laws before proposing changes to them.<sup>117</sup>

The basic law on regional government, Law 22 of 1999, was signed by then President B.J. Habibie on 7 May 1999, and came into effect on 1 January 2001. It is based on the principle that powers not specifically granted to the central government belong to the regional governments.

Only five powers were explicitly reserved for the center: justice, foreign affairs, defense and security, monetary and fiscal affairs, and religious affairs, although the center also was given a specific role in such other matters as state administration, national planning, fiscal balance, strategic technology, national standardization, and natural resource utilization.

Much remains unclear. The central government has authority over policy, but not over its implementation. Local authority over such devolved functions as mining, coastal zone management, and natural resources is far from clear. Local governments report decisions to the ministry of home affairs. The law does not clearly state whether the ministry has the authority to overturn local decisions. However, the ministry of home affairs, at the request of the ministry of energy and mineral resources, in early 2002 annulled a coal tax levied by a district in South Kalimantan that conflicted with the original contract of work of a mining company. In response to complaints from mining companies, an additional 14 regional decrees are under review.<sup>118</sup>

Central government oversight of local administration has diminished, but some analysts question “whether the central government has the capacity to provide the oversight, guidance and leadership necessary” for successful decentralization. The proliferation of local government units, now some 370 districts as well as several new provinces, also raises span of control questions.<sup>119</sup> There is a financial incentive for this proliferation of units, as each recognized unit receives a lump-

---

<sup>115</sup> *The Jakarta Post*, 4 July 2002.

<sup>116</sup> Interview with Dr. Andi Mallarangeng, Jakarta, 12 December 2001; see also his comments at a seminar on regional autonomy, reported in *The Jakarta Post*, 3 April 2002

<sup>117</sup> Minister of Home Affairs Hari Sabarno, *The Jakarta Post*, 30 May 2002; earlier Megawati had indicated a desire to amend the laws, *The Jakarta Post*, 4 March 2002.

<sup>118</sup> *The Jakarta Post*, 19 February 2002.

<sup>119</sup> James Alm, Robert H. Aten and Roy Bahl, “Can Indonesia Decentralize Successfully? Plans, Problems and Prospects,” *Bulletin of Indonesian Economic Studies*, Vol. 37, No. 1 (April 2001), p. 93; also mentioned by Dr. Ben Mboi, interview, Jakarta, 7 December 2001.

sum amount in the allocation of revenues, and, if a district is rich in natural resources, it profits from becoming a province and not having to share its wealth with other districts.<sup>120</sup>

The local governments at both the provincial (Level I) and district/municipality (Level II) levels consist of the area head and the local council (*DPRD*). The local councils elect the respective area heads: governor of the province, *bupati* of the district (*kabupaten*), and mayor of the municipality. The councils can remove the area heads but, in the case of governors, only with the permission of the President. The law continues the past dual nature of the position of governor: as area head he is responsible to the provincial DPRD, as governor he is the representative of the central government and responsible to the President. Level II area heads, however, are no longer responsible to the provincial governor or to the central government, but to their local DPRD.

Law 22 specifies that district and municipal governments (Level II) will be responsible for public works, health, education and culture, agriculture, communications, industry and trade, investment, the environment, land use, cooperatives, and labor (Section 11). For the first time the local councils are given real power: “great control over the local budget, enormous latitude to create local legislation, and power to hold the local administration accountable.” Although members of the councils must now live in the province where they serve, they are not directly elected but continue to be named by the political parties from electoral lists.

Central government offices at the local level, which often paralleled local government offices, for instance for health or industry, no longer exist. Their employees, some 2.5 million nationwide, are being transferred to the corresponding local government units, under the authority of the local councils. Many believe that this staffing is excessive and propose that personnel complements be revised to reflect actual needs to deliver services.

The law says nothing about the judiciary, although decentralization will have an impact on the courts and legal system. How disputes are resolved at the local level between the DPRDs and the local executives is left unresolved.<sup>121</sup>

Financing of the new regional government system was provided for in Law 25 of 1999, with, however, little attempt to link funding to the functions of local

---

<sup>120</sup> Bert Hofman and Kai Kaiser, “The Making of the Big Bang and its Aftermath: A Political Economy Perspective,” paper presented at a conference, “Can Decentralization Help Rebuild Indonesia?” at Georgia State University, 1-3 May 2002, p. 9.

<sup>121</sup> Michael Malley, at United States-Indonesia Bilateral Policy Dialogue, Washington, DC, 27-28 September 2001, p. 39 in published transcript; interview with Greg Churchill, Jakarta, 14 December 2001.

government provided for in Law 22. The law has been described as “vague,” but has the following salient features:

- It mandated that a minimum of 25 percent of total gross domestic revenue be shared with local governments. Of these funds, 10 percent go to the provinces, and 90 percent to the districts and municipalities.
- Most transfers from the central government, the General Allocation Funds (DAU), are in the form of block grants, wholly under the control of the local governments.
- Local shares of natural resource revenues were specified as follows:

Property taxes (rates set by the central government)	90 percent
Forestry, fishing and mining	80 percent
Natural gas	30 percent
Oil	15 percent

A number of commentators see as a weakness the provision that revenues will be collected by the central government and then the specified proportion returned to the local governments. Such a system almost invites “leakage” up and down the line. One observer estimates that the regional governments extract 75 to 85 percent of their allocations for “overhead,” which appears to include personal expenses of area heads and DPRD members, leaving relatively little for expenditures on supposed priorities such as education and health.<sup>122</sup> Further, the decentralization of expenditures, but not revenue raising, has implications for a more democratic as well as a more efficient government.

The absence of significant revenue authority at the local-government level severs the link between the taxes that citizens pay and the services they receive, and thereby weakens the accountability of local government officials.<sup>123</sup>

The failure of the law to provide a decent local tax base was not remedied in Law 34, passed at the end of 2000, which gave local governments the authority to devise their own local tax laws, provided that they “do not damage the national economy.” Income and property taxes continue to be imposed and collected by the central government. Local tax laws must be submitted to the central government, “but will go into effect unless cancelled by the central government within 30 days.” The result, in a number of instances, has been the imposition of nuisance taxes, such as levies on transport vehicles, and tolls on inter-district commerce. The central government, inundated by a flood of local proposals, has had great difficulty in meeting the 30-day deadline. Attempts by some local governments to impose on foreign enterprises levies that were not included in the

---

<sup>122</sup> Off-the-record presentation to a U.S.-Indonesia Society group, 27 June 2002.

<sup>123</sup> Alm, Aten and Bahl, p. 99.

original contracts of work is a disincentive to much-needed foreign investment, although, as noted above, the central government has recently moved to stop this practice, in at least some instances.

The general assumption has been that under the new decentralization scheme the resource-rich provinces would benefit at the expense of those less well-endowed. Despite the increasing concentration of manufacturing industry on Java during the Soeharto era, which tended to reverse the traditional balance of Java as consumer and the outer islands as producers, only Jakarta appears to have significant revenues of its own.<sup>124</sup> Many have worried that Java would be financially disadvantaged under decentralization, even though honest and efficient collection of personal and corporate income taxes would seem to provide Java with ample funds. A recent analysis of the “equalization transfer” scheme concludes that the formula being used “appears to be more than sufficient to meet the net expenditure requirements of regional governments...”<sup>125</sup> The formula for the general-purpose grants to regional governments is based on the difference between “expenditure needs” and “fiscal capacity.” Expenditure needs are based on “population, area, poverty, and relative cost factors”; fiscal capacity in essence is defined as local revenue plus expected shared revenues and grants. The analyst notes that because “many regions with large areas also tend to be rich in natural resource revenues, their local governments have therefore had their expenditure needs overestimated and their fiscal capacities underestimated.”<sup>126</sup> He also adds the caveat that although he expects the block grant transfers to be sufficient to cover aggregate expenditure requirements, he is more confident of this conclusion for districts and municipalities than for provinces.<sup>127</sup> A later study indicated that, because of parliamentary pressure, DAU allocations in 2001 and 2002 “became strongly correlated with past distribution of grants,” which “favored resource rich regions.” Thus “the DAU allocations are less equalizing than one would expect based on the law.”<sup>128</sup>

Regional governments have had some prior experience with block grants under the *Inpres* (Presidential Instruction) program of the Soeharto government. However, these grants were increasingly designated for specific purposes, such as combating poverty, especially in areas outside Java. Increased funding for national development objectives was accompanied by a “net decline in local

---

<sup>124</sup> Hofman and Kaiser, p. 20. Bali is the only other province with significant local sources of revenue other than natural resources. East Kalimantan, Riau, and Aceh are the provinces with the largest amount of revenue from natural resources; surprisingly, Irian/Papua obtains relatively little from natural resource revenue. These figures are from 2001.

<sup>125</sup> Blane D. Lewis, “The New Indonesian Equalisation Transfer,” *Bulletin of Indonesian Economic Studies*, Vol. 37, No. 3 (December 2001), p. 337.

<sup>126</sup> Lewis, p. 333.

<sup>127</sup> Lewis, p. 330.

<sup>128</sup> Hofman and Kaiser, p. 22.

discretion.”<sup>129</sup> Regional governments will now have greater discretion in the use of the general allocation funds (DAU) from the central government, but poor regions may have difficulty funding such critical sectors as education and public health without supplemental assistance from the central government.<sup>130</sup> In mid 2001 the parliament and central government agreed to provide additional funds to regions whose needs were greater than their allocations, especially in view of the large number of civil servants transferred from the central government rolls to those of the regions.<sup>131</sup> It is too early to estimate the effect the new fiscal system will have on poverty and regional inequalities.

A number of foreign and international donors are supporting the decentralization program of the Indonesian government. The Asia Foundation, under a USAID grant, has just published the results of its first Indonesia Rapid Decentralization Appraisal. Among the main findings in the survey of 13 districts and municipalities are:

- Although the quantity and quality of public services is uneven across regions and sectors, in general local governments have managed to maintain the level of services that the central government used to provide.
- Regional governments have coped with the immediate problem of integrating large numbers of staff by reorganizing and restructuring agencies and units, without downsizing.... The transfer of large numbers of civil servants to the regions has resulted in high proportions of the budget to be [sic] spent on salaries, squeezing the available funds for service delivery, technical assistance and capacity building.
- Regional governments are cooperating and sharing information with one another and with provincial governments to solve a variety of shared problems.
- People are demanding better performance of local governments, and some local governments have become more “customer oriented” and open to public discussion.
- Though largely dependent on central government transfers, local governments are seeking ways to increase their own sources of income in the form of taxes and retributions. In some instances local governments have imposed local taxes and retributions that have become a burden to

---

<sup>129</sup> Christopher Silver, Iwan J. Azis, and Larry Schroeder, “Intergovernmental Transfers and Deentralisation in Indonesia,” *Bulletin of Indonesian Economic Studies*, Vol. 37, No. 3 (December 2001), p. 353.

<sup>130</sup> Silver, Azis and Schroeder, “Intergovernmental Transfers,” p. 359.

<sup>131</sup> *Decentralisation News*, No. 13, 20 July 2001, p. 1.

citizens and business. Citizens are demanding more open dialogue and consultation about budget allocations.<sup>132</sup>

Other reports echo the conclusion that decentralization has encouraged greater citizen participation in government at the local level and that this, in turn, has led to greater accountability on the part of local governments.<sup>133</sup> In Indonesia's newest province, Gorontalo (in northern Sulawesi), an NGO forum brought together DPRD members, municipal authorities, and community leaders to pass three bylaws in 2002 on "community-based development planning, transparency in the administration and supervision over the administration."<sup>134</sup> It is too soon to tell whether such efforts can be replicated elsewhere, and whether they can actually reduce the amount of "overhead" being claimed by the local authorities.

Will decentralization fuel separatist sentiment? One student of regionalism in Indonesia, Michael Malley, has made the astute point that by opening up local political competition and providing "local politicians with ready access to finance," regional political elites will be more inclined to see a future within Indonesia. These local elites, he notes, had previously seen their interests served by separating from Indonesia.<sup>135</sup> Presumably many will now prefer to remain within Indonesia rather than to find a future in what would inevitably be a much smaller and more vulnerable independent state.

Because local governments have seized the opportunities presented by decentralization, the process is off to a good start, despite the lack of careful planning on the part of the central government. Local governments have generally shown initiative in defining their new authorities, without waiting for central direction or models. For a process so extensive and initiated with limited planning or promulgation of implementing regulations, it has gone surprisingly smoothly. Problems of course remain: adequate local sources of funding, leakage of funds, borrowing rights of local governments, relations with foreign investors, lack of accountability of local leaders to their constituents instead of to the political parties that nominated them for office. How local governments will interact with the Indonesian military, especially if the TNI reforms its territorial structure, and how the police force will balance its responsibility to the governor and the central government will be important elements of giving real power to local governments. If local administrations receive the bulk of the resources,

---

<sup>132</sup> Adapted from *Decentralisation News*, No. 24, 1 March 2002, pp. 1-2. In addition to Asia Foundation's plan to expand the rapid appraisal to include an additional 20 districts, a Governance and Decentralisation Survey, supported by a variety of donors (the World Bank and USAID among them) has begun a baseline survey in 150 districts in 20 provinces, scheduled to conclude in July 2002.

<sup>133</sup> Syaikh Usman, "Indonesia's Decentralization Policy: *Initial Experiences and Emerging Problems*," SMERU Research Institute paper prepared for The Third EUROSEAS Conference Panel on Decentralization and Democratization in Southeast Asia, London, September 2001.

<sup>134</sup> *The Jakarta Post*, 18 June 2002.

<sup>135</sup> Malley, USINDO Bilateral Policy Dialogue transcript, p. 38.

there may well be demands from the local police and military to “share the wealth.”



## Conclusions

Indonesia is unlikely to fall apart, at least for the foreseeable future. Tensions will remain, and much will depend on the ability of the central government to show more vision, leadership, and effectiveness than has been the case for the past 5 years.

Implementation of decentralization is a positive development, despite the problems accompanying such a fundamental change, carried out so rapidly and with minimal planning. The district and provincial governments have for the most part shown themselves to be more capable than many of the Jakarta-centric had feared, and have shown a greater ability to cooperate across district boundaries and between districts/municipalities and the emasculated provinces than many expected. A positive sign is the number of workshops, conferences, seminars, and other gatherings bringing together government practitioners, academic specialists, and foreign consultants from throughout Indonesia to discuss and devise possible improvements to the framework of decentralization. Indeed, the greater participation of the general population in government is a beneficial consequence of the decentralization of government functions to lower levels, and will strengthen Indonesia's struggling efforts for democratic reform. Some of the initial surveys indicate that people are increasingly holding their local governments responsible for their actions, and are demanding better service from government entities. Corruption remains a major problem at the local as well as the national level.

Still to be resolved is the adequate funding of the decentralized government structure. Too much of the taxing power remains with the central government. Unless granted adequate local sources of revenue, local governments will continue to be overly dependent on the central government to return funds collected on their behalf from income, property, or natural resource taxes, or will require subsidies to meet their needs. Transparency in collection, transfer of funds, and their expenditure would do much to alleviate concerns about leakages or other forms of corruption at all stages of the process. Based on past history, corruption of funds is as, if not more, likely at the center than in the regions. The central government however, must, clarify and enforce its authority over state-owned enterprises and over contracts entered into with foreign investors. Some positive steps appear to be happening in regard to contracts. Better advance communication with local elites with interests, financial or other, in local state-owned enterprises such as the cement plants in West Sumatra, South Sulawesi and East Java, might help to forestall the problems that surfaced with the planned sale of these plants to Cemex.

Real decentralization, of power as well as of functions, could do much to defuse separatist sentiment, even in Aceh and Papua. Providing an arena for genuine political competition at the local level within the Republic of Indonesia could do

much to make independence less attractive. If the incipient decentralized system can evolve in an asymmetrical fashion, allowing for differences in local government structures, recognizing traditional communities and their customs, as is provided for in the special autonomy laws for Aceh and Papua, it will exert a positive attraction on areas aware of their historical differences and possibly inclined to imagine a future outside the boundaries of the Indonesian state.

Absolutely essential, however, are the issues of justice: the equitable sharing of economic resources and the stopping of human rights abuses and accountability and restitution for past abuses. The question of justice is most obvious in Aceh and Papua, where the abuses have been greatest. Economic justice is more easily dealt with, and the new autonomy laws do provide for greater equity in the sharing of natural resource revenues. There are some recent signs that the military has learned from its past mistakes, and is taking more seriously the need to indoctrinate its personnel on proper treatment of civilians and to hold accountable those responsible for past abuses. The outcome of the investigation of the murder of the Papuan leader Theys Eluay, and of the subsequent trial of those accused of perpetrating it, will greatly affect Papuan attitudes toward Indonesia. Abuses in Aceh have been more pervasive, military operations—which continue—more extensive, and the Acehnese more united as a people and longer subject to the influence of respected leaders advocating independence. The apparent inclination of the Megawati government to emphasize military operations over dialogue and negotiations does not bode well, based on past experience. Military operations may have weakened the GAM, and the GAM may have used past humanitarian pauses to consolidate its position, but heightened military operations have the potential to alienate more of the Acehnese population, who might be convinced to oppose the GAM and support the republic through peaceful measures. At the same time, for most Indonesians the republic without Aceh is unthinkable, and most would support whatever measures are necessary to prevent Acehnese separation from Indonesia as an independent state.

Although the Acehnese negotiations have made only halting progress to date, the prospect of widening them to include representatives of Acehnese civil society, apparently with GAM agreement, is a positive sign. GAM may soften its position opposing autonomy and insisting on independence, to one agreeing to autonomy, but viewing it as a way station to independence. Only if this attempt at special autonomy for Aceh is more special than previous attempts, is autonomy likely to be acceptable as the end state, not only for GAM and its supporters, but for many Acehnese.

This paper has not considered the outbreaks of inter-ethnic violence during the past four years, which have cost many human casualties, have complicated efforts at democratic reform, and have been a destabilizing factor for Indonesia. The recent accords in Malino, under the leadership of Coordinating Minister Jusuf

Kalla, have encouraged leaders of the contending local communities in Maluku and Poso to work together to resolve the tensions underlying the violence. This combination of central-government leadership and local-community responsibility for resolving local antagonisms provides an example for dealing with other problems that have created havoc within the republic.

Is there a role for the United States? A strong feeling of nationalism and suspicion of foreign interference lurks just below the surface in Indonesia. Even if help is obviously needed, and maybe even wanted, it must be offered carefully and with full regard to Indonesian sensitivities. The role of USAID and other civilian agencies in working with Indonesians on the decentralization program appears to have aroused no suspicion or hostility. It should continue. The discreet support of the United States for the negotiations with the GAM is also a helpful contribution.

Military-to-military relations are much more sensitive, not least because of U.S. Congressional restrictions and the widespread concerns in the United States about Indonesia's human rights record. The recent description of the GAM as a "terrorist" organization is a worrying indication that the TNI might try to involve a U.S. anti-terrorism program in its fight against the Acehnese.<sup>136</sup> We should strongly resist being drawn into such a morass. The argument that the U.S. should try to influence those elements of the Indonesian military most in need of human rights training, even by providing such training, does not convince those critics who see such contacts or training as symbolizing U.S. lack of concern for human rights abuses. Not all officers trained by the United States have turned out to be paragons of virtue, but virtually all reform-minded officers have been trained in the United States. Improved professionalism of the Indonesian military, particularly the army, and the police should have a positive effect on human rights in Indonesia. The reform-minded professional officers understand the importance of ending abuses and holding their personnel accountable for past abuses. If there is any way the United States can contribute to the professional development of the Indonesian military, and to their understanding of the importance of treating civilians in accordance with recognized international standards of conduct, this should be done. This could be a significant contribution to Indonesia's ability to deal humanely and effectively with separatism, communal conflicts, riots, and demonstrations.

---

<sup>136</sup> A suggestion raised by respected human rights activist Munir and by an Achenese member of parliament, who rejected the designation, *The Jakarta Post* 6 July 2002.



---

4825 Mark Center Drive • Alexandria, Virginia 22311-1850 • (703) 824-2000 • [www.cna.org](http://www.cna.org)