



Submission No 49

Inquiry into Australia's Relations with Indonesia

Organisation: Union Aid Abroad-APHEDA

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Submission

to the

**Joint Standing Committee on Foreign Affairs, Defence and
Trade**

on the

Inquiry into Australia's relations with Indonesia

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**Union Aid Abroad - APHEDA
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Preamble

Union Aid Abroad - APHEDA welcomes this opportunity to present a submission to the Committee's inquiry into Australia's relations with Indonesia. The recent tragedy in Bali has highlighted the importance of steering Australia's foreign policy in a positive direction which can facilitate stability in Indonesia, the region, and the world. It is hoped that this inquiry will contribute to shaping the future direction of Australia's foreign policy.

Union Aid Abroad - APHEDA believes that the formation of a stable democratic Indonesian nation is in Australia's national interest and that a mutually beneficial relationship between our two countries can be achieved through an enlightened foreign policy approach.

It is necessary to state at the outset that what Union Aid Abroad - APHEDA understands by the term 'mutually beneficial relationship' between Australia and Indonesia is one where the civil society of both nations have full enjoyment of basic human rights, live in peace and harmony, and in understanding of our differences while building a strong friendship. This submission is therefore made with the following premise:

- That threats to security are detrimental to the relationship between Australia and Indonesia.
- That threats to security include the persistence of poverty, and the abuse of human rights of the citizens of Indonesia.
- That it is in Australia's national interest to therefore reduce the threats to security in Indonesia in order to create a strong and vibrant civil society which can engage productively and peacefully with our nation.

This submission will consequently focus on the following key areas which Union Aid Abroad - APHEDA believes to be intimately connected to improving the security of Indonesia:-

- Boosting foreign aid to Indonesia
- Strengthening civil society through improving workers' rights
- Enforcing responsible trade and investment policies
- Engaging in effective counter terrorism measures

1. Introduction

1.1 About Union Aid Abroad - APHEDA

Union Aid Abroad – APHEDA was founded in 1984 and is the overseas humanitarian aid agency of the ACTU. Almost all Australian national unions and their state branches are members of APHEDA, as well as all State Labor Councils, many regional Labor Councils and several hundred individual union and non-union members.

APHEDA directly supports training projects in education and vocational skills training in developing countries. Many of APHEDA's projects are designed to strengthen community development and human rights including workers' rights, and to help communities organise around these important issues.

APHEDA is providing skills training for workers in Indonesia, East Timor, South East Asia, the Pacific, the Middle East and southern Africa on behalf of our members and donors. Currently, APHEDA is assisting over 50 training projects undertaken with 42 separate project partners in 14 countries where workers and their families face poverty, exploitation and/or civil conflict.

APHEDA's funding is provided by an annual grant from the ACTU, by sponsorship of overseas projects by many unions, by donations from individual trade union members and non union members, as well as by grants, submitted for on a competitive basis, from AusAID.

1.2 Union Aid Abroad – APHEDA's work in Indonesia

Union Aid Abroad – APHEDA began working in Indonesia in 1998 by assisting the Labour Education Centre in Bandung to develop their capacity as a training centre for workers and labourers. The Labour Education Centre is an Indonesian government registered non-profit organisation founded to conduct education sessions and to publish labour education materials for organisers of unions. This partnership has been on-going for the past four years. Currently, APHEDA is providing assistance in the following areas:

- Addressing the training needs of newly emerging democratic structures that represent workers in industrial and legal advocacy, through undertaking direct training programs for workers in the textile, banking, teaching, and hotel and hospitality industries in Bandung and three other provinces. This training includes organising skills, labour law, gender issues, international conventions, and basic industrial negotiations.
- Supporting capacity building activities within the Centre, including further development of curriculum as necessary and additional training for staff.

APHEDA has a long-term commitment to the people of Indonesia, especially those who are poor and disadvantaged. We strongly support the Indonesian peoples' wish to improve their overall economic, cultural and social security and will continue to provide training to workers to assist them in this endeavour.

2. Foreign Aid to Indonesia

Union Aid Abroad - APHEDA believes that foreign aid is an important tool in improving the security of the Indonesian people. In this regard, we wish to focus on three aspects of Australia's foreign aid to Indonesia - the quantum, the allocation and the delivery of the aid dollar.

2.1 How Much Aid?

Firstly, it needs to be highlighted that the overall level of Australian foreign aid is not adequate, representing only 0.25 % of GNP in 2002-03. APHEDA strongly believes that Australia should aim to eventually increase its foreign aid to the United Nation's recommended 0.7% of GNP. When this occurs, the level of foreign aid channelled to Indonesia will rise proportionately. This is APHEDA's preferred outcome as we do not advocate increasing foreign aid to Indonesia at the expense of another country. Currently, Australia provides \$121.6 million (2002/03) in aid to Indonesia.

2.2 Where Should Aid be Directed?

Australia should adopt a long term perspective to the direction of our aid dollar and use it to improve the livelihood of the poorest, and most marginalised communities of recipient nations, including Indonesia. While the links between aid and human rights in the Australian government's overseas aid program are better than in some other industrialised countries, there is still room for improvement in ensuring our overseas development assistance is rights based, and is sensitive to the needs of the poor in developing countries, not just their political leaders.

Studies have shown that the gap between the rich and poor both within and between nations is growing, and the global economic system is not bridging this gap in any meaningful way. One problem is that the wealth being created globally does not necessarily reach those who need it the most. Of the world's six billion people, 1,200,000,000 are struggling to live on less than \$US1 a day while another 1,600,000,000 are trying to exist on between \$US1 and \$US2 a day (World Development Report 2000/2001). Rather than the poorest benefiting, quite the opposite appears to be happening - those who have wealth and power gain almost all the benefits of global growth, while those who are weak and poor receive very little.

For all the vast wealth being created in our globalised world, per capita income in more than 100 countries is now lower than it was in 1985 (UN Millennium Assembly). The structures of our global economy have driven down real wages for workers in many countries, while for the rich and powerful, salary levels have reached stratospheric heights. In Indonesia, the value of wages for labourers have dropped three times below what it was in 1990 (Hadiz, 1992).

This indicates that a strong interventionist approach to directing and generating wealth is necessary given the failure of the market mechanism to bring about prosperity for all. In this regard, our foreign aid program should be directed where it can create the biggest impact - that of improving the livelihoods of the disadvantaged and the poorest of the poor. This approach should also inform our foreign aid policy in Indonesia.

2.2.1 A Rights Based Approach to Our Foreign Aid

Respect for human rights is essential for human development to be achieved. Respect for civil and political rights allows those without power in society to have a voice in the direction of their country's economic, social and political development. When citizens have the right to a genuine vote, they can pressure their elected officials on issues such as increasing wage levels, and ensuring there is sufficient level of taxation paid by all to meet the requirements of health, education and infrastructure. They can also have a voice in the regulation of industries and control of pollution and in ensuring that economic decisions are made with social and cultural values in mind.

Respect for economic human rights is essential for ordinary working men and women to enjoy their fair share of the economic benefits they are creating through their work. Respect for human rights would overcome the problem of economic exclusion. Many workers in factories, mines and plantations in developing countries, including Indonesia, work for poor wages, under abysmal working conditions, with no social safety net and no legal protection (Hadiz, 2002)¹. Respect for freedom of association would allow such workers to join together, to organise and to collectively bargain for better wages and working conditions. Respect for the right of non-discrimination on the grounds of gender, race, religious beliefs or ethnicity would help ensure that historically marginalised people enjoy the fruits of their labour on the same terms as other workers. The right to a minimum age of employment and the right to an education prohibits abusive child labour and requires employers to respect the rights of children.

Foreign aid can be used to facilitate adherence to human rights, and it is necessary to focus on providing the foundations on which these rights can be exercised. For instance, in Indonesia, education is free from primary to high school and is compulsory. However, many schools still charge monthly fees and with the economic crisis faced by the country, school drop-out rates have risen dramatically. The National Planning and Development Board of Indonesia estimated that primary school drop-outs in 1999 was eight million, and the percentage of the 12 to 15 year-old population attending junior high school declined from 78 percent to 58 percent².

The economic crisis in Indonesia means that Indonesia is not only looking at a future with people in poorer health (as key gains in reducing infant and maternal mortality or in child immunisation slow down or are reversed) but also a 'dumbing down' of its population. The country's citizens are bound to be even less literate and skilled than the previous generation. John Williams, former senior director of the United Nations Children's Fund (UNICEF) has noted that the "physical and intellectual capacity of a massive cohort of Indonesian infants and children" has been damaged³.

In view of Indonesia's ailing economy and massive debt, foreign aid is the only option in preventing further deterioration of the country's education, health and social sectors. APHEDA recommends that the majority of Australian aid to Indonesia be channelled to these sectors as a matter of priority. The number of Indonesians living in poverty has increased to over 100 million and unless their basic needs are met, we will be fomenting the growth of disaffection and creating a fertile ground for the recruitment of combatants in unwanted conflicts.

It is important to note that Indonesia's debt is a critical determinant of how the nation can maintain some level of stability. Professor Ross Buckley of the Tim Fischer Centre for Global Trade and Finance at Bond University has stated that "[t]he repayments due by Indonesia to its mainly official creditors between 2004 and 2006 will far exceed any capacity Indonesia could even potentially have to pay them"⁴. By having to service its loans through starving its health, education and social service sectors, the poor will be further penalised. To quote Professor Buckley again - "The debts of effectively bankrupt nations are repaid at the expense of the most basic human rights of their own citizens." It is imperative that Australia seeks to ameliorate this situation by working with other nations (especially the G-8) towards a fair global bankruptcy regime which permits countries like Indonesia to service its debt in a manner which does not undermine public spending on health, education and other social infrastructure.

¹ Hadiz, V.R. 2002, "The Indonesian Labour Movement", *Southeast Asian Affairs*, pp130-42.

² Kafil, Y. 1998, "CHILDREN-INDONESIA: Crisis Gives Birth to 'Lost Generation'", *IPS News Service*, August 7th.

³ *ibid.*

⁴ Horin, A. 2002, "Indonesia's Debt Could Ruin Us All", *Sydney Morning Herald*, October 19th-20th.

2.3 How should our Aid dollars be channelled?

In the last financial year (2001/2002) the Federal Government's overseas aid budget was \$1,725 million. Of this amount, only \$95.1 million was directed to development projects run by Australian non-government development organisations (NGDOs). (AusAID Financial Report, 2002)

This means that just 5.5% of the overseas aid budget was channelled through more than 60 NGDOs. It is interesting to note that three privately-owned, for profit, commercial consultancy companies were each given a greater share of the aid budget than all NGDOs combined. These are ACIL Australia, Sagric International and GRM International.

It is difficult to compare the efficiency and effectiveness of non government development and human rights organisations with the for-profit commercial companies, as information on these companies is commercial-in-confidence, and is therefore difficult to access. However freely available evidence from the results of evaluations of the NGDO sector points to the fact that NGDOs are highly efficient, effective and give value for money. (Review of the Effectiveness of NGO Programs – AusAID 1995). Given these findings, it is surprising that they are not allocated a larger percentage of the aid budget.

Non Government Development Organisations, with their focus on human rights and strengthening civil society, have a distinct advantage over for-profit commercial companies in that most NGDOs have formed long-term relationships with their project partners - the community organisations - in the developing countries where they work. This is a true partnership with an emphasis on sharing rather than just giving. Fostering a mutually beneficial relationship between Australia and countries such as Indonesia calls for a mindset which encourages the growth of partnerships. We in Australia have much to learn from our project partners such as their strong community ties, their ingenuity in coping with so few resources, the depth of their commitment to working for human rights, development and justice despite the far greater obstacles and risks they face, and their long and deep traditions and history.

In many cases, these overseas partner organisations are grassroots community organisations which represent some of the poorest and most marginalised people in developing countries. By directly assisting them through Australian NGDOs, the possibility of corruption or mismanagement at the government or bureaucratic level of a developing country can be greatly minimised.

Union Aid Abroad - APHEDA also believes that by channelling our aid dollars through NGDOs, a broader section of the Australian community can be brought into the process of strengthening civil society. Many millions of Australian families are involved in NGDOs either as members, regular donors or occasional donors. These Australians are informed of, and also inform the work of NGDOs in developing countries such as Indonesia. By allocating an increased percentage of the government's aid budget through NGDOs, the government will be able to more fully involve the Australian public in a meaningful relationship with such countries as Indonesia.

Recommendations

- That Australia increases the level of foreign aid to 0.7% of GNP, thereby proportionately increasing the amount of aid to the channelled to Indonesia. This increase should be phased in over the shortest timetable which is mutually agreed upon by the government and opposition.
- That Australia strengthens its rights based approach to aid and channels the majority of its aid to the health, education and social sectors in Indonesia with a specific focus on assisting the poorest of the poor, and others who are marginalised whether on the basis of gender, ethnicity, disability of sexual orientation; especially for projects funded through for-profit, commercial companies.
- That Australia actively works towards a fair global bankruptcy regime which permits countries like Indonesia to service its debt in a manner which does not undermine public spending on health, education and other social infrastructure.

- That the NGO windows within AusAID Country Programs be increased in both number and scope and that funding within these windows has a strong focus on human rights, good governance and strengthening of civil society.

3. The importance of building civil society through strengthening workers' rights

Union Aid Abroad - APHEDA believes that a strong civil society is important for the development and maintenance of democratic rights, both nationally and internationally. Civil society includes all participatory organisations which aim to enhance the lives or well-being of their members or wider society and encompasses trade unions, churches, human rights organisations, groups assisting the most marginalised and other community organisations.

Respect for all the basic rights which underpin a civil society are important. This includes an independent judiciary, a free media, a democratic voice, the right to an education and the other fundamental rights of people such as the right to assembly, freedom of expression and the right of workers to organise and to bargain collectively.

Articles 23 and 24 of the UN Declaration of Human Rights clearly states that workplace human rights or labour rights are an essential part of our wider human rights. Trade unions are needed to defend and enhance these labour rights, especially today as the deregulated global economy aggravates issues such as child labour, bonded labour, forced or slave labour, discrimination on race or gender, health and safety conditions in workplaces and poverty through low wages.

There is overwhelming evidence that promoting decent working conditions reduces poverty, raises living standards, and enhances the quality of growth by increasing productivity. For instance, child labor is not only a consequence of poverty, but also a cause of poverty - despite short-term benefits to families, child labor deprives the young of their childhood, generates stunted growth, removes children from education and skills formation, and deprives them of their right to study and become more productive adults and child protection is needed.

Similarly, unsafe working conditions may bring short-term gains to employers but result in long-term losses to the national economy. For example, if injured workers become disabled or sick, and they generate further expenses to the economy by having to depend on family support, welfare benefits, disability or health insurance.

It is important that the Australian aid program recognises that genuine, free and democratic trade unions in developing countries such as Indonesia have a crucial role to play in development, both as a means of improving living standards and as a means of strengthening democracy.

Trade unions play a central role in sustainable development in two ways. Firstly, trade unions enable working people to organise to achieve wage justice, and these workers are then able to improve their living standards. Secondly, by strengthening civil society, trade unions are able to enhance human rights and democratic structures.

3.1 The labour situation in Indonesia

Indonesia is home to the fourth largest population in the world. The labour force comprises of 99 million people, among whom 45 percent are agriculture based, 39 percent are from the service sector and 16 percent are industry based. Only 10 to 15 percent of the workforce is unionised and an even smaller number actually pay dues. The minimum wage is AUD\$2 which can only cover about 60 percent of the cost of living. During the Asian economic boom, the Indonesian labour force underwent a rapid transformation which saw a marked migration to the cities from rural areas. A new social working class was created and more slum areas emerged as the government could not meet the extra demand for cheap housing.

Indonesia felt the impact of the Asian economic meltdown in a big way. Seventeen million Indonesian workers were displaced from the workforce, with those in the industry sector worst hit. The devaluation of the *rupiah* and the increased cost of living in these circumstances contributed to the struggle to overthrow the Soeharto regime. Despite the successful overthrow of the Soeharto regime, the working conditions of the workers and labourers remain precarious (Hadiz, 2002; Yanti, 2002). The mechanism to improve the lot of workers through collective bargaining is weak, and in many cases, non-existent. The majority of trade unions created during the Soeharto regime are more pro-establishment than pro-workers. Unfortunately, the systematic torture, intimidation and killing of workers which were the trademark of the former regime remain a fact of life in Indonesia. For instance, in July 2001, troops entered the workers' barracks at a plantation company in East Aceh, summoned all the male workers out into the open and shot them dead. Within minutes more than thirty men lay dead, one of them clutching his two-year old son⁵.

The annual survey conducted by the International Confederation of Free Trade Unions on Indonesia in 2001 noted that there was a growing number of attacks on union organisers by paramilitary groups supported by the military and police and paid for by employers to intimidate workers or break strikes. Union leaders believe that the military, police and provincial authorities are behind such diverse surrogate groups as Pemuda Pancasila, a youth movement affiliated with the former ruling Golkar party, and the paramilitary wing of the Nahdlatul Ulama Muslim organization. Both have engaged in union-busting activities in Java, Sumatra and Kalimantan⁶.

Not only is this situation detrimental in the building of civil society, it is also not conducive to the promotion of decent working conditions which are essential to the reduction of poverty. The Asian Development Bank notes that "failure to respect labour standards carries specific and measurable costs to national economies, harms economic development, and violates the rights of working people throughout the region"⁷. APHEDA believes that the establishment of a mutually beneficial relationship with Indonesia must include strengthening the growth of free trade unions in Indonesia, as well as frequent representations to the Indonesian government to encourage respect for workers' rights.

Recommendation:

- Given the essential role trade unions play in both improving the living standards of the lowest paid, as well as enhancing civil society and human rights, the Australian Government should assist the formation and strengthening of independent and democratic trade unions in Indonesia through the government's overseas aid program.

4. Enforcing responsible trade and investment policies

Union Aid Abroad - APHEDA believes that Australians have a moral obligation as a neighbour with greater wealth to ensure that our trade and investment policies are not harmful to the people of Indonesia. If the Australian government is indeed intent on creating a mutually beneficial relationship between our two nations, it is necessary for there to be laws prohibiting Australian companies from engaging in practices which are detrimental to the human rights and the environment of countries they invest in, including Indonesia. The latest evidence in the field of mining provided by Oxfam Community Aid Abroad⁸ indicates that Australian companies (or companies with majority Australian shareholders) are responsible for practices in Indonesia which, if implemented in Australia, are illegal.

⁵ Budiardjo, C. 2001, "State Terror in Indonesia, Past and Present", Paper presented at the Centre for the Study of Terrorism and Political Violence at St Andrews University, Scotland, 20th November.

⁶ McBeth, J. 2001, "Lost Labour, Lost Reform In Indonesia", *Far Eastern Economic Review*, March 15th.

⁷ ADB, 2002. "Labour Standards and Development". www.adb.org

⁸ See Oxfam Community Aid Abroad's Mining Ombudsman Report 2001/2002.

These have resulted in the deaths and poisoning of those already disenfranchised through poverty, as well as the destruction of the environment.

4.1 Worker exploitation - a hidden trade subsidy

The rules of world trade were drawn up by the various negotiating rounds of the GATT and were enshrined in the rules of the WTO. They are supposed to remove all distortions to world trade, be they tariffs, quotas or subsidies. However, one important subsidy has been neglected in this process - the use of exploited labour. It is a subsidy paid not by the government of that country, but by the workers through their long hours and abysmal wages, and all too often, paid for with their lives as safety standards are cut. These subsidies are extracted in situations when workers are not free to unionise and fight for a better wage or conditions, and where child/prison/slave labour is used in order to gain an economic advantage over other companies.

The issue is not the fact that wages are low in developing countries. If that is an effect of an efficient labour market responding to supply and demand, that is an acceptable form of comparative advantage. What is not acceptable is wages being kept artificially low, and even being forced down, through the denial of fundamental human rights. APHEDA is not opposed to open trade, but when companies are permitted (indeed, even encouraged by some governments) to ban trade unions and use the exploitation of workers to gain a comparative advantage, that is not fair trade.

It is inconsistent for the Australian government to strongly oppose subsidies paid to agricultural producers in Europe, the USA or Japan, claiming it distorts free trade and removes the "level playing field", while at the same time remaining silent about the indirect subsidies enjoyed by manufacturing and mining companies through the exploitation their workers overseas. The Australian government has also remained silent over subsidies paid by the environment and health of those impacted by our companies which pollute the environment as a by-product of its manufacturing process. By not paying the actual costs of production, these companies have an unfair advantage over others which operate in countries where environmental laws are enforced.

Perhaps what is even more disturbing is the fact that countries such as Indonesia are prepared to use the military against labour activists. The murder of Marsinah, a worker in PT Cipta Putra Surya in Surabaya, East Java in 1995 is a case in point. Although never proven in court, it is widely held that the military was involved in her death. She and her colleagues staged a strike to demand better working conditions. The USA's Department of State noted that in Indonesia, the military also employs "baiting tactics: infiltrating workers' ranks and encouraging protest or worker actions, sometimes attempting to provoke a violent worker action, to which the military then forcefully responds"⁹.

Recommendations

- That the Australian government passes legislation to compel Australian companies investing in Indonesia and other developing countries to adhere to international labour and environmental standards.
- That the Australian government actively supports the initiatives of international bodies such as the International Labour Organisation to improve the status of workers in developing countries.

5. Engaging in effective counter terrorism measures

5.1 A foreign policy stance of independence and integrity

Union Aid Abroad - APHEDA condemns the indiscriminate killing of civilians in any war and supports all non-violent measures to bring about resolutions to armed conflicts. Over 90 percent of casualties in armed conflicts are civilians and it is a situation which we believe will not change if the current approach to the 'war on terrorism' is continued. The recent Bali bombings brought home to Australia

⁹ US Department of State. 2000. *1999 Country Reports on Human Rights Practices*.

the fact that we are not immune to the violence which is a fact of life for others living in areas of armed conflict. Unfortunately, the rhetoric of the 'war on terrorism' has not been dominated by voices of reason, but by those wishing to create more heat than light. APHEDA believes that effective counter terrorism measures are not served by inciting hatred against any particular religion or nation, and that a cautious and sensitive approach is needed in handling Australia's relationship with Indonesia, as well as with others in the region. We believe that Australia's best interests in the region will not be best served by an increasing dependence on the United States of America's framework of interpreting the world.

Union Aid Abroad - APHEDA believes that Australia must adopt an enlightened approach to the 'war on terrorism' which allows our foreign policy to serve our interests as a nation geographically situated in the Asia-Pacific region, and to stand independent of the United States of America's (USA) foreign policy. For instance, the rapidity with which Australia has backed the USA's keenness to attack Iraq for ignoring United Nations' resolutions, while remaining silent on the question of Israel's disregard of other United Nations' resolutions, has tarnished Australia's reputation as an impartial and respected global citizen amongst many Muslim nations. The need for Australia to regain its integrity is even more urgent given the fact that we are located in a region which is home to many of the great religions of the world. With Indonesia housing the largest Muslim population, it is in Australia's national interest to uphold the human rights of all, and not of a conveniently selected few.

In international diplomacy and in the relations between peoples, perceptions can often be as important as reality. The perceptions by the Indonesian public would appear to be that Australia is anti-Muslim and anti-Indonesian, as reflected in the Indonesian media coverage of Australia's unquestioning support for a USA war against Iraq, as well as ASIO's recent unnecessarily violent raids on homes of Indonesians residing in Australia. This perception of Australia being anti-Muslim is further enhanced by our participation in this 'war on terrorism' focusing almost solely on targets selected by the USA. Many other governments and regimes have also be guilty of what could also be termed "terrorism". Australia is also home to those of Palestinian background who similarly have lost relations due to the state terrorism of Israel, and there are organisations and individuals in Australia which fund fundamentalist groups in Israel. In addition, there are also organisations and individuals in Australia who fund other terrorist groups such as the Tamil Tigers and the IRA. By not also moving with equal fervour against such organisations and individuals, Australia is providing more fodder to the Muslim fundamentalists who accuse Australia of being anti-Muslim. Even some political leaders such as Dr Mahathir Mohammed, the Prime Minister of Malaysia, have labelled Australia as an anti-muslim country. While Dr Mohammed himself may be making these comments for his personal political reasons, it is extremely unfortunate for Australia to be cast in this light as a consequence of our own actions. These comments only serve to justify the anti-Australian feelings generated in Indonesia.

5.2 Problems of counter terrorism in Indonesia

Union Aid Abroad - APHEDA believes that great care need to be taken by the Australian government in giving legitimacy to the Indonesian military in this 'war on terrorism'. It is an unfortunate fact that the Indonesian military is implicated in some of the grossest violations of human rights perpetrated in that nation, not only against its own people but also against foreign nationals. While not proven in court, it is alleged that elements of the Indonesian military were involved in the death of two Americans near the Freeport Gold Mine as a tactic to implicate the Free Papua Movement¹⁰. This is another demonstration of their impunity and lack of scruples.

The Indonesian military has a long and inglorious history of violence against its own people. Soeharto's use of the military in his massacre of up to a million people (in 6 months) in 1965/66, and his own admission of their use in *petrus* ('the mysterious killings') of thousands of suspected criminals in the mid 1980s point to their problematic relationship with the ordinary citizens of the nation. The

¹⁰ Dobell, G. 2002, "INDONESIA: Australian intelligences links military to Freeport killing", Asia Pacific - Radio National, 5th November.

continuing violations of human rights by elements of the military have led many to point out that this form of state terror, and the failure to punish the perpetrators, is responsible for so-called 'terrorist' actions by aggrieved parties such as the Acehnese¹¹.

While APHEDA is unable to verify the current status of the military appointments, as of the end of 2001 we understand that several military officers who were responsible for gross human rights violations hold high office within the armed forces or in government. Lieutenant-General Adam Damiri who was once overall commander of East Timor, and who was singled out by the investigation team into East Timor crimes, is now the army's assistant chief of staff for operational affairs which puts him in control of troop deployment, including sending troops to Aceh and West Papua. Lieutenant-General Hendropriyono who was commanding officer in Lampung in February 1989 when a village which was the home of a Muslim community was demolished by his troops and scores of people were murdered now heads President Megawati's National Security Council with a seat in her cabinet. He is working closely with Washington on moves to clamp down on terrorist groups in Indonesia and is certain to be behind current moves to have GAM in Aceh branded as a terrorist organisation¹².

Dr Harold Crouch, an academic specialising in Indonesian affairs, and who was once based in Jakarta, has indicated that the military "don't want a full-scale peace. They like to keep the pot boiling basically and that is very profitable for the military"¹³. The Australian government's recent statements on establishing closer ties with the Indonesian military are troubling as APHEDA believes that the evidence against the Indonesian military to date does not engender confidence in their deployment as an effective counter-terrorism tool. Rather, circumstances point to the fact that elements of the military are themselves responsible for terrorising Indonesian civilians.

Recommendations

- That Australia maintains an independent foreign policy which is structured according to Australia's national interest and not the national interest of the United States of America, and which will build Australia's standing as a global citizen with credibility and integrity in the eyes of Indonesia and the world.
- That Australia give full attention and support in bringing together aggrieved parties from 'hot spots' in Indonesia (such as Aceh and West Papua) for negotiations to end the conflicts peacefully.
- That Australia makes any military aid to Indonesia conditional upon improvements in the human rights record of the Indonesian military.

5.3 Alternative methods of countering terrorism

Union Aid Abroad - APHEDA believes very strongly that the most effective weapon of countering terrorism is the development of a strong civil society whose basic needs for food, housing, shelter, education and employment are met. Leaders of the terrorist organisations may come from privileged backgrounds such as Osama bin Laden, the son of a Saudi millionaire. However, their foot soldiers are mainly drawn from those who have nothing, and therefore have nothing to lose from giving up their lives. These foot soldiers are easily converted to the ideology of extremism and prepared to do the bidding of their masters. In such countries as Indonesia and Pakistan, the fact that the state is unable to provide adequate educational opportunities for all children due to the lack of resources, have led to the prominence of *madrasahs* (Muslim schools) in filling this gap. It is no secret that some of these

¹¹ Budiardjo, C. 2001, "State Terror in Indonesia, Past and Present", Paper presented at the Centre for the Study of Terrorism and Political Violence at St Andrews University, Scotland, 20th November.

¹² Ibid.

¹³ Radio National, 2002. "Claims Indonesian army is promoting violence", Correspondent's Report. September 29th, 0815.

madrasahs are run by fundamentalists who groom boys for their own brand of *jihad* (religious war). Union Aid Abroad - APHEDA believes that rather than concentrating solely on military options, it is more effective for Australia to provide educational aid to Indonesia so that school children can have a broad-based secular education to prevent the recruitment of future terrorists. Similarly, Australian aid can be channelled to provide food security and vocational skills to those in Indonesia who need them - a full stomach and busy hands are effective antidotes to fundamentalist rhetoric.

Union Aid Abroad - APHEDA also believes very strongly that a culture of peaceful conflict resolution is one which can be fostered and shared between our two nations. The relationship between Australia and Indonesia is now strained due to recent events and Union Aid Abroad - APHEDA believes that the long standing connection between the peoples of the two countries, generated through such means as inter-marriage, migration, education and friendships must now be harnessed. A mutually beneficial relationship is dependent on goodwill, and calls for sensitivity and trust. Both countries are comprised of a heterogeneous population, speaking many languages and with different cultures. Union Aid Abroad - APHEDA believes that mechanisms need to be put in place to promote dialogue between our two nations so that an understanding of our similarities, as well as respect for differences, can be generated. Also, that a shared vision for a peaceful Asia-Pacific region can be materialised. As such, Union Aid Abroad - APHEDA urges the Australian government to commit funding for these mechanisms, and also to create a body which can advise on the type of mechanisms to be deployed. This body should comprise of community groups which have links with Indonesia, as well as individuals with a strong interest in Indonesian matters.

By taking a positive, pro-active stance which values the friendship and connection between our two nations, and which places primary importance to this, as opposed to the military option, the Australian government will be sending a strong message that the Australian people wishes to walk hand in hand with our neighbour into the future.

Recommendations

- That Australia's foreign aid be used to address the root causes of terrorism - poverty, hunger and unemployment. In Indonesia, this aid should not only be channelled to areas such as education, food security and vocational training; but also to ensure that a concerted effort be made to work with the Indonesian authorities to ensure that this aid reaches those who need them most.
- That a body be formed, comprising of community groups which have links with Indonesia, as well as individuals with a strong interest in Indonesian matters, to advise the government on mechanisms which can be put in place to foster closer networking, connections and friendships between the peoples of Australia and Indonesia. And that the Australian government fully fund these mechanisms.