



Submission No 36

Inquiry into Australia's Relations with Indonesia

Name: Mr Lev Lafayette

Address: Santa Cruz
Dili
EAST TIMOR

Submission No 36

Clerk Assistant (Committees)
House of Representatives
Parliament House
CANBERRA ACT 2600

email: committee.reps@aph.gov.au

Please accept the following as my submission to the Joint Standing Committee on Foreign Affairs, Defense and Trade on the Commonwealth of Australia's relationship with the Republic of Indonesia as requested at
<http://www.aph.gov.au/house/committee/jfad/Indonesia/IndonIndex.htm>

The views expressed in this submission are my own as a citizen of the Commonwealth of Australia and do not necessarily reflect the views of my employer or any organization that I am a member of.

This submission consists of four parts according to those aspects considered by the proposed report, namely (1) political relations (2) strategic relations (3) economic relations and (4) social and cultural relations.

Please do not hesitate to contact me for further information concerning this submission. I may be contacted either by email (lev_lafayette@speedymail.org), post (c/- Ministry of Foreign Affairs and Cooperation, Dili, East Timor) or by mobile (0409 861 528).

Yours sincerely,

Lev Lafayette
Santa Cruz
Dili
East Timor

1 Political Relations

1.1 The most important functional objective of relations between the Commonwealth of Australia and the Republic of Indonesia - more important than strategic, economic and cultural concerns - is to transfer universal values of political democracy and human rights.

1.2 Real or perceived strains in relations between the two countries due to criticism over these issues must not lead to silence by the Commonwealth. The principles of political democracy and human rights are meant to be universal in their application and arguments of them representing 'western values' or being 'culturally insensitive' are invariably exposed as the ideology of a power elite who is normally responsible for the suppression of such rights.

1.3 There can no doubt that there have been some substantial improvements in the formal political system in Indonesia since the last review (1993) that allow greater democratic input. The control over the People's Consultative Assembly (MPR) and the House of Representatives during the Suharto period made any pretense of Indonesia being a democratic country at that time quite ridiculous.

1.4 Concerns exist however on the incomplete separation of powers in the Republic of Indonesia. Two hundred members of the MPR are still indirectly selected rather than being elected. More importantly however, is that 38 members of the House of Representatives are still directly appointed by the military is a severe breach of the democratic principle of the separation of powers. Under such circumstances, the Republic of Indonesia still cannot yet legitimately claim to be a democracy.

1.5 Concerns must also be expressed regarding the recent trials of war criminals by the Republic of Indonesia during the militia violence in East Timor in 1999 which led to an estimated 1,000 deaths, the dislocation of 250,000 people and the destruction of 85% of the nation's infrastructure. Whilst Abilio Soares has been convicted for crimes against humanity. Timbul Silaen has been acquitted as has five Indonesian functionaries. Most importantly however, the high-ranking officers, including General are still free, even though the evidence is clear that they engaged in state-sponsored terrorism.

1.6 The comments by the Republic of Indonesia's first civilian defense minister that those in high ranks were merely "following orders" with regards to the East Timor atrocities cannot go without condemnation. "We can't go up into the high ranks as they were just carrying out state policy". ("Indonesia Defense Min: Generals To Escape Prosecution", Associated Press, 7 Dec 99). Furthermore, the Republic of Indonesia refuses to cooperate with the trial processes taking place in East Timor. As Amnesty International notes, "so far 114 people have been charged with committing serious crimes, including crimes against humanity, by East Timor's Deputy Prosecutor General. Many are living in Indonesia. Indonesia has so far refused to transfer any of them to East Timor for trial by the UN established Special Panel for Serious Crimes, and has also taken no steps to bring most of them to justice in its own courts".

1.7 The Republic of Indonesia is still not a signatory to the 1951 UN Convention on Refugees nor does it accept compulsory ICJ jurisdiction. The former raises particular problems for the Commonwealth of Australia that is subject to substantial debate in the public arena. The latter is no longer excusable for a regime that now makes claims of being democratic and an inclusive participant in international relations.

1.9 A recent broadcasting bill being considered by the Republic of Indonesia also bodes poorly for the development of a civil society. This bill would bar radio and television stations from relaying some foreign-source news and is widely regarded and a threat to media freedom.

1.8 It is recommended that the Commonwealth of Australia promote the following to the Republic of Indonesia:

- i) furthering formal democracy in the Indonesian political system
- ii) the practical implementation of the Universal Declaration of Human Rights
- iii) the signing and implementation of the 1951 UN Convention on Human Rights
- iv) the acceptance of ICJ jurisdiction
- v) a complete separation of powers
- vi) self-determination for Aceh and West Papua.

1.9 The political concerns of democracy and human rights are not presented simply as high ideals, although they have great value in the own right for that content, but rather also because political democracy and human rights ensure improved strategic conditions, economic relations and cultural development.

2. Strategic Relations

2.1 The Republic of Indonesia is of primary strategic importance with the Commonwealth of Australia due to proximity and the Republic with a majority of exports passing through the archipelago. The geography of the Republic of Indonesia presents particular strategic challenges, with significant dense forest and some 14,000 islands (the US CIA Factbook 2002 edition claims 17,000) of which 6,000 are inhabited.

2.2 Key evidence of strategic concerns in Indonesia include:

(a) the decades-long separatist struggle in Aceh, where an estimated 5,000 people have been killed in the last ten years. According to Amnesty International an estimated 1,500 people have been killed this year, including five parliamentarians. From 1990 to 1998 the area was designated a "special combat zone" for the Indonesian army and there is growing evidence that Indonesia has now determined that a military solution is their only option for the region.

(b) the decades-long separatist struggle in West Papua following the discredited 'Act of Free Choice' in 1969. Like Aceh, West Papua was a designated "special combat zone" during the Suharto period.

(c) Religious violence on the island of Lombok where in January 2000, Muslim extremists attacked the properties and Churches of the Christian minority on the island. Clashes have also erupted on a regional basis, particularly between the two villages of Bongor and Parampuan.

(d) Religious violence in the Moluccas between Muslims and Christians that have left thousands dead (an estimated 3,000 since 1999) and the dislocation of tens of thousands. There is significant evidence that the army fought alongside the warring communities, particularly through ties between the armed forces Strategic Reserve Command (Kostrad) and the fanatical Laskar Jihad

(e) Religious violence with economic reasons in Kalimantan with Muslim settlers targeted by indigenous Dayak. Whilst settlers have been arriving since the 1930s, there has been particular recent severe economic marginalisation of the Dayak community. It is estimated that at least 1,000 people were killed in 1997 with continuing violence, deaths and dislocation.

(f) Economic violence in May 1998 in Medan, the capital of north Sumatra, resulting from price increases as well as the targeting of ethnic Chinese.

(g) Bombings in 2000, including a car-bomb explosion outside the residence of the Philippines ambassador, and a car bomb blast in the underground car park of the Jakarta Stock Exchange, for which two members of the army special forces (Kopassus) received jail terms.

(h) Emerging evidence suggesting that the ambush of three schoolteachers (two American, one Indonesian) last month near the Freeport mine at Timilka, West Papua was arranged, if not carried out by, Kopassus. These have occurred with Major-General Mahidin Simbolon leading the region, who was shown by leaked Australian intelligence intercepts to have been a key figure in orchestrating the East Timor violence in 1999, from his then position in Bali.

(g) The recent terrorist attack in Bali, 2002, of which the responsible organization is yet to be ascertained. The statement by the Foreign Minister, Alexander Downer, that the possibility of Indonesian military involvement is "silly" must be rejected and the evidence examined with more sober senses.

2.3 Concerns that the region now represents an "arc of instability" (cf., Rowan Callick, Australian Financial Review, October 4, 2002) are substantiated by the above. Instability in itself however is

not necessarily negative as all societies (even our own) require a level of dynamic change for purposes of adaptability and evolution. There is a strong argument, for example, that economic instability in Indonesia between 1997 and 1998 promoted necessary political reform. Of course, if the Republic of Indonesia was a working democracy in the first instance, it is unlikely that the economic instability would have occurred in the first place.

2.4 The gravest strategic concern for the Commonwealth of Australia is not so much the rise of instability itself in the Republic of Indonesia per se, but the lack of political will to engage and promote the necessary reforms resolve the causes of instability.

2.5 The major causes of instability can be ascertained from an intelligent review of the above instances:

- i) Centralized authoritarianism and a lack of will to seek a political solution to just claims for local democracy, autonomy or independence
- ii) Corruption within the armed forces and partiality to promoting and engaging in violence. This is evident to the highest level. There is an obvious and probably controlling faction within the armed forces who see themselves as the commanders of the nation and will engage in any activities necessary to maintain this control, rather than the protectors of the population.
- iii) The lack of separation between religion and state institutions, the corruption of secular institutions by those with metaphysical motivations.
- iv) Cultural and economic domination by Java in a Republic with significant ethnic diversity.
- v) Continuing economic impoverishment leading to general dissatisfaction and resultant violence against those not responsible for such widespread impoverishment.

2.7 The diversity of ethnic groups in the Republic of Indonesia, the existence of separatist movements in Aceh and West Papua, the geographic make-up, and the improbability of centralized control without authoritarianism suggest that political reform towards a federal structure is most appropriate for our strategic concerns.

2.8 The Commonwealth of Australia should seek to ensure our strategic interests by raising the issues in 2.5 at least at the SouthWest Pacific Dialogue on an initial level and with the request for substantive improvements to resolve the causes of instability rather than enhancing them.

2.9 The most foolish strategy would be to assist increased military capacity to the Republic of Indonesia without prior extensive and fundamental reforms. If the Commonwealth of Australia engages in actions that strengthen the military of the Republic of Indonesia in its current state then such decision makers will be responsible for the worst strategic decision in the Commonwealth's history.

3. Economic Relations

3.1 The importance of economic development in the Republic of Indonesia is of importance to the Commonwealth's economic future with a majority of exports passing through the archipelago. Current disparities in wealth, health, education and infrastructure raise difficulties in the prospects of mutually beneficial development.

3.2 Key indications of this disparity are evident in the following:

- i) per capita GDP (Australia \$24,000 USD, Indonesia \$3,000 USD)
- ii) Literacy (Australia 100%, Indonesia 84%)
- iii) Life expectancy at birth (Australia 80 years, Indonesia 68 years)
- iv) population living below the (absolute) poverty line (Australia 0%, Indonesia 27%)
- v) household infrastructure such as:
 - a) telephones (Australia c2 people per 'phone, Indonesia 46 people, Australia 2.2 per mobile, Indonesia 216)
 - b) radios (Australia .7 people per radio, Indonesia 7.3)
 - c) televisions (Australia 1.8 people per TV, Indonesia 16.8 people)
 - d) internet use (Australia 51.6%, Indonesia 0.8%)
 - e) electricity consumption (Australia 9666kWh per capita, Indonesia 372kWh)

3.3 Relative to the geographical proximity and population size, the Republic of Indonesia is a relatively insignificant trading partner with Australia, accounting for less than 4% of our imports and exports. However, Australia does account for more than 5% of Indonesia's imports. This disparity arises from the fact that Australia is a high producer in the most of the industries where Indonesia is an exporter whereas Indonesia imports a significant amount of machinery and transport equipment which Australia produces.

3.4 One significant area where the Republic of Indonesia could improve the current trade inequality is the export of electrical equipment of which it is a notable producer. However, with a low skill base Indonesia's production is more orientated towards simple domestic appliances, rather than the more sophisticated computer and telecommunication equipment that Australia desires.

3.5 The most beneficial future economic relations between the Commonwealth of Australia and the Republic of Indonesia lies in Australia exporting the large scale capital machinery, construction and transport equipment to Indonesia with Indonesia exporting to Australia sophisticated telecommunications and computing equipment. For Indonesia such production for the domestic market also has very high opportunities for growth.

3.6 Such a relationship cannot arise however under the current circumstances. The Republic of Indonesia suffers from widespread impoverishment, a poor skill base, endemic corruption and a military that suffers from collective mental instability. The situation is further hampered by the stringent conditions imposed by the International Monetary Fund including:

- i) the removal of food and petrol subsidies
- ii) the opening of natural resource industries to foreign capital
- iii) high interest rates
- iv) reduced government expenditure
- v) increased taxes
- vi) sale of state assets and;
- vii) the closure of banks (which in 1997 caused a run on the industry, necessitating the Bank of Indonesia to bail out the sector).

3.7 The human effects of the debt crisis inherited by Indonesia's civilian government should not be underestimated. With the nation owing some \$135 billion USD (2001 estimate). Indonesian NGOs and Oxfam Australia estimate that some 50% of the government's budget is required for servicing the \$84 billion USD owed by the government and state-owned industries. These are funds that are

being diverted from human needs such as housing, health, education and welfare. Since 1997 Oxfam Australia estimates that those living marginally above the poverty line and lower has increased to 50% of the population, with an unprecedented collapse in real wages. Thirty-nine million people are estimated to have become unemployed.

3.8 Indonesia's debt burden is a direct result from the corrupt practices of the Suharto regime and foreign creditors. Even the World Bank acknowledges that up to 30 percent of World Bank funds were diverted to other purposes. The Indonesian people had no say in these loans, yet now they are forced to repay them. These should be classified as criminal debts, not national debts.

3.9 In the short term, the Commonwealth can greatly improve the situation for the people in the Republic of Indonesia by the following actions:

- i) cancellation of our share of Indonesia's foreign debt incurred by the corrupt elements of the previous regime and the transfer of that debt to criminal debt
- ii) increasing the Commonwealth's foreign aid budget to 0.7% of GDP with particular specialization with our most immediate and impoverished neighbours (East Timor, Indonesia, PNG, South Pacific islands).
- iii) promoting political and economic reforms noted in sections (1) and (2).

3.10 Point (iii) in 3.9 has particular relevance for improving the cash economy situation in the short term. Whilst tourism is on a global level not an economic activity at all, (as it represents merely a transfer of cash from one economy to another without improving production), it is critically important for impoverished people desperate to sell commodities and services. High levels of violence have harmed the input of tourist cash to Lombok and undoubtedly will affect Bali, where 90% of the island's total income depends on tourism.

3.11 The ultimate issue for the Commonwealth of Australia in relation to economic relations with the Republic of Indonesia is really a matter of foresight. The question must be posed: Is it in the Commonwealth's long-term strategic and economic interests to have an impoverished, dependent, highly populated immediate neighbour? To phrase the question in this manner is of course to answer it. There is not a nation in history that has survived under such circumstances and nor should there be. Thus, the prime objective for the Commonwealth with regards to the Republic of Indonesia is to raise the standard of living and skills of their population to the point that they can participate as equals.

4. Social and Cultural Relations

4.1 On a superficial level, points of unity between the cultures within the Australian and Indonesian nations seem few. The cultures in Australia and Indonesia are separated by significant differences in language, religion, ethnicity and even colonial history. Nonetheless, the people of the Republic of Indonesia are neighbours to the people of the Commonwealth of Australia and with that motivational spirit, these differences can be transcended.

4.2 On a systematic level many of these barriers can be overcome by migration, enhanced trade relations, tourism, linguistic education and comparative religious studies through secular institutions. If the Commonwealth of Australia is serious about improving social and cultural relations with the Republic of Indonesia, then a higher level of systematic intervention in these fields is requisite. Such systematic intervention is the most effective means to remove existing false prejudices that exist in the minds of many.

4.3 Universal human conditions are part of our mutual existence. These existential conditions cause cultural development and are the reason cultural differences are actually easy to transcend. People, regardless of culture, actually have the same basic desires – physical protection, a society with oppression, food, shelter, health-care, education, protection of their environment. These are all built on a universal sense of wonder with objective existence, a sense of social solidarity built through mutual understanding and a sense of self built through internal reflection.

4.4 The greatest threat to improving social and cultural relations is attitudes and practices that divide the people of the Commonwealth of Australia with the Republic of Indonesia. On a formal level this includes those who discriminate on the basis of religion, the mythic criteria of 'race' and ethnicity. On a formal level, the Commonwealth has made such discrimination illegal.

4.5 On a deeper systematic level however those who seek to further impoverish the people of Indonesia through economic policies antithetical to improving their lives are also retarding the social and cultural development of that nation by creating a dependent inequality in the relations.

4.6 Further, those who improve the capacity of those within Indonesia who deny the civil, political and economic rights of their fellow citizens are also retarding the social and cultural development of the people of Indonesia.

4.7 Those who also claim that such individuals (in 4.6) are representative and speak for the people of the Republic of Indonesia also engage in extraordinary damage to the social and cultural development of the people in Indonesia.

4.8 Social and cultural development and mutually beneficial cultural exchanges are dependent on transactions between equals. Outside of the state of nature, they are dependent on systematic intervention to ensure universal political rights, stability and economic access. Until these systematic tasks are carried out, discussion of 'social and cultural' development remains ineffectual.