



Executive Memorandum

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EASING THE CRISIS IN EAST TIMOR

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East Timor has been engulfed in a rising tide of violence since August 30, when voters in the province overwhelmingly chose independence from Indonesia. Pro-Indonesia militia groups, angered by the outcome of the referendum, have killed as many as 7,000 people, including children, United Nations workers, and Catholic priests and nuns. The anti-independence militias also have mounted a massive program of forced deportation, driving up to a quarter of East Timor's 850,000 people to makeshift refugee camps controlled jointly by the militias and the Indonesian military.

Indonesian Military Collusion. From the outset, the military opposed President B. J. Habibie's decision to allow East Timor to determine its own political future, fearing that any referendum would embolden separatists in restive provinces like Aceh and Irian Jaya. Military leaders believed that they had invested too much blood and treasure in pacifying East Timor since its forcible annexation in 1976 to allow it to split away from Indonesia. Thus, in the run-up to the referendum—postponed twice because of violence and intimidation by the militias—the Indonesian armed forces were deeply involved in arming and supporting the militias. Since the referendum, Indonesian soldiers and police have failed to intervene even when the militias have openly committed atrocities. More recently, Indonesia's military has abandoned any pretense of concealing its collusion with the militias, and has joined them in looting, burning, and even killing.

The situation in East Timor has degenerated to the point that many countries are demanding an international peacekeeping force to restore order because Jakarta cannot—or will not—rein in the militias. Australia, Indonesia's southern neighbor, has volunteered to head a force composed mainly of troops from Asian nations. The United States has offered to help with support functions such as intelligence, logistics, airlift, in-country transportation, and communications.

The U.S. Interest in Indonesia. Beyond helping to alleviate the suffering in East Timor, the United States, as the leading Pacific power, has an interest in preventing violence and chaos from spreading to the rest of Indonesia. The world's fourth most populous country, Indonesia is important to both the U.S. and the Southeast Asia region. Indonesia purchased over \$2 billion in U.S. exports in 1998, thereby supporting over 30,000 American jobs. It is the world's largest Muslim country, with a tolerant brand of Islam that has served as a moderating force in the Islamic world. Indonesia controls sea lanes through which 40 percent of world shipping passes, including 80 percent of Japan's oil supply and 70 percent of South Korea's. Indonesia also has

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served as a force for regional stability, working through the Association of Southeast Asian Nations (ASEAN), for instance, to convince China to scale back its claims in the South China Sea.

Washington thus faces a difficult task. While helping to end the suffering in East Timor and expressing its displeasure with Jakarta's handling of the situation there, it also must work to prevent the violence in East Timor from spilling over into the rest of Indonesia. To help restore order in East Timor, preserve stability in Indonesia, and set the stage for a resumption of positive U.S.–Indonesia relations, Washington should:

- **Assist a regionally led peacekeeping force for East Timor, but only in a support role.** In announcing U.S. willingness to participate in such a peacekeeping force, President Clinton refuses to rule out categorically a U.S. ground troop presence. He should do so. By limiting U.S. participation to intelligence, logistics, airlift, transportation, and communications support, the President would prevent U.S. forces from becoming a lightning rod for violence and anti-American terrorism.
- **Link a resumption of Indonesia's International Monetary Fund (IMF) assistance program to Jakarta's cooperation on East Timor.** Indonesia highly prizes the \$50 billion IMF bailout package it was granted to cope with the effects of the Asian economic crisis. These funds were suspended by the IMF on September 9 in reaction to the abuses in East Timor. Washington should use its influence at the IMF to make any resumption of aid contingent on Jakarta's ending all support of the anti-independence militias. It should also move to deduct the cost of rebuilding East Timor from Indonesia's total assistance package.
- **Insist on the professionalization of Indonesia's military.** President Clinton cut ties with Indonesia's military on September 9 to protest the conduct of Indonesian forces in East Timor. He should condition a restoration of these ties on genuine progress in reform of the Indonesian military. At a minimum, those implicated in criminal activity in East Timor should be identified and brought to justice. Additionally, civilian control of the military should be strengthened. Ideally, the role of the armed forces in politics should be reduced and ultimately eliminated.
- **Encourage Indonesia to step up efforts to prevent other separatist-minded provinces from spiraling into violence and chaos.** Jakarta fears that other regions will expect to follow East Timor's example and be allowed to choose whether to remain part of Indonesia. Washington should point out that Indonesia's best hope of consolidating its polyglot country lies not in violence and intimidation, but in greater respect for human rights and the more equitable distribution of wealth between Jakarta and the outer provinces.

The Indonesian government's handling of the violence following the referendum in East Timor has seriously damaged Indonesia's relations with the rest of the world. It also has squandered the goodwill that Indonesia had earned from the successful conclusion of its landmark parliamentary elections on June 7. As Indonesia struggles to control the damage from the crisis in East Timor, Washington should urge Indonesia to move rapidly both to help end the violence there and to institute reforms that will reduce the likelihood of future crises. In this lies Indonesia's best hope of resuming its traditional place as a valued partner of the United States in the important Southeast Asian region.

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