

Background

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Democratic Indonesia as a Security Partner

Dana R. Dillon

Throughout the 1990s, Indonesia was a source of regional instability and became a haven for terrorists. At the same time, frequent human rights abuses by the Indonesian military earned it a number of U.S. sanctions. However, since 1998, Indonesia has undergone an extraordinary transition from authoritarian dictatorship to a new democracy. It joined the war on terrorism, and the Indonesian military has instituted substantial, albeit incomplete, reforms.

To help Jakarta consolidate its democratic transition and welcome Indonesia as a security partner, the United States should assist the professionalization of the Indonesian military and law enforcement agencies with targeted programs, eventually drop the remaining sanctions on the Indonesian military, and support the Indonesian government's war against terrorism by adding the Free Aceh Movement (GAM) to the U.S. Department of State's Foreign Terrorist Organization (FTO) list.

Indonesia's History: Dictatorship and Corruption

During the 32 years of the Suharto dictatorship (1966–1998), the armed forces including the POLRI (the police) dominated Indonesian society. The military justified its role using the *dwi fungsi*¹ (dual function) principle.

For example, 75 of the 460 seats in the Dewan Perwakilan Rakyat (DPR), the national legislature, were apportioned to the military,² and 75 percent of army personnel were organized into a military structure that

Talking Points

- By October 20, 2004, when the new president is inaugurated, all of Indonesia's legislative and executive branch leaders will have obtained their offices through free and fair elections.
- Congress and the President should recognize and welcome the newest Muslim democracy.
- If Indonesia continues to reform its military and police, Congress should eventually restore Indonesian military access to military education and training programs.
- U.S. efforts to encourage reform of the Indonesian military and police are best focused on the newly elected Indonesian president and legislature.
- The State Department should initiate the process to place the Free Aceh Movement (GAM) on the Foreign Terrorist Organization list.

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paralleled every level of civilian governmental administration, all the way down to the village level. Additionally, military officers, both active and retired, served in senior government cabinet posts, as governors of provinces, and in positions at every level of public administration. This influence also extended to the Indonesian economy.

For Indonesia, military control brought political stability and economic development, but at the cost of extreme corruption and a brutal human rights record. According to the State Department's 1997 report on human rights in Indonesia, "The military retained substantial nonmilitary powers...and continued to commit numerous human rights abuses."³ The 1997 Asian financial crisis caused an economic collapse in Indonesia, ending a period of rapid economic development and initiating a political crisis that ended the Suharto era in 1998.

From the American point of view, the Indonesian military was a stalwart opponent of communism in Southeast Asia. From 1950 to 1993 the United States trained 8,055 Indonesian officers in American military schools and provided more than \$200 million in military assistance grants and more than \$400 million in loans and credit for purchasing American military equipment and services.⁴

Yet, when the Soviet empire crumbled, the United States discovered that the years of military training and assistance had not created an ally or a professional Indonesian military, despite the close military-to-military relationship. Instead, Tentara Nasional Indonesia (TNI), Indonesia's armed forces, had become a mafia-like organization that both oppressed Indonesia and lined Suharto's pockets.

The downturn in the U.S.–Indonesian military relationship came abruptly in November 1991, when Indonesian soldiers in Dili, East Timor, fired into a crowd of peaceful protesters, killing hundreds of people. In response, the U.S. Congress cut off security assistance to Indonesia in 1992.

Nevertheless, Indonesia remained an important regional player in Southeast Asia, and American policymakers hoped to influence the military through security assistance. Both President Bill Clinton and President George W. Bush attempted to restart military assistance, but both efforts were derailed by further TNI atrocities. For Clinton, the breaking point was the wanton ruin of East Timor in 1999. For Bush, it was the suspicious circumstances surrounding the ambush of 12 Americans—two of whom died—in Papua in 2002.

Democracy and the TNI and POLRI Reforms Since 1998

Fortunately, Indonesian democracy continues to move forward, dragging the TNI and POLRI with it. From Indonesia's declaration of independence from the Netherlands in 1945 to the fall of Suharto⁵ in 1998, Indonesia had only two presidents—Sukarno and Suharto—and not one free and fair election.

Since 1998, Indonesia has had two legislative elections, the legislature has selected three presidents, and Indonesia held its first-ever direct presidential election in September 2004. By October 20, 2004, when the new president is inaugurated, all of Indonesia's national legislative and executive branch leaders will have obtained their offices through free and fair elections. The democratic transition and the appearance of new leaders have

1. *Dwi fungsi* is a concept, unique to Indonesia, that a military official has a function both in defense of the country and in civil society.
2. The number was reduced to 38 military members in 1999 with the agreement that all military appointed representatives would withdraw in 2004.
3. U.S. Department of State, "1997 Country Reports on Human Rights Practices," 1998.
4. Defense Security Cooperation Agency, Business Operations/Comptroller, Deputy for Operations and Administration, *Foreign Military Sales, Foreign Military Construction Sales and Military Assistance Facts as of September 30, 2003*, at www.dsca.mil/programs/biz-ops/facts_book_2003.pdf (September 21, 2004).
5. Many Indonesians have only one name, as did Presidents Suharto and Sukarno. Their names are also spelled "Soekarno" and "Soeharto."

already sparked changes in Indonesia that bode well for Indonesian and American security interests in the region.

In the wake of Indonesia's democratic transition, the TNI has implemented reforms, albeit incomplete. In 2000, the police were formally separated from the military. Now the TNI focuses on combating external threats while the POLRI is responsible for internal security.

On September 1, 2004, the TNI courts were placed under the jurisdiction of Indonesia's supreme court, and on September 30, the military's appointed members of the legislature will step down. In compensation, individual members of the police and military will be given the right to vote for the first time. The TNI has also abandoned the *dwi fungsi* principle so that any officer that wants to serve in the government must first resign or retire from the military.

Despite these positive steps, both the police and military retain institutional flaws that contribute to corruption and human rights abuses. Three specific areas must be changed if both institutions are to be fully professionalized:

- The TNI and POLRI must be fully subordinate to civilian control,
- The TNI must be subject to civil law, and
- The TNI and POLRI budgets must be transparent and sufficient.

Civilian control of the police and military is weak. Although there is a civilian-led Ministry of Defense, the minister is not superior in rank to the military chiefs and has limited budgetary and policy powers. Each of the military service chiefs reports directly to the president. The POLRI has no associated ministry, and the chief of police also reports directly to the president.

Second, although the supreme court now has jurisdiction over the military's tribunal, TNI mem-

bers are still not subject to civil law and can be tried only in military courts. The security forces are still criticized in the annual State Department human rights report for a wide range of abuses including extrajudicial killings, arbitrary arrest, torture, and rape.

These abuses continue six years after the fall of Suharto because the TNI does very little to discipline its ranks. It has become better at convicting members of the armed forces for breaches of military law, but enforcement is inconsistent. For example, six soldiers were convicted for raping and beating civilians in the war-torn province of Aceh. On the other hand, Major General Damiri, the most senior officer tried for the September 1999 violence in East Timor, was convicted of crimes against humanity but was cleared of all charges on appeal.⁶ Punishments—when any are imposed—are often light, and most soldiers still enjoy almost complete impunity from prosecution.⁷

Application of civil law to the military is no guarantee that soldiers will be held accountable, but it would create a check on their behavior that does not exist now. Currently, police investigations that indicate TNI involvement are delayed because the police lack the jurisdiction to investigate and prosecute. This has delayed prosecution of suspects in the murder of Theys Eluay, the Papuan independence leader, and has left unresolved the murders of two Americans who were shot in an ambush while working as teachers at Freeport McMoran's Grasberg mine in West Papua.

However, the most corrosive flaw in Indonesia's security forces is their budgets. Only 30 percent of the TNI budget comes from the Indonesian government, and the POLRI's official budget is grossly inadequate. The rest of their budgets come from unaccountable off-budget sources, such as illegal logging, poaching, drug smuggling, and protection rackets. The POLRI openly accepts and even solic-

6. The prosecution dropped charges against Damiri, the commander of all military operations in East Timor when it was burned to the ground in 1999, because they had insufficient evidence to convict him. The move was a surprise because the prosecution had already won a conviction at Indonesia's Human Rights Tribunal.

7. U.S. Department of State, Bureau of Democracy, Human Rights and Labor, "Country Reports on Human Rights Practices—2003: Indonesia," February 25, 2004.

its “donations” but feels no obligation to account for those extra-budget funds. Jakarta police spokesman Senior Commander Prasetyo noted, “The law does not require us to reveal to the public who our donors are. We also do not have any obligation to account for these donations.”⁸

Pursuit of off-budget funding, a euphemism for outright corruption, distracts soldiers and police from their official duties and erodes discipline. It destroys the very basis of social trust and contributes to the breakdown of the rule of law by the very organizations that are tasked with protecting it.

Given the TNI’s poor human rights record, the U.S. Congress continues to restrict security assistance. In January 2004, Congress passed a law restricting foreign military financing and licenses for the purchase of lethal defense articles unless the President certifies both that the TNI has ended human rights abuses and is cooperating with the U.N. East Timor Serious Crimes Unit and that the Indonesian Ministry of Defense is auditing the TNI budget and making it available to the public.⁹

Congress further restricts International Military Education and Training (IMET) and Extended International Military Education and Training (E-IMET) until the Secretary of State can certify to Congress that the TNI is cooperating with the FBI investigation of the murders of two Americans in Papua.¹⁰

Prospects for Further TNI and POLRI Reform

In the new democratic Indonesia, the institutional flaws in the POLRI and TNI are the subjects of intense public debate. On June 30, 2004, President Megawati introduced a bill on changes in the military. However, the TNI bill does not offer reform. Rather, it appears to reverse recent improvements.

The TNI bill retains the military’s territorial organization, which it is accused of using for political and economic control, and permits active duty

officers to hold government positions in non-defense ministries. Officers holding positions in civilian ministries would still report directly to the TNI Chief, a poorly disguised return of *dwi fungsi*. The bill also permits the military to make decisions on military deployments without consulting the president. While stating that the TNI’s duty is to defend the nation against any and all threats, it leaves the definition of what is a threat and how to defend against it in the hands of the generals.

In its current form, the bill gives the TNI an utterly unprecedented degree of independence and power. Furthermore, the bill does not address the budget problems or do anything to improve the pay or welfare of military personnel. It is clearly intended to benefit corrupt generals, not Indonesia.

The timing of the TNI bill’s introduction was important to the generals. President Megawati came to office partly due to the TNI’s refusal to intervene when ordered to do so by her predecessor, Wahid, and since that time has not acted against the generals’ interests. Additionally, Megawati was in a tough re-election campaign, and it seemed unlikely that she would intentionally alienate the still powerful TNI. More important, the sitting DPR still contains 38 members appointed by the POLRI and TNI. The combination of a nominally grateful President and a lame-duck DPR appears to have been the TNI’s last chance to pass a law that protected the generals’ prerequisites.

Initially, DPR leaders pledged to complete deliberation of the TNI bill before their terms end on September 30, which would present the new democratically elected DPR with a finished bill when it convenes on October 1, 2004. But the generals’ gamble backfired. The bill met strong and widespread public opposition. Domestic think tanks, universities, newspapers, journals, and nongovernmental organizations have denounced the bill.

8. Evi Mariana, “Donation to the Police ‘Should Be Made Accountable,’” *The Jakarta Post*, August 2, 2004.

9. Public Law 108–199.

10. Bruce Vaughn, “Indonesia: Domestic Politics, Strategic Dynamics, and American Interests,” Congressional Research Service, May 24, 2004, p. 16.

The hearings and debate on the bill were open and transparent, permitting the public to voice their opposition directly to DPR members. The widespread opposition led President Megawati and DPR Speaker Akbar Tanjung to delay deliberation on the bill until the new DPR meets in October.¹¹

The government's retraction of public support for the TNI bill demonstrated that the introduction of democracy is already influencing even Suharto-era politicians, such as Akbar Tanjung and Megawati. During the debate, DPR members proposed amendments that would institutionalize civil supremacy over the TNI and transparency of its budget.

The imminent installation of a fully elected legislature and a directly elected president is already profoundly affecting the TNI's ability to control political events. It is likely that Indonesia's future democratic leaders will continue to pursue TNI reform through the legislative process because it is becoming more readily accepted that the politicians owe their positions to the electorate, not to the military.

The War on Terrorism

A frequent subject of controversy in the war on terrorism is defining the enemy. In Washington, D.C., only eight days after the terrorist attacks of September 11, 2001, President Megawati announced her government's support for the war on terrorism. She identified the Free Aceh Movement, a separatist group, as Indonesia's terrorists, but after she returned from Washington, Jakarta's support for the war on terrorism was weak.¹²

President George W. Bush, at that time, defined America's enemies as terrorists with global reach, thus omitting separatist groups such as GAM. As the war against terrorism endures, however, the United States continues to refine its definition to include organizations with domestic agendas, such as the Liberation Tigers of Tamil Eelam in Sri Lanka and Basque separatists in Spain, because their activities threaten American interests. Despite strong and persistent evidence that GAM is an active member of Southeast Asia's terrorist net-

work and threatens American citizens and interests, the State Department still omits GAM from its list of foreign terrorist organizations. Resolving the difference between Washington and Jakarta on GAM could significantly improve the counterterrorist relationship with Indonesia.

In the first year after 9/11, Indonesian politicians not only failed to support the American war on terrorism, but also even denied the existence of terrorists (other than GAM) in their country. In 2002, Indonesian Vice President Hamzah Haz had dinner with the leaders of the country's most notorious terrorist groups, including Abu Bakar Bashir, the now-jailed spiritual leader of Jemaah Islamiyah (JI). Afterward, Hamzah Haz announced that there were no terrorists in Indonesia.

Furthermore, Indonesia strongly opposed American anti-terrorist military operations. For example, in 2002, in front of a cheering DPR, President Megawati demanded that the United States not bomb Afghanistan during Ramadan (the Muslim holy month), conveniently ignoring that the predominantly Muslim TNI was at that very time continuing its offensive against the Muslim GAM through Ramadan. Even worse, Indonesian authorities failed to prevent Darul Islam, a radical Islamic group, from recruiting 300 volunteers to fight against the Americans in Afghanistan.

Regrettably, tragedy forced the Indonesian government to acknowledge that Indonesia was infested with terrorists and that the terrorists were out to destroy all secular governments in the region and create a pan-Islamic caliphate in Southeast Asia. On October 12, 2002, Jemaah Islamiyah terrorists blew up a nightclub in Bali, killing 202 people. Spurred by more terrorist attacks in Jakarta and other cities across the archipelago, the Indonesian police began to work closely with American, Australian, and international law enforcement organizations to track down the Bali bombers and their fellow terrorists.

Police and law enforcement institutions have demonstrated that they are the appropriate instru-

11. Hari Kurniawan, "Place TNI Under Ministry: Experts," *The Jakarta Post*, August 3, 2004.

12. Megawati Soekarnoputri, speech at the USINDO Gala Dinner, Washington D.C., September 19, 2001.

ments for fighting terrorists in most circumstances in Indonesia. Nevertheless, Indonesia's law enforcement institutions are weak. Law enforcement needs development in three areas: the legal framework, prosecutors and the judiciary, and the police. The laws for prosecuting terrorists are brand new—most have been enacted since the Bali bombing—and are still being tested in the courts. Prosecutors and judges are underpaid and inadequately trained, and the police lack the resources to engage the terrorists effectively.

The Indonesian government discovered in October 2002 that, although the terrorists that detonated the Bali bombs could be tried for murder, Indonesia had no laws against acts of terrorism or conspiracy. The government worked to correct that hole in its laws by issuing an emergency decree that authorized prosecution for committing, plotting, and assisting an act of terrorism.¹³

In March 2003, the DPR passed a law that formalized the 2002 emergency decree.¹⁴ The new law provided for retroactive enforcement and authorized capital punishment and detention of suspects for up to six months without trial.¹⁵ Demonstrating the still-developing nature of the legal system, the retroactive clause of the anti-terrorist law was challenged in the constitutional court, and the judges struck it down as unconstitutional, thus putting the convictions of 10 terrorists in question.

Indonesia also agreed to support the U.N. Financial Action Task Force (FATF), an international watchdog organization that tracks money laundering and terrorist financing. During 2002, in support

of FATF, Indonesia enacted a money-laundering act, but it had to amend the law in October 2003 to address legal deficiencies identified by FATF.¹⁶ The new amendments address FATF criticisms, but until the deficiencies are fully addressed and the reforms entirely implemented, Indonesia remains on FATF's list of non-cooperative countries.¹⁷

Indonesia's judges and prosecutors are another institutional weakness. During its first 40 years of existence, Indonesia's authoritarian government never lost an important court case. The courts needed no more proof of guilt or innocence than the judgment of Indonesia's authoritarian leaders. Judges and prosecutors were politicized, corrupt, and poorly trained.¹⁸ After the fall of Suharto, there was a brief period of judicial reform, but under President Megawati, legal reform slowed to a crawl. A U.N. assessment cited lack of political will as a major factor affecting the pace of judicial transformation.¹⁹

Despite the systemic weaknesses of the law enforcement institutions, Indonesia's police, prosecutors, and judges are actively fighting the war on terrorism, and the United States is helping to strengthen law enforcement institutions. Starting in 2002, the Bush Administration provided \$12 million to establish a national police counterterrorism unit, \$4.9 million for training police, and other funds for training terrorist finance intelligence units, border security, banking regulators, and immigration officials.²⁰ By the end of 2003, the police had arrested 109 suspected JI terrorists. By December 1, 2003, 63 of the suspected terrorists had been brought to trial, 50 were convicted, and two were acquitted.²¹ Increased resources,

13. Republic of Indonesia, Government Regulation in Lieu of Law No. 1/2002; "Bomb Suspect May Get 10 Years," *The Jakarta Post*, July 28, 2004; and Reuters, "Indonesia Court Says Anti-Terror Law Invalid," July 23, 2004.

14. Republic of Indonesia, Law No. 16/2003.

15. Agence France-Presse, "Indonesian Court Rules That Anti-Terror Law Is Unconstitutional," July 23, 2004.

16. Republic of Indonesia, Law No. 15/2002.

17. FATF-GAFI, "Financial Action Task Force on Money Laundering: Annual Review of Non-Cooperative Countries or Territories," July 2, 2004, p. 8.

18. Sebastiaan Pompe, "USINDO Presentation: Judicial Reform in Indonesia," Washington, D.C., April 20, 2004.

19. World Bank, "Maintaining Stability, Deepening Reforms," *Report No. 25330-IND*, January 2003, p. 30.

20. Bruce Vaughn, "Indonesia: Domestic Politics, Strategic Dynamics, and American Interests," Congressional Research Service, May 24, 2004, p. 18.

training, and—most important—political will to fight terrorists would dramatically increase Indonesia's efficacy as an ally in the war on terrorism.

Terrorism from Indonesia's Point of View

The Free Aceh Movement wants independence for Aceh, a small oil-rich Indonesian province on the southern tip of the island of Sumatra. When the struggle between GAM and the TNI began in 1976, Indonesia's government was an authoritarian kleptocracy. It was difficult for the international community to dispute GAM's claim to represent the Acehnese people. Today, however, free and fair elections and a free press have bestowed a new legitimacy on the Jakarta government, and GAM has become more violent, increasingly targeting innocent civilians.

The State Department's 2003 human rights report noted that "GAM rebels also carried out grave abuses including murder, kidnapping and extortion."²² Despite American acknowledgment of GAM's terrorist activities, however, the U.S. State Department still classifies GAM as a separatist group rather than a terrorist organization, even though its activities meet all three criteria²³ for inclusion on the Foreign Terrorist Organizations list. These criteria are:

1. The organization is foreign,
2. The organization engages in terrorist activities, and

3. The terrorist activities threaten the security of U.S. citizens or the national security of the United States.

Thousands of people, mostly civilians, have perished in Aceh since the struggle began.²⁴ Although TNI activities probably account for the bulk of civilian casualties, GAM has also contributed its share of violence directed against civilians. In 2000, GAM began a program of ethnic cleansing in Aceh, targeting civilians whom it did not consider true Acehnese with murder, arson, and intimidation. Between 2000 and 2002, GAM forced an estimated 50,000 civilians from their homes in Aceh.²⁵

GAM is also notorious for burning schools. Since 1989, it has burned over 1,000 schools and killed more than 60 teachers.²⁶ In 2002, GAM members were linked to a series of bomb attacks against shopping malls and discotheques in Jakarta.²⁷

GAM's activities also threaten American citizens and U.S. national interests in the region. GAM has targeted Exxon-Mobil's Arun natural gas facilities in Aceh. Exxon-Mobil spokesman Bill Cummings stated, "In 2000 two chartered airplanes carrying Exxon-Mobil workers were hit by ground fire."²⁸ GAM was also blamed for hijacking trucks, burning buses, and planting land mines along roads leading to the Exxon-Mobil facilities.²⁹

Expanding its terrorist portfolio, GAM is frequently linked with acts of maritime piracy against

21. U.S. Department of State, *Patterns of Global Terrorism 2003*, June 22, 2004, pp. 22–23.

22. Press release, "State Department Releases 2003 Human Rights Country Reports," U.S. Department of State, February 25, 2003, at usembassy.state.gov/chennai/www/hpr040226b.html (September 21, 2004).

23. Audrey Kurth Cronin, "The 'FTO List' and Congress: Sanctioning Designated Foreign Terrorist Organizations," Congressional Research Service, October 21, 2003.

24. Accurate casualty figures for Aceh are not available. The Indonesian government blocks access to Aceh for objective observers such as foreign journalists and NGOs. Neither Human Rights Watch nor Amnesty International publishes cumulative casualty figures for Aceh, and both accuse the Indonesian government of underreporting the number of deaths and disappearances. *Time* magazine estimates that between 10,000 and 20,000 people have died. Simon Elegant, "A Losing Battle," *Time Asia*, June 21, 2004, at www.time.com/time/asia/magazine/article/0,13673,501040621-650755,00.html (September 21, 2004).

25. Kirsten Shulze, *The Free Aceh Movement (GAM): Anatomy of a Separatist Organization* (Washington, D.C.: East-West Center, 2004), p. 39.

26. *Ibid.*, p. 36.

27. Amy Chew, "Are Aceh Rebels Spreading Their Wings?" *CNN.com*, July 9, 2002.

28. Shulze, *The Free Aceh Movement*, p. 38.

international shipping in the Strait of Malacca.³⁰ GAM has also attacked oil and gas tankers. Setting fire to or detonating an oil tanker—or, worse, a liquefied natural gas tanker in a port or heavily trafficked portion of the Malacca Strait—could temporarily close the straits and ports inside the range of GAM attacks. Closing the Malacca Strait even briefly would noticeably affect the American economy: 50,000 ships sail through the Malacca Strait every year, moving about 30 percent of the world's trade goods and 80 percent of Japan's oil.³¹

GAM not only conducts terrorist activities in Aceh, but also is an active member of the worldwide terrorist underground. Cadres totaling some 5,000 fighters were trained in terrorist camps in Libya between 1986 and 1989. GAM smuggles weapons together with the Pattani United Liberation Organization, a Thai terrorist group. GAM leaders meet with al-Qaeda and Jemaah Islamiyah leaders, and their recruits train in Moro Islamic Liberation Front camps in the Philippines.³² Although GAM's political agenda is domestic, it is a terrorist organization with global ties.

What the U.S. Should Do

America's past efforts to gain Indonesian support for its security interests have been largely ineffective because they focused on trying to influence the TNI. There is no substantial evidence that American efforts to influence the TNI or POLRI were effective. Neither the generous security assistance provided during the Cold War nor the sanction regime imposed afterward has proven effective in changing the behavior of the police and military.

Rather, the newly elected Indonesian political leadership is the most important influence on the TNI and POLRI. Only when Indonesian political leaders recognized the dangers of terrorism did American assistance show any return on the investment. Future American efforts to fight terrorism or professionalize the Indonesian police

and military should focus first on gaining the active support of the Indonesian political leadership for reform.

The best way to encourage Indonesia to become a security partner is to recognize Indonesia's views on security threats. American ambivalence toward GAM is not lost on the Indonesian government and may account for some of Indonesia's reluctance to endorse the American approach to the war on terrorism. Placing GAM on the FTO list will provide significant advantages to American policymakers. President Megawati made national unity and territorial integrity the number one priority of her administration. These enduring national interests will continue under newly elected President Susilo Bambang Yudhoyono. Thus, placing GAM on the FTO list would demonstrate American empathy with Indonesia's security threats, national unity, and territorial integrity.

Specifically, in order to assist the continued development of Indonesia as a democracy and a security partner:

- **Congress and the President should recognize and welcome the newest Muslim democracy.** On October 1, 2004, Indonesia will be able to claim that it is the world's third largest democracy and the largest Muslim democracy. A visit by prominent American leaders such as the President, Vice President, a Cabinet member, or prominent Members of Congress would set the stage for a more cooperative security partnership.
- **Congress should eventually restore Indonesian military access to IMET and E-IMET programs.** The TNI's reform process is far from complete, and Congress should continue to review TNI activities until the TNI is subordinate to a civilian ministry, subject to civil law, and operates on a transparent and accountable budget. Nevertheless, Congress should fre-

29. *Ibid.*

30. Marcus Hand, "Insight & Opinion," *Lloyd's List*, June 4, 2004, p. 5.

31. "Concerns over the Straits of Malacca," *The Jakarta Post*, June 9, 2004.

32. Shulze, *The Free Aceh Movement*, pp. 23 and 33.

quently review the military reform process and when these conditions are met it should act to lift all sanctions.³³

- **Congress and the President should focus efforts to encourage TNI and POLRI reform on the new president and the DPR.** Cold War-era efforts to convince Indonesian army officers to reform voluntarily through professional education and moral suasion failed. Future efforts should focus on influencing political leaders to undertake reform. These efforts could include exchange visits between the DPR and congressional committees with oversight on the military, homeland security, and intelligence. Additionally, the E-IMET program could be used to train members of the DPR, DPR professional staff, and Defense Ministry staff on budget management and how to write and implement military-related legislation.
- **The State Department should initiate the process to place GAM on the Foreign Terrorist Organization list.** Listing GAM on the FTO would subject it to a range of sanctions including the refusal of visas, deportation of GAM members, prosecution of supporters that provide funds, and freezing of the organization's assets.³⁴ Continuing to ignore GAM and

punishing the Indonesian government does not accomplish a single American security objective.

Conclusion

As a new member of the family of democratic countries, Indonesia should be welcomed and congratulated on its achievement. Nevertheless, the United States cannot overlook that Indonesia retains many features of its authoritarian past, particularly the security forces' role in society.

Washington policymakers should continue to review the TNI and law enforcement reform process, especially Indonesia's cooperation on the war against terrorism. Additionally, Indonesian politicians must demonstrate to Indonesians and the international community their commitment to popular sovereignty.

If Indonesia begins backsliding on democracy or reforms its security forces at an unconscionably slow pace, then sanctions should be retained. However, Americans should give the democratic process an opportunity to work before passing judgment on the world's youngest democracy.

—Dana R. Dillon is Senior Policy Analyst for Southeast Asia in the Asian Studies Center at The Heritage Foundation.

33. Dana Dillon, "Military Engagement with Indonesia," Heritage Foundation *Executive Memorandum* No. 818, June 12, 2002, at www.heritage.org/Research/AsiaandthePacific/EM818.cfm.

34. Cronin, "The 'FTO List' and Congress."