

INDONESIA, EAST TIMOR AND AUSTRALIA

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The combination of bilateral and trilateral relationships linking Indonesia, East Timor and Australia will, over the next decade or so, be amongst the most difficult Southeast Asian regional relationships to develop, and at the same time the most important. There can be little chance of regional peace and security unless these relationships are put on a reasonably sound and equitable basis. In this discussion, I want to look briefly at each of these relationships to see how they might develop. Although I will be talking in part about the economic aspects of these relationships, I will be focussing more on the political ones which seem to me to be the over-riding ones, for the present and for the foreseeable future.

As this paper was being written, the terrorist bombings in Bali took place, on 12 October 2002. It seems likely that these events will have a long-term and substantial effect on Australia-Indonesia relations, and possible Australia-East Timor relations as well. However it is still very early to be making any definitive statements about these effects. The remarks made about them in this paper must therefore be regarded as being extremely tentative.

EAST TIMOR AND INDONESIA

In many respects, this is going to be the most difficult relationship to resolve. The residual distrust, suspicion and in some cases outright hatred of the Indonesians displayed by ordinary East Timorese is substantial, built as it is on 25 years of occupation. Not that all of that period was unrelievedly bad; there is undoubtedly a tendency amongst many in East Timor today to remember only the dark days. And understandably so. But Indonesia did make some major infrastructural investments in East Timor between 1975 and 1999, spending towards the end of the period US\$100 million annually. As even one vigorous critic of the Indonesian policy in East Timor acknowledged, Jakarta 'built roads, bridges, ports, and hospitals; and it built hundreds of new schools that allowed the population to receive an Indonesian-based

* I gratefully acknowledge comments made on earlier drafts of this paper by colleagues at Flinders, Victoria and Parahyangan Universities, and in particular Jim Schiller, Pribadi Sutiono, Banyu Perwita and Suke Djelantik. Nevertheless, I have on occasions failed to follow their valuable advice; all responsibility for the errors and omissions in this paper must thus rest with me alone.

education.’¹ Little of this infrastructure is left today, however, because of the militia-led and military-condoned rampage that followed the 30 August 1999 ballot.

Nonetheless eventually Dili and Jakarta are going to have to come to grips with each other, and to deal with the legacy of the past.

There is a variety of reasons why the government in Dili, following independence on 20 May 2002, needs to have this rapprochement take place.

One is security. East Timor will never enjoy national security until its borders with Indonesia are themselves secure. The danger here is not so much an Indonesian invasion, but rather that militia remnants and ordinary criminals might violate the border to undertake illegal activities in East Timor. Such activities could include smuggling of goods, people, weapons and drugs, political disturbances or ‘ordinary’ crime.

These borders are not going to be guarded forever by UN troops; current plans are for the UN Peace Keeping Force – once nearly 9,000 strong – to be drawn down to just under 3000 by mid-2003 and to be withdrawn completely by mid-2004.² One Australian observer asserts that under the East Timorese constitution, responsibility for border security rests not with the East Timor Defence Force (ETDF) but the East Timor Police Service (ETPS).³ An examination of that constitution, though, does not give this impression.⁴ However whichever is correct, neither the ETDF nor the ETPS is likely to have the personnel and the equipment to have any real effect for the foreseeable future. East Timor simply does not have the resources to support a strong border security force.

Ironically, the only force that can, in the long term, guarantee East Timor’s borders is Indonesian. An Indonesian military and police which turned a blind eye to border violations would be very threatening for East Timor; an Indonesian military and police committed to the

¹ See Alberto Arenas, ‘Education and nationalism in East Timor’, *Social Justice*, Summer 1998 v25 n2 p131(18).

² See Elaina Wainwright, *New Neighbour, New Challenge. Australia and the Security of East Timor*, Australian Strategic Policy Institute, Canberra, 2002, p 23

³ Wainwright, *Neighbour*, p 25

⁴ Constitution of the Democratic Republic of East Timor, <http://www.etan.org/etanpdf/pdf2/constfnen.pdf> accessed 11 November 2002

⁵ Mark Dodd, ‘Security a priority, and neighbours play key role’, *Sydney Morning Herald*, 14 June 2000

territorial integrity and national sovereignty of East Timor would add enormously to East Timor's security. At present, the latter condition seems to be prevailing. However, Indonesian politics are currently very volatile, and it would be foolish to ignore the possibility of one or more elements of the Indonesian military – whether or not in league with civilian elements -- using East Timor to build its nationalist political credentials.

Clear demarcation of the border between the two countries is obviously essential to any effective border control regime. In February 2002, the two countries began a joint exercise to survey accurately their common border and erect permanent border markers.⁶ In October 2001, Indonesia and East Timor had agreed to demilitarise their border areas.⁷ But the border also needs to be relatively open. Many East Timorese have close family ties with Indonesians living in the western half of the island: the border between East Timor and Indonesia is a political one, not social or ethnic. People on both sides of the border will need to be able to cross the border easily and with the minimum of formalities.

The first meeting of the Joint Border Committee held on 2 February 2001 agreed:

...in principle that people living within a specified distance to the border would have a special border pass that would allow them to cross the border at any point along the border, subject to certain regulations, such as travelling only within specified areas on the other side and conducting only customary activities.⁹

Formal agreement to this effect was reached in February 2002, although it is still rather too early to determine how successful this arrangement will be.¹⁰

Access to the Oecussi enclave is a bigger political and security problem. For much of the UNTAET period, the only way of securing such access was by sea or by air, which in effect cut the ordinary people of Oecussi off from direct contacts with the rest of the country. An

⁶ 'Indonesia-Timor Loro Sae Finalkan Soal Perbatasan', (Indonesia-Timor Loro Sae Conclude the Border Question) *Tempo Interaktif*, 24 February 2002 22:30:47 WIB. See <http://www.tempo.co.id/news/2002/2/24/1,1,16,id.html>, accessed 24 Feb 2002 and 'East Timor, Indonesia to begin survey to demarcate common land borders, UN says', UN News Centre, 28 February 2002, <http://www0.un.org/apps/news/story.asp?NewsID=2988&Cr=Timor&Cr1=>, accessed 26 March 2002

⁷ 'Indonesia, East Timor agree to demilitarize border', *Jakarta Post*, 31 October 2001

⁸ *Kompas*, 7 December 1999

⁹ 'First Formal Meeting of Joint Border Committee', *UNTAET Daily Briefing (DB)*, 2 February 2001, accessed 20 March 2001

¹⁰ See 'E Timor, Indonesia sign accords', *BBC News*, Monday, 25 February, 2002, 17:48 GMT, <http://news.bbc.co.uk/1/hi/world/asia-pacific/1840877.stm>, accessed 5 November 2002

agreement on land access was concluded in late February 2000, but for at least a year implementation was not effected because of the security situation in west Timor.¹¹ By February 2002, though, progress seems to have been made on putting the agreement into effect.¹² However, the history of such access routes internationally has not been very promising: one could cite the corridor through East Germany to Berlin, the links between East and West Pakistan across India and the route joining the Gaza Strip with the West Bank Territories through Israel. For some time yet, the sea and air access routes to Oecussi are likely to be much more secure than the land route, with obvious implications for economic and political developments in Oecussi.

The difficulty of fully guaranteeing East Timorese security in the post-11 September age was illustrated shortly after the Bali bombings when various intelligence reports were circulating suggested that the Australian and American Embassies in Dili could be threatened with attack by al Qaeda-linked terrorists originating in Indonesia. The Embassies were briefly closed, and at least some Australian non-government offices closed and their Australian staff temporarily repatriated. Other reports, apparently coming from Portuguese army intelligence sources, suggested threats might come from the Indonesian community living in and around the Dili mosque. How realistic these reports were remains unclear: as this paper is being written, no incidents have taken place, and the Embassies have been re-opened albeit with considerably strengthened security. However if at some later date it could convincingly be demonstrated that people based in Indonesia were planning terrorist acts in East Timor, that would have obvious implications for East Timor-Indonesia relations.

Economically, Indonesia is a logical major trading partner for East Timor, a supplier of a variety of goods ranging from petroleum to clothing to food, and possibly even services such as education. It might well make sense for East and west Timor to link some of their utilities such as the supply of electricity or water. The former UN chief administrator, Sergio de Mello, urged that Indonesia and East Timor should develop trade relations for their mutual

¹¹ Cf 'Indonesia and UNTAET form joint border committee', AFP, 10 July 2000 in <http://www.easttimor.com/archives/2229.htm>, accessed 14 July 2000 and 'New ferry service to link East Timor with Oecussi enclave', *DB*, 26 September 2000, accessed 20 March 2001.

¹² Fabiola Desy Unidjaja, 'Indonesia and East Timor end talks, signing two agreements', *Jakarta Post*, 26 February 2002

¹³ 'New ferry service to link East Timor with Oecussi enclave', *DB*, 26 September 2000, accessed 20 March 2001. See also 'Cabinet endorses Truth and Reconciliation Commission', *DB*, 28 February 2001, accessed 20 March 2001

¹⁴ *Kompas*, 5 November 1999

benefit, saying in mid-2000 that ‘the most important item on his economic agenda was the trade relations between East Timor and Indonesia.’¹⁵

From the Indonesian side, there has been some support for this development. After a meeting with President Megawati in September 2001 the East Timor Chief Minister Mari Alkatiri said that ‘The Indonesian president is very open and positive regarding all of the issues discussed, including economic cooperation with Indonesia.’¹⁶ Private Indonesian businesspeople have been returning to East Timor, for short term visits, for some time now. Indonesian produced goods are widely available in the markets, albeit it is not always clear whether they were imported legally or smuggled in. At present, Surabaya seems to be the main Indonesian port through which consumer goods in particular are shipped to East Timor, though many East Timorese still travel to Indonesian cities including Makasar, Surabaya and Jakarta to purchase goods for sale in East Timor. On a recent visit to western Timor, President Xanana Gusmão suggested that Kupang might be developed as the main Indonesian port for exports to East Timor.¹⁷

There is some concern, though, about the extent of smuggling between Indonesia and east Timor, especially of petroleum, which is much cheaper in Indonesia because of the extent of government subsidies for these goods.¹⁸ These subsidies are gradually being reduced, though when they will be entirely removed – if ever – is unclear. So long as Indonesian goods are cheaper, there will undoubtedly be those willing to take the risk of smuggling them into East Timor.

In Xanana Gusmão, the East Timorese have someone who has clearly recognised the necessity of establishing a close relationship with Indonesia. So long as he is the leader of East Timor, one could expect such a relationship to develop. But a crucial element in retaining this support is Indonesia’s progress in holding trials of those responsible for human rights violations in East Timor, especially in 1999. Those trials started in Jakarta in March 2002, but largely because of pressure from the United Nations and the United States rather than out of deep conviction on the part of the authorities in Jakarta. To date, former East

¹⁵ ‘Jakarta and Dili “should develop trade ties”’, *Jakarta Post*, 2 June 2000

¹⁶ ‘East Timorese leadership holds first meeting with Indonesian President’, *UNTAET News*, 12 September 2001, <http://www.un.org/peace/etimor/news/01sep12.htm>, accessed 26 March 2002

¹⁷ See ‘East Timor needs Kupang as entry port, President Gusmao says’, *Jakarta Post*, 1 November 2002

Timor Governor Abilio Soares has been convicted of crimes against humanity and sentenced to three years jail. However other high-profile accused, including Generals Timbul Silaen and Tono Suratman, Indonesia's last police and military chiefs in East Timor respectively, were acquitted of similar crimes. Currently the former militia leader Eurico Guterres is on trial, prosecutors demanding a 10-year prison term – the lowest Indonesian law would permit. If this trial fails to produce a conviction, even Gusmão is likely to find making an argument for close relations with Indonesia difficult.

How long Gusmão will remain the dominant figure in East Timorese politics is of course unknowable. Heroes of independence struggles do not always make satisfactory transitions into modern political leaders and managers. At present, Gusmão seems sufficiently strong politically that he could keep the job just as long as he wanted it: no meaningful opponents are on the horizon. But there is resentment in East Timor at some of the policy steps the government has put in place. And Cabinet members are by no means as well-respected as Gusmão. If East Timor were to face continuing economic hardship, and a breakdown of law and order, challenges to his position could not be ruled out.

The case for Indonesia to seek a stable and sound relationship with East Timor – one characterised by a general presence of trust and cooperation, but not excluding the possibility of occasional political differences -- is less obviously powerful than the reverse one. Clearly, economic ties between the two countries will be much more important to East Timor than to Indonesia, unless – and this is a very remote possibility -- East Timor's economic development outstrips that of west Timor. East Timor poses no meaningful security threats to Indonesia. The main significance East Timor has to Indonesia is – as it probably always has been – political.

Over the past quarter century, Indonesia expended enormous amounts of its political resources on trying to control East Timor, and failed. That was at a time when the government was strong and the unity of the state largely unchallenged. Neither is the case today. The state simply does not have the political resources to fritter away on an issue that is no longer central to its activities. As Kristanto Hartadi, editor of the *Sinar Harapan* daily newspaper, said recently: 'Many of us now see the East Timor issue as just one less headache

¹⁸ In January 2002, petrol was selling for US45 cents in Dili; in Indonesia at the time it was Rp1500, or

to cope with.’¹⁹ In particular, the ‘headache’ of the East Timorese refugees still in west Timor might be resolved, either through having them disperse to other parts of the archipelago if they wished to remain in Indonesia, or return to East Timor if that was their preference. This will only happen if it is clear that conditions in East Timor are safe, and that Indonesia will give no support to any who might still harbour hopes of changing the results of the 1999 referendum.

Second, internationally Indonesia’s standing is still measured largely by its relations with East Timor. The so-called War on Terror has altered this equation somewhat, and raised the importance of Jakarta to Washington in ways which might reduce the international pressure on Jakarta to conform to international norms in its relations with East Timor. Nonetheless, it is hard to see any substantial change in, for instance, Australian or US policy on military aid to Indonesia in the absence of a reasonable approach to East Timor. Portuguese influence in the European Union is also likely to mean that any significant Indonesian obstruction of, for instance, land access between Oecussi and the rest of East Timor would meet not only international condemnation but also penalties by way of reduction of the economic aid packages on which so much of the Indonesian economy currently rests.

Australia will certainly want a closer Indonesia-East Timor relationship to develop. If it does not, then the timetable for the withdrawal of Australian troops from the territory will be pushed further out, and the demands for financial assistance for security purposes built up. Moreover, the Australian public is likely to side, in any confrontation, with East Timor making the management of the Australia-Indonesia relationship – never easy for Canberra – even more difficult.

For Jakarta to make this case for sound relations with East Timor will not be easy, both because it is not a particularly concrete one, and also because there are those in Indonesia who see advantage in frustrating it.

Some Indonesians would like to turn their backs on the territory: they see it as a source of so much trouble in the past, and as offering little or nothing of benefit to Indonesia in the future.

about US15 cents.
¹⁹ Bill Guerin, ‘Indonesia’s struggle to move on’, *BBC News*, 12 April, 2002, <http://news.bbc.co.uk/1/hi/world/asia-pacific/1925551.stm>, accessed 5 November 2002

And it has to be said that there is also a considerable body of opinion in Indonesia that is deeply resentful of the East Timorese. I have heard many otherwise very calm and reasonable Indonesians remark on how ungrateful the East Timorese were: we, they said, spent over \$100 million a year on East Timor, put in roads, schools, hospitals and the like, and yet still the East Timorese didn't love us, and chose to break away.

Within the Indonesian military, there is still resentment at the 'loss' of East Timor, the feeling that the soldiers who died there died in vain. And there are those who worry still about the effects of East Timorese independence, and its future relationship with Indonesia, on the separatist movements in other parts of the archipelago, such as Aceh and Papua. Just how this issue will influence Jakarta's attitudes to East Timor is unclear.

Others still in Jakarta, who see themselves as guardians of the nationalist political heritage, also find it difficult to accept East Timorese independence, and might well want to use it to promote their own particular political ambitions. This kind of nationalism has never really progressed beyond the 1920s and 1930s, when what was seen to hold Indonesians together was primarily a common foreign oppressor, the Dutch. The xenophobic element of this nationalism, not particularly strong at the time, has become much stronger, especially since 1997. The international intervention in East Timor, and the Australian role in particular, was seen as indicating the extent to which foreign forces coveted influence and control over Indonesian territory. As will be noted below, even many Indonesians with considerable knowledge and experience of Australia seem to have fallen into this way of thinking in 1999.

Another element of this nationalist thinking is the fear that an independent East Timor would give support, exemplary at least and possibly more than that, to separatist groups in other parts of the archipelago, such as in Aceh and Papua.

How radical Islam will fit into this equation is difficult to determine. Osama bin Laden has been widely quoted as criticising Australia for excising East Timor from Islamic Indonesia.²⁰ Undoubtedly some Indonesian Muslims accept this version of events' just how many think this way, and what actions they would contemplate as a result, is unclear. However this

²⁰ He is reported as having said: 'The crusader Australian forces were on Indonesian shores, and in fact they landed to separate East Timor, which is part of the Islamic world.' See Text of Osama bin Laden

argument has not received much coverage in the Jakarta press, even in papers with an Islamic bent.

And of course there are those who believe that Indonesia has a major claim on East Timor for Indonesian public and private property in East Timor. Although the two countries have agreed to discuss this issue, there is no real likelihood that East Timor will pay compensation – and the Indonesian side must surely know this.

But there is another side to this picture. In Indonesia in January 2002, I did find an increasing concern, at least among some sections of the community, for the fate of the East Timorese. It would be easy to exaggerate this impression, and perhaps even to romanticise it, but it did seem to me that there was some sense that people saw the East Timorese not really as foreigners: not fellow citizens any more, but nonetheless people with whom there had been a shared past.

There are also those in Indonesia who see that the situation in East Timor was symbolic of the decay of the unitary Indonesian state under the Suharto government, not the cause of it. They see that what went on in East Timor was in fact similar to what went on in other parts of the archipelago: arbitrary arrests, military and state abuse of power, detention without trial, murder. Few middle-class Indonesians knew much about the situation in East Timor before the early 1990s: as they found out, many became increasingly angry with what their government had done in their name.

Other recognised that separatist forces have been fuelled, over the past two or more decades, by nothing so much as the exploitative, aggressive presence of central government forces, the military in particular, in the provinces. East Timor suffered as a result – as did Aceh and Papua. Those who think along these lines will see that resolution of separatist problems today rests where it has always been – in Jakarta's preparedness to recognise the right of the regions to have an equal share in the running of the affairs of the Republic. They also recognise that

statement, aired on Al-Jazeera television station on 3 November 2001, and translated from the Arabic by BBC Monitoring.. http://users.skynet.be/terrorism/html/laden_statement_3.htm

Opinion in Jakarta, then, is likely to be divided on how to address the issue of long-term relations with East Timor – which makes the issue of national leadership especially important.

Former President Wahid showed himself able and willing to take the lead in Indonesian reconciliation with East Timor. His visit to the territory on 28 February 2000 was a courageous first step on the road such reconciliation. By far the most important thing he did was to go to the Santa Cruz cemetery, and in effect apologise for the killings that had taken place there. But he also expressed his regret to the families of the 700 or so Indonesian soldiers buried in the adjacent military cemetery in Dili, making the point that they too were the victims of the Suharto government's policies in East Timor.

Megawati's position on Timor – like her position on many issues – remains enigmatic. On the one hand she was actively opposed to the 1999 referendum, and campaigned for a pro-Indonesia vote. And she is of course reported to be close to elements of the military, at least some of whom are still unreconciled to what has happened in East Timor, and thus unwilling to move on. And Eurico Gueterres, the best-known of the former militia leaders in East Timor and a man currently in trial for having committed crimes against humanity in the territory, is a leading member of Megawati's party the PDIP.

Yet very shortly after her inauguration as President, she received an official visit from an East Timorese delegation led by UNTAET head Sergio Vieira de Mello and including Xanana Gusmão, Jose Ramos Horta and Mari Alkatiri. Ramos-Horta is quoted as saying that the meeting had opened 'a new page in the bilateral relations between East Timor and Indonesia', while Gusmão said the participants had concluded 'that we have the same objectives for the future.'²²

The key decision Megawati had to make earlier this year was whether to attend East Timor's independence celebrations on 20 May 2002. Several prominent political leaders urged her not to go. It was also rumoured that the military was opposed to her going. And in typical Megawati style, she kept her own counsel until the last minute – when she announced she

²¹ *Kompas*, 29 February 2000

²² 'East Timorese leadership holds first meeting with Indonesian President', *UNTAET News*, 12 September 2001, <http://www.un.org/peace/etimor/news/01sep12.htm>, accessed 26 March 2002

would attend. She stayed only a few hours in the territory, and her visit was marred by the unauthorised arrival of six Indonesian naval vessels in Dili harbour. Yet the symbolism of the visit was powerful. She was the last Head of Government to enter the arena where the celebrations were to take place, escorted in by Xanana Gusmão himself. She received an enthusiastic reception from those present – though some cynics have suggested that Xanana's decision to escort her in personally was intended to produce just this outcome: that had she entered on her own, her reception might have been less generous. Nonetheless, given Megawati's earlier criticism of East Timorese independence the fact that she was prepared to go to Dili on this occasion, against the wishes of some of her more powerful backers and critics, bodes well for her future commitment to good relations with East Timor.

As noted above, the human rights trials will be a crucial measure of Indonesia's willingness to move on from the East Timor tragedy. And given his position in Megawati's party, Guterres' trial is of particular significance.

Ultimately how far this reconciliation process will proceed is unclear. Who will win the Indonesian Presidential election in 2004, for the first time to be decided by popular vote, remains unknown. Whoever it is, it is likely that East Timor will remain an issue just below the surface of Indonesian politics, one which can be called on when needed to strengthen a group's nationalist credentials or to damn those of others. Before the UN Security Council earlier this year, Jose Ramos Horta argued that a:

marvel of the Territory's recovery was its relations with Indonesia. Seldom in decolonization history had two countries reconciled their differences as rapidly as East Timor and Indonesia, he said. Sometimes it took generations to heal the wounds.²³

This was probably too generous a view. An alternative interpretation was presented by an *Asiaweek* journalist in in mid-2000 who argued that:

Like America's defeat in Vietnam, Indonesia's loss in East Timor has resulted in both delusion and introspection. And just like the U.S., it will take many years, if ever, for Indonesia to come to terms with its experience.²⁴

²³ See UN Security Council *Press Release* SC/7285, 30 January 2002. <http://www.un.org/News/Press/docs/2002/SC7285.doc.htm>, accessed 5 November 2002

Indonesia as a whole will one day come to terms with that experience, as indeed the United States had done with Vietnam. But it might take almost as long: a quarter century or more.

EAST TIMOR AND AUSTRALIA

There is no doubt that there is still a considerable reservoir of good will towards Australia in East Timor, and vice versa. But in Australia's case, this goodwill is based at least in part on a romanticised view of East Timor and its recent history, and of Australia's role in it. And romanticism is a poor basis for an inter-state relationship. This Australian romanticisation includes such things as:

- Portraying the East Timorese as brave Catholics whose country was invaded, and subsequently oppressed, by an aggressive and Muslim Indonesia, at least in part on religious grounds. This is despite the fact that East Timor was substantially less Catholic in 1975 than it is today, and that for most of the time East Timor was under Indonesian control, the Indonesian military was led either by pluralist Muslims with little or no interest in using their religion for political or military purposes or by Christians – the Catholic Benny Murdani being the prime example. In this context, it is worrying to note that the mosque in Dili was been attacked by stone-throwing youths in January 2001, and the mosque at Baucau burnt down in March.²⁵
- Seeing the Australian troops in Interfet as having restored peace to East Timor, and forced out the rapacious TNI.²⁶ In fact, without in any way playing down the potential dangers faced by the Australian troops, they were not actually sent in to Dili until a kind of peace had in fact been restored, by the TNI. And the Australian commander of Interfet, General Cosgrove, has acknowledged that the success of the Interfet mission was at least in part due to the cooperation it received from the TNI and in particular from his counterpart, Gen Kiki Syahnakri.²⁷ It might also be noted that the Australian

²⁴ Jose Manuel Tesoro, 'Does East Timor still haunt Indonesia?', *Asiaweek*, 5 June 2000

²⁵ See 'Assessment team dispatched to Baucau after violence' in *DB*, 8 March 2001 and 'One killed, three injured in Dili gang fighting', *DB*, 3 January 2001, both accessed 20 March 2001

²⁶ One of the best – or worst – examples was the caption under a photograph of Australian soldiers in battle dress ready to depart for Timor: 'Dressed to Kill'. Yet presumably the troops were going to Timor to help prevent killings, not to contribute to them.

²⁷ Patrick Walters made this point very early on in the Interfet mission. See 'Army chief Syahnakri the real peacekeeper', *The Australian*, 28 September 1999

Defence Force is still (November 2002) using its role in East Timor in its recruitment advertising.

- Portraying East Timor as a poverty-stricken place, where disease is rife, illiteracy rates high and life expectancy low, and seeing this as the fault of the Indonesians. In fact, there is little doubt that on virtually all measures of physical wellbeing – health, education, nutrition etc – East Timorese as a whole were better off in 1999 than in 1975: that the Indonesians had brought about major improvements in these areas. Certainly the destruction wrought in 1999 set East Timor back in many of these areas, but nonetheless the popular view lacks an historical or comparative base.

And so on. This romanticised view is hampering the development of a more measured and rational Australian policy towards East Timor.

On a more pragmatic level, many Australian business interests are seeing Timor as fertile ground in which to grow profits. Among the major Australian companies operating in East Timor are Thrifty Car Rentals, Telstra (which runs the Dili mobile phone network as part of its domestic Australian network), Harvey World Travel²⁸ and Harvey Norman Discount Stores. Some individual businesspeople seem to be treating East Timor as Australia's own 'private property', a place where its citizens have pre-eminent rights of access because of the role placed by Australia in the lead-up to the August ballot, and then in Interfet.

East Timor does not want to become a neo-colony of Australia. People like Xanana Gusmão did not fight for years in the mountains, then undergo more years in jail, in order to exchange one foreign ruler with another, albeit the latter not occupying the country and not claiming the territory as its own.

It will thus be in Australia's interests, as well as those of the East Timorese, to ensure that East Timor does not become economically too dependent on Australia. Any such dependency would sour the relationship with Dili, and be deeply resented there.²⁹

²⁸ Until the 4 December 2002 riots, when it was burned and looted.

²⁹ This paper was delivered before the riots in Dili on 4 December 2002. Australian businesses appear to have been a specific target of the rioters. Australian businesspeople in Dili were cited as saying that they were at a loss to explain why they have become targets. (*Courier-Mail*, 9 December 2002). This suggests that they were either ignorant of the resentment building up in Dili at the nature of the

At the governmental level, the relationship is perhaps more soundly, albeit cautiously based. Canberra seems clearly to acknowledge that Australia's interests are best served by an East Timor that is internally stable and externally secure. It has committed to a substantial aid program to East Timor, recognising that, for the foreseeable future, the territory will not be economically self-sufficient. The Australian aid commitment is A\$150 million for the four years 2000/01 – 2003/04.³⁰ Moreover, it also recognises that East Timor and Indonesia need to have a mature relationship, although it does not give very clear signs of how it believes such a relationship could best be fostered. East Timor needs Australian political support, at least in part as a counter-balance to Indonesia. Yet by the same token it does not want Australian influence to be overwhelming.

There are relatively few points of political difference between Australia and East Timor. One potential source of such differences is the question of the division of the oil and gas revenues from the so-called Timor Gap Zone of Cooperation which, aside from the issue of the security of East Timor's border with Indonesia, is the most important international issue confronting the East Timorese government. The Gap is crucially important to East Timor's future, holding extensive reserves of oil and natural gas on which the economy is likely to be dependent for the next two to three decades.

When the Timor Gap Treaty was signed in 1989, there were many in Indonesia who argued that Australia had got far too large a share of the potential revenues. After 1999, similar voices were raised in Dili. In May 2000, Jose Ramos Horta argued that East Timor should take 90% of the royalties from the Bayu-Undan field, and Australia only 10%, as compared with the original 50:50 split between Indonesia and Australia.³¹

But there was a second issue here too: the question of where the maritime boundaries between Australia and East Timor really lay. After all, the only reason why the complicated

Australian commercial presence there, or dismissive of it. Neither position would bode well for the future of Australian business in East Timor.

³⁰ *Australian Development Cooperation with East Timor. Outline Paper 2000 – 2001*, AusAID, Canberra, June 2000, p 2. To this figure ought to be added the value of 40% of the output of the Bayu-Undan oil and gas field: the difference between what Australia would have received under the agreement with Indonesia (50%) and what it due to receive under the new agreement with East Timor (10%): likely to be close to twice the official development assistance figure.

³¹ Ray Brindal, 'Australia says revenue, not border, focus of Timor talks', Dow Jones Newswires, 14 July 2000. http://www.easttimor.com/news_today/2261.htm, accessed 14 July 2000

revenue-sharing agreement based on dividing the zone into three sections had been reached with Indonesia in 1989 was that the two parties were unable to agree on where their common boundary lay. In late June 2000, Mari Alkitiri, East Timor's spokesman on the issue, said a major point in negotiations with Australia would be to set a boundary midway between the two nations rather than offshore of the Timorese continental shelf, where Australia wanted it. The latter, he argued, grossly favoured Australia.³²

Last year, the Australian government and UNTAET finally reached a new agreement, which gave East Timor what Ramos Horta had argued for: 90% of the revenues from the Gap, leaving 10% for Australia.³³ Some groups in Indonesia protested at this agreement, saying that the resources of the Gap belong to all Timorese, west as much as east. Prior to the first Indonesia-East Timor-Australia meeting in Bali in February 2002, one west Timorese community leader urged his province's representatives at the meeting to 'be more demanding (*ngotot*) than the central government had been on the Timor Gap.' Earlier Indonesia-Australia agreements, he said, had benefited Australia more than Indonesia: the new agreement between Australia and East Timor had similarly neglected the interests of the people of west Timor.³⁴ Jakarta does not accept this position, but does say that the eastern and western boundaries of the Gap region still need to be agreed upon.³⁵

But the Bali meeting, and the new Australia-East Timor agreement, both left the question of where the maritime boundaries between East Timor and Australia lie unresolved; and Australia has declined to submit the issue to the International Court of Justice for adjudication. In October 2002, leaders of the East Timor National NGO Forum, Institute for Reconstruction Monitoring Analysis and Independent Information Centre for the Timor Sea addressed the Federal Parliament Treaties Committee on the issue, arguing against Australian government ratification of the Treaty until the boundary issue is resolved.³⁶

³² Brindal, 'Australia'

³³ 'Timor Sea arrangement, negotiated by UN, approved by East Timor cabinet', *UNTAET News*, 3 July 2001, at <http://www.un.org/peace/etimor/news/N030701.htm>, accessed 26 March 2002

³⁴ 'Lusa Pertemuan Trilateral RI-Australia-Timor Loro Sae' (Extent of Trilateral Indonesia-Australia-Timor Loro Sae Meeting), *Tempo Interaktif*, 22 February 2002, <http://www.tempo.co.id/news/2002/2/24/1,1,11,id.html>, accessed 22 February 2002

³⁵ See statement by Hasan Wirayuda in Fabiola Desy Unidjaja, 'Indonesia to discuss Timor Gap with Australia and East Timor', *Jakarta Post*, 15 February 2002

³⁶ Rod McGuirk, 'Australia urged not to sign treaty', *Daily Telegraph*, 3 October 2002

At the time of writing, the Treaty remains unratified by the Australian parliament. However ratification appears likely, despite this opposition.

Right now, if East Timor's leaders had to choose between close ties with Australia and close ties with Indonesia, they would almost certainly choose Australia. But we should not assume that this condition will be long term. Ultimately, it is likely that Dili is going to decide that the relationship with Indonesia is more important than the relationship with Australia. And that will come as something of a shock to many Australians.

But it would not be surprising either if, at the Australian end, Timor fatigue starts to set in in the medium term. Once Australia no longer has any troops based there, and thus there are no heroic stories for the press and no welcome home parades, the residual connection many Australians are going to feel to the place is likely to be financial: on-going economic assistance to East Timor. Given the fairly critical press official development assistance gets in Australia anyway, it may not be long before voices will be raised querying why Australia should be continuing to make a major financial commitment to East Timor. This will be particularly the case if stories emerge from East Timor – whether accurate or not – of the mis-use of some Australian aid.³⁷ And once there are no votes in East Timor, governments of either political persuasions are likely to wind back that assistance.

It is also possible that the Australian involvement in the so-called 'War on Terror', especially since the Bali bombings, and the predicted involvement in the war on Iraq, will have an impact here. There will clearly be substantially increased expenditure on defence and security, putting pressure on other budget heads, including foreign assistance. Moreover, the Australian Defence Force is small enough that if a significant commitment is made to a war on Iraq, the ADF presence in East Timor may have to be drawn down earlier than expected.³⁸ Certainly these events are already taking attention away from East Timor.

³⁷ UNTAET acknowledged in late 2000 that there were 'increasing indications of corruption in the East Timor Transitional Administration (ETTA) procurement system involving East Timorese and foreign companies'. See 'ETTA to fight corruption in procurement tenders', *DB*, 5 December 2000.

³⁸ It is true that it is highly unlikely that the ADF would send to Iraq regular infantry troops, such as are based in East Timor: army involvement is likely to be primarily from the SAS. But the commitment will put a further drain on ADF's finances, and on its support facilities.

The Department of Foreign Affairs and Trade currently (November 2002) has a fairly strong warning about travel to East Timor. The travel advice issued on 30 November 2002 and still valid on 8 November 2002 warns:

Threats against Australians and Australian interests in East Timor are high, given possible terrorist action against Australians and Australian interests. Australians should exercise extreme caution in light of continued reporting of possible terrorist threats in East Timor....

Australians in East Timor should exercise extreme caution, particularly in commercial and public areas known to be frequented by foreigners such as clubs, restaurants, bars, schools, places of worship, outdoor recreation events, and tourist areas.³⁹

This warning will not affect East Timor as much as similar warnings are likely to affect other Southeast Asian states with greater numbers of Australian visitors. However in the future Australia is likely to be the greatest source of visitors to East Timor; the travel advisory must have reminded the East Timorese authorities how dependent tourism revenues might be to Australian government perceptions of risks involved in travelling to the territory.

AUSTRALIA AND INDONESIA⁴⁰

The Australian intervention in East Timor in 1998-99, before and after the ballot on autonomy, was widely criticised in Indonesia, even amongst those who were sympathetic to the cause of East Timorese self-determination, for at least two major reasons. First, Australia was seen to have taken advantage of Indonesia's position of extreme political and economic weakness to push a policy on East Timor that was very much at odds with the one which successive Labor and coalition governments in Canberra had supported.

Second, both at the time when Habibie announced the changed Indonesian position on East Timor on 27 January 1999, and subsequently during and after the deployment of Australian troops in East Timor, the dominant public emotion in Australia has been seen as naked triumphalism, even jingoism. Large sections of both political and public opinion in Indonesia found this distasteful, to say the least. One Indonesian observer, an academic with extensive

³⁹ Department of Foreign Affairs and Trade, *Travel Advice: East Timor*, issued 30 October 2002 17:17:05 EDT. <http://www.dfat.gov.au/>

⁴⁰ Note that the discussion here focuses on the issue of East Timor in the Australia-Indonesia relationship, not the relationship in general.

experience in Australia and with Australians, warned that, as a result of the way it handled the East Timor crisis:

Australia will ... lose its 'friends' in Indonesia, from amongst academics, artists, the military, bureaucrats, diplomats and businesspeople. The inability of PM John Howard to manage the conflict with Indonesia will also give rise to doubts in other Asian countries about Australia's good intentions in its relations with Asia. If Australia cannot even have good relations with its closest Asian neighbour, Indonesia, what hope is there for its more distant Asian neighbours?⁴¹

Some Indonesian observers, though, took the matter rather further than was justified, attributing what seem – to me at least – to be quite inaccurate motives and objectives to the Australian government. Thus it was, for instance, widely accused of having subverted the workings of UNAMET -- United Nations Assistance Mission in East Timor – so that it would give support to the anti-integration forces.⁴² And Australian forces serving with Interfet were accused of a variety of human rights violations, including rape and murder.⁴³

One Indonesian journalist, long resident in Australia and with substantial professional and personal connections to Australia, presented the decision to intervene militarily in terms of Prime Minister Howard's opportunistic desire to win the next elections.⁴⁴ Moreover, the issue confirmed, she argued, that: 'Whatever the Australian experts say, the fact is that race will always be the key issue for Australian politicians when dealing with the Asian region.'⁴⁵ This overlooks the obvious fact that there was bipartisan Parliamentary support for intervention, and overwhelming public support as well. Howard did not go in to Timor to *win* votes; if he had a domestic agenda, it was to go in and thus avoid *losing* votes, such was the strength of public opinion.

⁴¹ Ikrar Nusa Bhakti, 'Indonesia-Australia Bila Emosi Mengalahkan Rasio', (Indonesia-Australia. When emotion overcomes rational thought), *Kompas*, 21 September 1999

⁴² See, for example, 'Menggugat Kenetralan Wasit' (Questioning the Umpire's Neutrality), *Gatra*, No 42/V, 4 September 1999, setting out various allegations including that UNAMET refused to register voters in pro-integration villages and intimidated pro-integration groups, and that Australian intelligence officers attached to UNAMET forced villagers to lower Indonesian flags and filed biased field reports with the UN in New York.

⁴³ The latter issue re-surfaced, albeit not very convincingly, in October 2002, when UN war crimes investigators in East Timor exhumed the bodies of two pro-Indonesian militiamen alleged to have been tortured and killed by soldiers from the Australian SAS. See Red Harrison, 'Australia Accused of E Timor Brutality', *BBC News* 3 October 2002, <http://news.bbc.co.uk/1/hi/world/asia-pacific/2294817.stm>, accessed 5 November 2002

⁴⁴ Ratih Hardjono, 'Kehancuran Hubungan Bilateral Indonesia-Australia' (Indonesia-Australia Relationship Shattered), *Kompas*, 23 September 1999

There is though undoubtedly a widespread opinion in Indonesia to the effect that Australia *did* interfere unduly with the referendum process, and that as a result the referendum was flawed.

And contrary to what Canberra said at the time, it does now seem clear that Australian intelligence agencies were operating in East Timor at various times between January and August 1999. It would have been surprising indeed if there were no intelligence officers among the Australian Federal Police group attached to UNAMET. And during the same period both SAS and Australian naval Clearance Diving Teams were operating in East Timor. Air Force Orions and F-111s also undertook intelligence gathering flights, though possibly remaining in international air space.

Overcoming these problems, persuading opinion makers in Indonesia that Australia does genuinely want to move on from East Timor, is not going to be easy, particularly because there will remain a body of opinion in Australia which will not want to move on – those people who see the East Timor crisis as having confirmed all their darkest suspicions about Indonesia and Indonesians. There is also a likelihood that some groups in Australia, following on what they see as the ‘success’ of their campaigns for East Timorese independence, will transfer their attentions to other parts of Indonesia, notably Aceh and Papua, and demand their independence too. Although the Acehese cause is unlikely to gain much public support – the Islamic connection is likely to prevent that -- public campaigns to encourage support for the independence of Irian Jaya/Papua are certainly likely. Senator Bob Brown (Australian Greens, Tasmania) has for a long while been a vocal and eloquent proponent of this cause. And a number of NGOs have expressed similar views. The accord with the Free Papua Movement signed by Greg Sword, secretary of the ACTU and a Vice President of the ALP, simply confirmed the widely-held view in Indonesia that powerful elements in Australia want to see the dismemberment of Indonesia.

Furthermore, some Christian groups in Australia transferred their defence of co-religionists against what they see as the Muslim onslaught, from Timor to Maluku. They demanded not only that international peace-enforcers be sent there including, presumably, troops from Australia (in line with the statements of some Maluku church leaders), but also in some cases

outright independence for Maluku (which the vast majority of Christians in that province themselves are not demanding).

Australians have the right, of course, to mount such campaigns, even though virtually the only certain result of the exercise would be to confirm to many in Indonesia that Australians are inherently opposed to the very existence of their country, and would like nothing less than to see the Indonesian state collapse. Some Australians may well think this way. But Australia's national interests would in no sense be served by pursuing this policy objective.

The Australian government has stated its support for the territorial integrity of Indonesia, while maintaining the position that respecting the human, social, political and economics rights of peoples is a precondition for retaining their loyalty to the state. It has made a special point of committing itself to the retention of Papua as a part of Indonesia. But how persuasive these protestations have been in Indonesia remains to be seen. Given the history of Australia's position on Timor, it is not difficult to see why at least some Indonesian political leaders take them at less than face value.

The bombings in Bali, and the subsequent Australian reactions to them, have complicated relations even further. The detail of these developments is beyond the scope of this paper. It needs to be noted, though, that the substantial Indonesian sympathy aroused for Australia in the immediate aftermath of the bombings has been almost completely dissipated, particularly by the raids on the homes of a number of Indonesian Muslim families by the Australian Federal Police (AFP) and Australian Security Intelligence Organisation (ASIO: the Australian domestic intelligence gathering organisation) in the first week of November. These raids were defended by the Australian Prime Minister as being necessary for Australian security, and not aimed specifically at Indonesian Muslims. The Indonesian government possibly accepts this position in private; public opinion in Jakarta is clearly less generous. Even Wiryono Sastrohandoyo – retired diplomat, former Ambassador to Australia and certainly no radical firebrand -- speaking of these raids said:

Was it necessary for them to wear masks and black uniforms, brandish handguns and then smash doors and chairs like in action movies? Such an incident will raise

reactions here because these raids are perceived to be overreactions, overkill or an excessive invasion of privacy.⁴⁶

The possibility exists that pseudo-nationalist groups in Indonesia might seek to embarrass Australia further on this issue through exacerbating problems in East Timor.

CONCLUSIONS

What conclusions can be drawn from this story?

I want to emphasize that the analysis presented here is preliminary in nature, and that I would greatly appreciate comments and criticisms.

But my tentative conclusions are these. In the short term, East Timor's relations with Indonesia are likely to remain tense, and those with Australia close. But in the middle term – 5-10 years in the future – there is a probability that this situation will reverse, with East Timor-Indonesia relations improving, and East Timor-Australia relations deteriorating. In the case of the first relationship, I can see a possibility that the kinds of confidence-building measures I referred to earlier, in commerce and industry, in border crossing, possibly in access to the Oecussi enclave, coming to fruition in this period. But in the case of the latter relationship, it seems to me that, as indicated earlier, the chances of tensions rising seem greater than those of them falling.

In the case of the Indonesia-Australia relationship, I see little likelihood of substantial improvement in either the short or the long term. The tension which characterised the relationship in the year or so after the August 1999 referendum had subsided somewhat, but even before 12 October it was too early to predict with confidence that the relationship was on the rebound. Apart from anything else, I did not see the political will in either Jakarta or Canberra to make this happen. The aftermath of the Bali bombings has made prospects of Australia-Indonesia rapprochement even more remote than they were in the middle of this year.

⁴⁶ In interview with Muhammad Nafik and Emmy Fitri: see 'RI-Australia Ties: Are we emotionally mature?', *Jakarta Post*, 7 November 2002

There is thus a variety of obstacles in the way of organising the bilateral relationships linking Indonesia, East Timor and Australia.

But this, I suggest, means that it is even more important that the trilateral relationship between the three countries be developed as effectively as it can. One way would be through a Trilateral Forum linking the three countries. Such a Forum could not be expected to handle all the issues involving its members: there would continue to be issues best treated on a bilateral basis, such a border crossing between East Timor and Indonesia. But there are other issues which could best be dealt with trilaterally, including fishing, smuggling (of goods, drugs, people), marine resources, defence, health and so forth. Ideally such a Forum would involve non-government as well as government representatives, including perhaps businesspeople, religious leaders, sporting groups, possible even students and academics. Indeed, it may well be useful to consider promoting such a Forum initially at the non-governmental level, to give governments time to get used to the idea of working together.

Such a grouping would not be an alternative to other multilateral forums, such as ASEAN. But the linkages between Indonesia, East Timor and Australia are clearly unique, and require unique responses to handle them effectively.

A first trilateral meeting involving Australia, Indonesia and East Timor was held in Bali on 25 February 2002.⁴⁷ Issues reportedly discussed included economic development; cooperation on education and vocational training; refugees; the future of southwest Pacific relations; and cooperation on matters of common interest such as security, smuggling and trafficking of people.⁴⁸ It will be crucially important that East Timor not feel that in such a forum it is being squeezed between its much larger neighbours. However, if this impression can be prevented, then this will be a development worth watching.

A second approach could be through a wider grouping. In 2000, then President Wahid suggested a five or six member Western Pacific Forum, which would include both Indonesia and East Timor. The six member South West Pacific Forum met for the first time in Yogyakarta in October 2002: aside from Indonesia and East Timor, its members were the

⁴⁷ 'Lusa Pertemuan Trilateral RI-Australia-Timor Loro Sae', *Tempo Interaktif*, 24 February 2002

Philippines, Papua New Guinea, Australia and New Zealand.⁴⁹ The Forum is yet to show precisely what it is capable of, though it does seem clear that Indonesia's primary immediate interest was in shoring up support for its sovereignty in Papua rather than putting its relationship with East Timor onto a sound footing. One Indonesian commentator observed that 'the five dialog partners expressed support for Indonesia's territorial integrity including on Papua. But there is no guarantee of everlasting loyalty. Neighboring countries in the past had also continued to say that East Timor was a part of Indonesia.' He then quoted a senior (un-named) Indonesia diplomat as saying: 'Whatever we do in diplomacy, if our treatment (of other regions) like that of East Timor in the past does not change, we may be repeating the same history all over again.'⁵⁰

For East Timor, though, the Forum might be a more comfortable venue through which to interact with Indonesia and Australia than the trilateral one. The larger and more diverse membership means that it will be less likely to be squeezed by Indonesia and Australia.

In June 2000 then-President Wahid said in Tokyo: 'We have to create peace between [Indonesia] East Timor and Australia, because these three countries are responsible for peace in the region'.⁵¹ Achieving this peace will not be easy or costless, especially for the East Timorese. But not overcoming the legacy of the past would be more costly still, perpetuating tensions and conflicts which will be counter-productive to any efforts to preserve regional peace and to advance the welfare of the peoples of the region.

⁴⁸ 'East Timor, Australia and Indonesia hold 'historic' trilateral talks', UN Press Release, 26 February 2002 in <http://www0.un.org/apps/news/story.asp?NewsID=2960&Cr=Timor&Cr1=independence>, accessed 26 March 2002

⁴⁹ Kornelius Purba, 'Southwest Pacific forum, beyond Papua issue', *Jakarta Post*, 10 October 2002

⁵⁰ Purba, 'Southeast Pacific Forum'

⁵¹ *Kompas*, 8 June 2000