

## ***Policy Recommendations for Indonesia: Upside Down, They Look Good***

By Gerry van Klinken

America is still looking mainly for military allies in Southeast Asia—as if the cold war never ended. This is the central message of a new report issued this month by the Council on Foreign Relations (CFR) on what the Bush administration should be doing in the region. It's likely to alarm Southeast Asians.

Entitled *The United States and Southeast Asia: A Policy Agenda for the New Administration*, the report was drafted by Dov Zakheim, Reagan-era Pentagon planner and now one of Bush's Under-Secretaries of Defense. The president will soon receive similar advice from Zakheim's boss, Defense Secretary Donald H. Rumsfeld, who in mid-June set out defense principles that refer to "allies" and "adversaries" but not much to countries in between.

The new report identifies Indonesia as "the region's most important state." Its two key recommendations clash so sharply with the views of many Indonesians that the simplest way to describe what the latter would prefer for U.S. policy to be would be to take the CFR's recommendations and turn them upside down.

### **Strengthen U.S. Military Presence**

The report's first recommendation is to strengthen the U.S. military presence in Southeast Asia. It opens with this vintage 1960s cliché to describe the region: "[A] troubling landscape of political turbulence and economic fragility," and consequently recommends that the "highest American priority should still be assigned to maintaining regional security." The origin of America's commitment to keep the region "free of domination by any hegemonic power," the report says, goes back to 1948,

arguably the first year of the cold war. As then, China remains the main U.S. competitor. The Association of Southeast Asian Nations (ASEAN) is described as "a nascent security community." Accordingly, the report looks to "a constructive U.S.-ASEAN response to an emerging China."

After identifying Indonesia as the core ASEAN state—and thus the key ally against China—the report goes on to get so much of Indonesia wrong.

After the horrendous destruction of East Timor in 1999, the U.S. Congress responded to desperate appeals from Indonesian and East Timorese civil society by cutting U.S.-Indonesian military links. As a condition for military reengagement the so-called Leahy Amendment specified that the Indonesian military should first be called to account for its abuses in East Timor. This report, to the contrary, calls the congressional action "short-sighted." Instead, it urges the U.S. to "re-engage Indonesia's army," which it describes as "remain[ing] a potent political force" that is now at least formally committed to civilian supremacy. Indeed, Washington has already invited the Indonesian navy and air force to participate in regional military exercises with U.S. troops.

The trouble with reengagement minus accountability is that the Indonesian military is an instrument of internal repression—not just in East Timor but throughout Indonesia. Engaging Indonesia primarily as an ally against China makes it less likely that the U.S. will concern itself with the military's continuing record of human rights abuses at home. Indeed, the report describes Indonesia's domestic politics in terms that will please the Indonesian military.

Its dark prognosis about this country reads: "The future of wobbly, democratizing Indonesia, the keystone of the region, is in doubt." The CFR report's prescription: "[P]reserve the basic cohesion and territorial integrity of Indonesia." Indonesia's generals will certainly interpret this as coded language indicating U.S. approval for military action against self-determination protests in regions like Aceh and Papua, which they see as threats to national integrity.

In addition to frequently wielding the term "instability," the report also refers to "the specter of politicized Islam." Aceh is mentioned as a particular example, but the same specter threatens "the lower ranks of the army" and even "the central government." Thanks to the likes of Samuel Huntington and his *Clash of Civilizations*, any mention of Islam is likely to trigger aversion reactions in Western policy circles that resemble those once triggered by the word communism.

What happens when we turn this call for increased military ties on its head? It is precisely heavy-handed military action that elicited the dissent and protests that this report characterizes as political instability. Everyone in Aceh—from the Jakarta-appointed governor to the lower government ranks—has opposed the renewed military action that followed the collapse of a limited cease-fire earlier this year. Instead, the national parliament is now considering an Acehnese proposal to grant extensive special autonomy to the province.

Aceh's population remains deeply traumatized by the military violence of the past decade. Yielding to a military logic will drive more distressed young men to the ranks of the violent guerrilla resistance movement, GAM. This will make tensions in Aceh as

intractable as those of the Jaffna Peninsula in Sri Lanka or in Northern Ireland.

Internal military operations are incompatible with democracy in any country. Indonesia is no exception, particularly so at this delicate transitional stage. By recommending the military solution (while genuflecting to democracy), the Council on Foreign Relations report looks back to a Suharto-era idea of normality that many Indonesians now regard as oppressive and violent. Like the former Soviet Union, Indonesia is undergoing a fundamental transition away from authoritarianism and toward increased popular participation in politics. It would be a mistake for the authorities to regard this new surge of popular involvement in political issues as a threat to political stability that they must counter.

The reasoning that begins with the Chinese adversary and ends by winking at military action against "Islamic" Aceh is dangerous policy analysis. Even some of the report's own authors resisted it, as is evident in the dissenting views distributed with the report. The position is certainly open to alternatives. For the Acehnese, that alternative is an open-ended dialogue in which everything (except violence) is possible, including an end to Indonesia's territorial integrity. Such an alternative will boost those Acehnese and Indonesian actors committed to democracy. There is a role in this dialogue for outside partners, including Americans, mainly as aid donors, mediators, and monitors.

### Market-Oriented Reform, Again and Again

The second key recommendation is the expected economic advice: "The

United States should promote market-oriented economic reform, technology-driven development, and measures for poverty alleviation."

Economic reform is linked in the report to democratization, in a way that reflects orthodox neoliberal thought. Free-market and democratic reforms invariably bring with them a degree of disorder. So will stability or democracy have the highest priority for the United States? The frequency with which the report qualifies Southeast Asian democracy as "wobbly," "fragile," and in need of "stabilizing" indicates the authors' sympathies and orientation.

If the goal is poverty alleviation, the road to it is to "assist the International Monetary Fund (IMF)." Throughout Southeast Asia, however, there is rising recognition that market-oriented reforms such as those sponsored by the IMF brought on the Asian crisis in 1997. The IMF-imposed reforms weakened the ability of states to moderate the destructive effects of footloose capital on national currencies. Malaysia and China are widely admired throughout the region as models of how governments can protect their populations from the dangers of the U.S.-dominated market. Yet the Council on Foreign Relations report ignores this view. Its only nod to the heavy debt burden left behind by the Asian crisis is to suggest that Japan could help restructure the region's external debt.

The belief that market-oriented reforms will alleviate poverty in its wake is much disputed in Southeast Asia. Just as most Indonesians view recommendations for increased security as springing from military headquarters in Washington and Jakarta, this economic recommendation bears the imprint of the corporate office

tower and the U.S. Treasury. In the view of this report, what's needed are policies that nurture and build the confidence of capitalist investors—mainly foreign—while the nourishment and economic aid for the poor that's so badly needed receive little attention.

## Recommendations Turned on Their Head

What would American foreign policy look like if this set of recommendations were turned on its head? Instead of blindly pushing on with the IMF agenda, Washington would support economic reforms that actually do reduce poverty. In the economic arena, this would necessarily mean leveling the mountain of government debt. Indonesia spends 23 times as much government revenue repaying debt as it does providing health services. Public debt (owed by the state) now stands at \$134 billion, representing 104% of Indonesia's Gross Domestic Product. Unless this debt is

reduced (not merely restructured), there is little hope that the government will address the needs of poor Indonesians.

Other economic measures that deserve U.S. support include stopping IMF demands that Indonesia raise fuel prices (which are already causing riots); helping to ensure that U.S. transnational corporations comply with international labor, environmental, anti-corruption, and human rights standards; and supporting attempts to recover Suharto's ill-gotten wealth. In the long term, Washington should support reforms of the global financial system that at present makes weak economies ever weaker. These include controls on the damaging international flow of capital, limits on the World Trade Organization, and a greater voice for debtor nations on the IMF Board.

But healthy multilateralism goes well beyond economics to the need for a world order in which weak societies like Indonesia have more say.

Indonesians also need support for an International Criminal Court to try those who destroyed East Timor. This is an essential component in the battle to end military impunity. Indonesians would benefit from the Kyoto Protocol, which would help protect their forests from irresponsible foreign investment.

If Washington would respond differently to the political and economic issues confronting Indonesians, it would go a long way to increasing the respect for the U.S. in Southeast Asia. However, if Washington pursues the type of policy recommendations promoted by the Council on Foreign Relations, then it will face increasing resentment. In other words, the latest foreign policy report would be great for Indonesians if its recommendations were turned upside down.

*(Gerry van Klinken  
<editor@insideindonesia.org> edits  
the quarterly magazine Inside  
Indonesia, available online at  
www.insideindonesia.org.)*

## The Republican Rule

<http://www.fpif.org/republicanrule/index.html>

### Essays Include:

Robert Cutler *A First Glance at Bush's Policy Toward Russia*  
 Karen Hansen-Kuhn *Bush's Trade Policy: The NAFTA Express*  
 Chris Hellman *What Can We Expect from the Penatagon?*  
 Neil Hicks *The Bush Administration and Human Rights*  
 Chris Toensing *Bush's Middle East Policy: Look to His Advisors*  
 Tomas Valasek *George W. Bush and the "Other" Europe*  
 Carol Welch *Republican Rule and the IFIs*  
 Ian Williams *The United Nations: Beating Around the Bush*  
 And Many Others!

### Profiles Include:

Richard Lee Armitage  
 Paul O'Neill  
 Richard N. Perle  
 Colin Powell  
 Condoleezza Rice  
 Donald Rumsfeld  
 George Schultz  
 Paul Wolfowitz  
 Ann Veneman  
 Robert B. Zoellick