

# Indonesia News Digest No 30 - August 9-16, 2006

Sunday 15 October 2006, by [ASAP](#) (Date first published: 16 August 2006).

## Contents

- [TABLE OF CONTENTS](#)
- [NEWS & ISSUES](#)
- [ACEH](#)
- [WEST PAPUA](#)
- [HUMAN RIGHTS/LAW](#)
- [GOVERNMENT/CIVIL SERVICE](#)
- [WAR ON CORRUPTION](#)
- [ENVIRONMENT](#)
- [HEALTH & EDUCATION](#)
- [ISLAM/RELIGION](#)
- [ARMED FORCES/DEFENSE](#)
- [FOREIGN AFFAIRS](#)
- [ECONOMY & INVESTMENT](#)
- [OPINION & ANALYSIS](#)

## TABLE OF CONTENTS

### NEWS & ISSUES

- \* Residents protest 'false accusations'
- \* Gus Dur, Gadis honored with press award
- \* Hungry villagers angered by 'fat' asides

### ACEH

- \* A happy, peaceful anniversary in Aceh
- \* Tens of thousands mark year of peace in Aceh
- \* Aceh peace deal marked in Indonesia
- \* GAM seeks Aceh law amendments
- \* The Aceh peace story according to SBY and Kalla
- \* Syariat Islam is not welcomed by the Acehnese

- \* Thousands flood into Banda Aceh to commemorate peace
- \* Year of peace embraced at birthplace of Aceh rebels
- \* BRR slammed for funding Aceh military operations
- \* Poll finds Acehnese more optimistic about the future
- \* Reintegration agency occupied by protesters
- \* Former Aceh rebel warns of future unrest over peace pact
- \* Vast majority of Acehnese back Islamic law - poll
- \* Acehnese optimistic of lasting peace one year after peace deal
- \* Indonesia's Aceh to vote in December - Jakarta

#### WEST PAPUA

- \* Freeport suspects reject indictment
- \* West Papuan refugee finally gets asylum
- \* 'Time for government to change approach to Papua'

#### HUMAN RIGHTS/LAW

- \* Human trade flourishing in Indonesia, say experts
- \* Activists gear up for fight to save death row Christians
- \* Thousands protest Poso executions

#### GOVERNMENT/CIVIL SERVICE

- \* Brokers blamed for delays in government projects
- \* Legislators named in alleged threats

#### WAR ON CORRUPTION

- \* Suharto graft case should be dropped: Appeal

court

- \* Corruption pervasive in villages

## ENVIRONMENT

- \* Porong workers see dreams sink beneath mud
- \* Worsening forest fires cause haze to spread
- \* Environmentalists say European firms using stolen Indonesian wood
- \* River pollution hits new high
- \* Deforestation threatens to sound death knell for Lampung park
- \* Haze returns to Indonesian part of Borneo island
- \* Mud may force Sidoarjo residents out for good

## HEALTH & EDUCATION

- \* Ailing health care system hurts the most vulnerable
- \* HIV-resistant condom for her is here

## ISLAM/RELIGION

- \* Scholars warn government of latent jihadi danger
- \* Human rights commission wants Ahmadiyah protected
- \* MUI Jakarta declares SMS reward scheme prohibited by Islam

## ARMED FORCES/DEFENSE

- \* Indonesian military in urgent need of reform
- \* TNI reshuffles 79 senior officers
- \* House urged to investigate arms stash
- \* General's stash only a hobby, TNI claims

## AUSTRALIA

- \* Howard withdraws migration bill

- \* Indonesian strategy 'defeats' Australia

## ECONOMY & INVESTMENT

- \* Signs point to economic rebound
- \* Foreigners eye Indonesian smokes

## OPINION & ANALYSIS

- \* Australian sovereignty is damaged by the migration bill
- \* Goodbye pluralism
- \* Disasters in waiting
- \* Australians cool on Indonesia's Bali

## NEWS & ISSUES

### **Residents protest 'false accusations'**

Jakarta Post - August 16, 2006

Mataram, West Nusa Tenggara — Residents of a village in West Lombok protested Tuesday outside the provincial forestry office in Mataram.

They accused police and forest rangers of wrongful arrest and false accusations during a joint operation two weeks ago in the forest near their village in Sambik Bangkol, Gangga district.

Rally coordinator Agus Setiawan demanded the release of two villagers, Zuki and Jumaeda, from police custody. "The arrests are baseless. If they are suspected of illegally clearing land, then we should all be arrested," he said.

He said most of the residents had benefited from living near the forest but had never done any damage. "Why were we accused of stealing from our own homes?"

West Nusa Tenggara Forestry Office head Badrun Zaenal said the arrests were made in line with procedures. "The police certainly have proof to support the allegations that led to the arrests. And all thing related to land clearance have been stipulated in the Forestry Law."

---

## **Gus Dur, Gadis honored with press award**

Jakarta Post - August 11, 2006

Jakarta — A controversial religious leader and a feminist writer were named winners of an award for freedom of expression Thursday. They are former president Abdurrahman "Gus Dur" Wahid and Gadis Arivia who founded Jurnal Perempuan, a woman's journal.

A member of the jury, Endy M. Bayuni, said the decision to present them the Suardi Tasrif award, named after a noted journalist, was because "they succeeded in opening the public's perspective in the controversial debate of the pornography bill, that more was at stake beyond the bill itself."

Gadis and Gus Dur were among many who raised concerns of the threat to the country's pluralism, freedom of expression and womens' rights should the bill take effect.

The presentation will take place Friday in conjunction with the 12<sup>th</sup> anniversary of the press organization issuing the annual award, the Alliance of Independent Journalists (AJI).

Although many others had raised similar concerns over the bill, Endy added they had been the most consistent among nominees regarding plurality, equal rights and freedom of expression.

The jury members shared "admiration for their spirit, vision and commitment in their struggle for freedom of expression, equal rights, their spirit for diversity and democracy in Indonesia," said Endy, also chief editor of The Jakarta Post.

Secretary general of AJI, Abdul Manan, said the pornography bill was not the actual focus of this year's award, "although we realize the risk of attracting controversy" over the decision."

Gadis founded the Aliansi Mawar Putih (White Rose Alliance) which urged people to express opposition against the bill and to jointly fund the placements of ads announcing their stand in the

media.

Gus Dur, former chairman of the largest Muslim organization Nahdlatul Ulama, was once quoted as saying that the bill violated the Constitution on the protection of freedom of expression. If it was passed, he said, "I will start and lead efforts to amend the law because it violates the Constitution."

No one was named this year for AJI's annual Udin Award presented to journalists who were victims of violence. Endy said the jury did not have enough evidence regarding a number of nominees that they were killed or injured physically or psychologically in relation to their work.

---

## **Hungry villagers angered by 'fat' asides**

Jakarta Post - August 9, 2006

Yuli Tri Suwarni, Bandung — Hundreds of residents of Cipanjalu village in Bandung regency, who have been struggling to survive since 90 percent of them lost their jobs three years ago, have turned down food aid, saying it is jobs they want.

They expressed disappointment over remarks made last week by some high-ranking officials, including West Java Governor Danny Setiawan, suggesting they did not have enough food because they were not willing to work.

Danny said their dire circumstances were the direct result of laziness, a statement that was seconded by Bandung Regent Obar Sobarno.

Endin Hendradin, the head of the Bandung Regency Information Office, said hunger was not a problem in the village, judging from the number of fat people sitting around doing nothing.

The West Java governor issued a circular in 2003, prohibiting villagers from planting vegetables among hardwood trees in the nearby forest.

Nearly 90 percent of the 1,300 heads of families in the village lost their jobs as farmers and farm hands after the circular was issued. The

government did not offer them alternative employment.

"We don't like being accused of laziness. We are not happy about talking to the media either, but there is no other choice because all our proposals (for farming again) have been turned down by the local administration," said 40-year-old Dedi, a Palintang resident.

Dedi said working in the city was not an option as they had no money for transportation. They need at least Rp 20,000 (US\$2.10) each to get into the city on public transportation.

The poorest residents had been relying on handouts from neighbors until last month, when it seemed everybody's money had run out. Many of them had gone hungry because of rapidly diminishing food supplies.

Village head Nanang Setiawan said that, after tough negotiations, the Bandung regency administration had agreed to start a number of assistance programs next month, including the provision of cattle and 20,000 young milkfish. They will also be allowed to utilize part of the forest for intercropping again. "We are counting on them going through with it. We need work, not free food," Nanang said.

## ACEH

### **A happy, peaceful anniversary in Aceh**

Asia Times - August 15, 2006

Michael Morfit, Jakarta — The Free Aceh Movement, known locally as the Gerakan Aceh Merdeka (GAM), and Indonesia's government on Monday marked the first anniversary of a peace agreement that ended nearly 30 years of armed conflict in the resource-rich and historically turbulent province of Aceh at the northern tip of Sumatra.

After the frustrations, disappointments and mistrust resulting from decades of brutal conflict alternating with abortive peace efforts, the Helsinki Memorandum of Understanding has achieved a negotiated peace settlement that is firmly taking hold.

Consider: the international Aceh Monitoring Mission (AMM) has earned the trust and respect of both former adversaries; armed conflict in the province has largely ceased; government troops have been significantly reduced; and GAM fighters have decommissioned their weapons and been demobilized.

The crucial basic law on Aceh governance was approved by parliament last month, and local political groups are now able to organize peacefully. Local elections contested by local candidates are planned for November 12. Even GAM's vigorous complaints about perceived serious flaws and inadequacies of the basic law are being peacefully formulated and debated within the framework of the Helsinki agreement.

These are important achievements and, more broadly, the Helsinki agreement points to a key milestone in Indonesia's continuing democratic development.

To reach an agreement with GAM, President Susilo Bambang Yudhoyono and Vice President Jusuf Kalla first had to confront and manage powerful constituencies in Jakarta, not all of whom were in favor of a peace deal. Yet their success in responding to these challenges has arguably strengthened Indonesia's transition toward more open, accountable and effective governance.

This includes the resilience and flexibility to accommodate regional differences and yet maintain national unity, ability to maintain civilian control over the Indonesian military (TNI), and the ability of the executive to formulate and implement policies without yielding to the informal sabotage and subversion of dissident factions.

In many respects, the Yudhoyono-Kalla administration faced a more difficult path to peace than its GAM counterparts. While GAM was solely focused on Aceh's fate, the national government faced more complex issues, including competing political objectives, diverse constituencies and strong, potentially disruptive vested-interest groups.

The Yudhoyono administration at the same time also had to deal with separatist movements in Papua,



entrenched ethnic conflict in Sulawesi and Ambon, as well as the broader issues of governance, accountability, and military reform. The national government was also working in a relatively less disciplined and reliable institutional environment.

Since the end of strongman Suharto's New Order administration, which was toppled in 1998 by angry street protesters, Indonesian governance has been characterized by artful ambiguity, messy compromises and partial measures rather than single-minded focus and systematic follow-through.

With a range of politically powerful and deeply entrenched potential opponents and spoilers within Indonesia's political system, including elements in the military dissatisfied with their diminished post-Suharto role, Yudhoyono had plenty of reasons to worry about dissent, equivocation, provocation, subtle sabotage or even outright defiance to the Aceh peace deal.

The failure of previous administrations to master Aceh's complex, evolving and unruly political environment, articulate a coherent approach, forge agreement among key stakeholders, and enforce discipline within their own ranks had undermined previous efforts to achieve a negotiated settlement.

Former president BJ Habibie was too distracted by the magnitude of the turmoil of the reformasi era; Abdurrahman Wahid was too erratic and unpredictable to develop a coherent approach; Megawati Sukarnoputri was too disengaged from the difficult task of policy development and was disinclined to expend her political capital on a risky process of negotiations.

#### Tag team peacemakers

Strong personal commitment and close collaboration between Yudhoyono and Kalla, who is also chairman of the Golkar Party, the largest grouping represented in parliament, were essential to the success. Despite different backgrounds and experiences, they stood united in a common conviction that after 30 years of fighting, there was no pure military solution to the damaging conflict.

Yudhoyono's and Kalla's very different styles, networks, and political bases enabled them to mobilize resources and manage threats that had confounded their predecessors. Neither politician could have achieved success in Helsinki on his own, however. Together they were able to bring the focus, coherence and discipline to the government side that had been badly lacking during previous attempts at reconciliation.

Yudhoyono managed what he has subsequently described as the "political umbrella" for negotiations, which provided essential cover and protection from the hardline military commanders who had undermined previous ceasefire agreements, including the 2002 deal that later broke down. Yudhoyono's military background, personal networks and experience with previous military reform efforts helped him to identify and contain potential spoilers in the TNI.

His deliberative style and innate caution, meanwhile, reassured ultra-nationalists who feared that the nation's geographical integrity would be compromised through an autonomy-granting agreement with GAM separatists. One of Yudhoyono's key decisions was to retract former president Megawati's nomination of General Ryamizard Ryacudu as the military's commander-in-chief and instead order the extension of incumbent General Endriartono Sutarto's tenure.

Ryacudu had been a frequent and outspoken critic of negotiations with GAM, and demonstrated little hesitation in publicly challenging the government's conciliation policies. Aceh may have been the immediate issue, but in retracting Ryacudu's nomination, Yudhoyono was also taking the senior generals' ability to challenge, subvert or undermine civilian control over the TNI head-on.

During the course of the Helsinki negotiations, Yudhoyono systematically used his own military background and personal networks, as well as his close relationship with Sutarto, to strengthen civilian control over the policy process and reinforce the subordinate role of the TNI, which under Suharto wielded huge political influence.

Under the protection of this umbrella, meanwhile, Kalla tackled the national political parties and

parliament. In the final rounds of negotiations in Helsinki, the challenge of finding an acceptable channel for the expression of GAM's legitimate and peaceful political aspirations became a critical issue. Establishing local political parties would require fundamental changes in existing national laws, and would eventually require parliamentary approval.

The established national parties — several of them very critical of the negotiations — would somehow have to be brought on board. In late June and early July 2005, Kalla used his personal touch by convening a series of meetings at his residence to search for creative ways to resolve differences. He continued to take the lead in negotiations with parliamentary factions in relation to the recently approved Basic Law for the Governance of Aceh.

Kalla oversaw day-to-day negotiations and was deeply immersed in the details of discussions, often personally drafting analyses of government and GAM positions, developing options and formulating strategies. His enormous energy, entrepreneurial spirit and pragmatic flexibility finally found a way through the entrenched positions toward a mutually acceptable solution. Kalla's position as leader of the Golkar Party, meanwhile, greatly strengthened the administration's ability to win the support of other national political parties.

Failure to achieve success in Helsinki would have been a significant setback to Yudhoyono's administration at an early juncture in its tenure. Most important, it would have reinforced a pattern of undisciplined and unfocused policy processes, with wide latitude for the continued informal and covert of influence by the military and ultra-nationalists of the policy process. Yudhoyono's ability to pursue other policy priorities — from tackling separatist movements in Papua to governance reform and anti-corruption initiatives — would inevitably confront many of the same vested interests, and a failure on Aceh would have significantly undermined his government's future maneuverability.

Instead, the Aceh settlement has helped to project an image of stability, which in turn has proved invaluable in attracting new private and foreign

investment and bolstering economic growth. The peace deal has also elevated Indonesia's international profile, which had declined significantly in the turbulence of the so-called Era Reformasi.

Under Yudhoyono, Indonesia has re-established its erstwhile leadership within Southeast Asia, and arguably advanced his administration's aspirations for Indonesia to be globally recognized as a neutral, reasonable, steady and reliable international partner.

For all these reasons, the significance of the Helsinki agreement for Indonesia stretches far beyond Aceh. The peace that the people of Aceh enjoy today is a long-overdue blessing, but the benefits extend widely throughout the entire country, as well as to Indonesia's regional allies and neighbors. As such, all stakeholders have an interest in supporting the full, faithful and timely adherence by both GAM and the government to the Helsinki accords.

[Michael Morfit is adjunct professor at the American University in Washington, DC. His work in Indonesia dates from 1976, where he has focused on issues of governance and political reform. His study on the Helsinki peace process is forthcoming and involved extensive direct interviews with the key players from all sides of the negotiations, including Yudhoyono, Kalla, the Indonesian negotiating team, the GAM leadership, and Finnish mediators.]

---

## **Tens of thousands mark year of peace in Aceh**

Agence France Presse - August 15, 2006

Nurdin Hassan, Banda Aceh — Tens of thousands have rallied in Indonesia's Aceh, celebrating a full year of peace but calling on Jakarta to honour the pact which ended three decades of separatist warfare.

Crowds crying "Peace!" and "Long live the Acehnese!" converged around the province's main mosque to mark the historic pact signed on August

15 last year between the separatist Free Aceh Movement (GAM) and the central government.

Muhammad Adam, a 32-year-old from North Aceh district, arrived in the provincial capital Banda Aceh with fellow villagers on Sunday ahead of the event.

"We all just wish that this peace will last forever," he told AFP. "During the conflict, people in my village could barely make a living but now, after the MOU (memorandum of understanding, or peace pact), we can go calmly to the rice fields without fear." ElShinta radio estimated as many as 200,000 people had turned out.

The pact was signed in the wake of the catastrophic Indian Ocean tsunami in 2004, which slammed into Aceh's coastlines killing some 168,000 people, and ended 29 years of fighting in the province at the westernmost tip of Sumatra.

One of Asia's longest running separatist conflicts had seen the death of an estimated 15,000 people, mostly civilians.

Under the deal, signed in Helsinki and mediated by former Finnish president Martti Ahtisaari who attended the formal celebrations Tuesday, GAM dropped its demand for independence in return for wide-ranging autonomy.

A law that was supposed to cement the peace deal was passed by the government last month but has elicited criticism from former rebels as well as ordinary Acehnese, who have already protested in their thousands.

Tuesday's rally was also being held to urge the Indonesian government to draft amendments to the law to bring it fully into line with the Helsinki deal. Muhammad Nazar, head of non-governmental organization the Aceh People's Referendum Information Centre (SIRA), expressed the concern of some Acehnese.

"We ask the Indonesian government not to betray Acehnese people again. Right now, Acehnese are very disappointed because the Aceh autonomy law contradicts the Helsinki MOU," said Nazar, who served more than three years in prison for

sedition before the pact. "Actually, Acehnese people are peace-loving and do not like war, therefore the peace that we seek is an honest and fair peace," he told the crowd.

Critics of the law say several articles effectively curtail the power of the local administration in areas such as natural resource management, while the role of the Indonesian military in Aceh remains unclear.

Anwar, a 45-year-old farmer who took a 12-hour truck ride to attend the rally, said it was an outlet for him to express his wishes. "What I really want is for the Indonesian government to no longer trick Acehnese because during the conflict, we truly suffered and could not work peacefully," he told AFP.

Aceh police spokesman Jody Hariyadi said about 400 officers, assisted by an undisclosed number of soldiers, were providing security.

Meanwhile at a traditional ceremony at the governor's residence, Aceh's customary council gave traditional hats and golden daggers to Ahtisaari, Vice President Yusuf Kalla and GAM's chief negotiator Malik Mahmud, among others instrumental in securing the pact, the Detikcom online news agency reported.

"For the first time, the people of Aceh now can breathe, they have new breath," Mahmud said during the ceremony.

Another official ceremony was to be held at Ulee Lhee port in Banda Aceh, one of the areas worst-hit by the tsunami.

Despite the unease over the new law and earlier predictions of doom, former rebels have called the peace process "irreversible" and insisted they will not return to fighting.

President Susilo Bambang Yudhoyono said at an event marking the anniversary in Jakarta on Monday that the peace still needed work and commitment to ensure it was permanent.

---

## **Aceh peace deal marked in Indonesia**

Associated Press - August 15, 2006

Fakhurradzie M. Gade, Banda Aceh — Thousands of protesters accused Indonesia's government Tuesday of failing to deliver on promises made when separatist rebels signed an agreement a year ago to end decades of fighting in Aceh province.

The demonstration in front of the provincial capital's 18<sup>th</sup> century mosque was one of the largest in Aceh in recent years, highlighting lingering challenges despite the success so far of the Aug. 15, 2005 peace deal.

The separatists and Indonesian troops agreed to stop fighting months after the 2004 Asian tsunami that killed 131,000 people in Aceh. Both sides said they did not want to add to suffering or hinder the reconstruction process.

More than 10,000 protesters on Tuesday called on the government to change a recently passed law that cements the terms of the accord, saying it watered down the level of autonomy promised to the oil- and gas-rich province.

"If the government does not respond to our demands, don't blame the people of Aceh if they once again demand their freedom," Mohammed Nazar, an activist twice imprisoned for organizing rallies in favor of an independence referendum, told the crowd.

The demonstration was called by a loose coalition of local rights groups, some of whom have links to former members of the Free Aceh Movement, which waged a 29-year war against the government that left 15,000 people dead.

The peace deal, signed in Finland, saw rebels hand in their weapons and drop their independence demand, accepting greater self-rule for the region and the withdrawal of most Indonesian troops.

Later Tuesday, ex-rebels and government officials were to join former Finish President Martti

Ahtisaari, who brokered the deal, at a ceremony in a district of the provincial capital hit hard by the tsunami.

The former rebels and activists have raised several complaints about the recently passed law. The most serious is a clause that enables Jakarta to make important decisions relating to Aceh after "consulting" the province, rather than with the province's "consent," as agreed to in Helsinki.

The ex-guerillas have said they have no intention of taking up arms again, but at least two have said they worry that if the complaints are not addressed, new rebel movements could rise up within the next decade.

The government has said that the law can be amended in one or two years. It says that the version of the clause agreed to in Finland would have given Aceh's legislature more power than that of the national parliament, which would have violated the constitution.

Peter Feith, the head of the European Union-led peace monitoring mission, has said he considers the law "broadly in line" with the terms of the deal and also noted that it can be amended. "I am optimistic that the people of Aceh will enter 2007 with all the preconditions for a comprehensive, sustainable and long lasting peace," he said in a statement.

---

## **GAM seeks Aceh law amendments**

Jakarta Post - August 15, 2006

Abdul Khalik, Jakarta — The formerly rebellious Free Aceh Movement(GAM) is dissatisfied with several articles in the newly enacted law on Aceh governance, but its leaders say the group will wait to see how the law is put into practice, and work through normal channels to amend it.

Former self-styled GAM foreign minister Zaini Abdullah said several articles in the law violated the truce signed last year to end three decades of separatist fighting in Aceh.



But he emphasized that the peace deal has enabled the Acehnese people to live in peace at last, free from the fear of being shot or abducted.

"We see here and there in the law several things that still don't reflect the peace accord but we are very happy to see that compared to a year ago, the Acehnese people are now living a normal life," he said on the sidelines of a one-day conference Monday in Jakarta to mark a year of peace in the province.

Zaini gave assurances that former rebels would not disrupt that peace, and would discuss the contentious articles with the government to find the best solution.

Former GAM negotiator Tengku Kamaruzzaman said several articles of the law curtailed privileges that were granted to the Aceh administration in the truce, including the ability to lure direct foreign investment and to manage the province's natural resources.

"We are now discussing with the government possibilities of amending the law... The most important aspect is how the law is put into regulations that can benefit the Acehnese people. Several previous laws on Aceh were useless because of the absence of regulations to implement them," he told The Jakarta Post.

Communications and Information Minister Sofyan Djalil, who was born in Aceh, was quoted by Reuters as saying amendments to the landmark law were possible "two years down the road" after it was implemented.

The international peace mission monitoring implementation of the deal has said the new law is broadly in line with the peace accord.

The government argues that the law has made Aceh the envy of other provinces due to its new powers.

The law passed by the House of Representatives early last month was called for in the peace pact signed last Aug. 15 in Helsinki, Finland, by the government and GAM leaders. It paves the way for local direct elections scheduled for mid-December.

Under the peace accord, GAM dropped its demand for

Acehnese independence in return for greater autonomy and the right to form local political parties, which are banned elsewhere in the country.

Meanwhile, former GAM armed forces chief Muzakkir Manaf said some 30,000 of his former military men were waiting for compensation from the government to enable them to start rebuilding their lives, as stipulated in the peace pact. "Only 25 to 30 percent of the peace deal has been realized. My men need jobs and plots of land to start over. We realize that it will depend on their skills but we still have not received anything," he said.

Muzakkir said not all of the former GAM guerrillas had received the three-hectare plot of land and financial aid promised by the government. "Of course, we are disappointed but probably this is an ongoing process," he said.

---

## **The Aceh peace story according to SBY and Kalla**

Jakarta Post - August 15, 2006

Tony Hotland, Jakarta — It is rare to get a behind-the-scenes look at historic events. But Tuesday's conference commemorating one year of the Aceh peace accord provided a rare glimpse into the process and gave the actors involved a chance to publicly pat themselves on the back.

Poignant and sometimes boastful, President Susilo Bambang Yudhoyono and Vice President Jusuf Kalla separately took turns to highlight their personal struggles during the momentous process.

In his opening seven-page speech, the President recalled the need for boldness at a time when peace efforts were facing legions of cynics. Yudhoyono described how personal the issue had become through his involvement in the negotiations as coordinating minister for security under the previous administration. "(I) spent my entire energy trying to find ways to end the conflict," he said.

Yudhoyono's first attempt failed when the 2002

Cessation of Hostilities Agreement signed in Geneva collapsed a year later. That experience led him to appreciate "the processes of a negotiated settlement." "To be successful requires focused, sustained and creative efforts and a determination at the highest level of leadership," he said.

An important lesson from this episode, which Yudhoyono may have applied later, was the need to have the political will for a settlement.

"Negotiators need assurances, political backing, instant decisions, close engagement, constant guidance. Without these, they would not be able to move far in pursuing peace," he said.

An event outside the process was also the catalyst, and Yudhoyono conceded that the cataclysmic Dec. 26, 2004, tsunami provided a window of opportunity at a time when peace seemed most distant. "I (also) instructed my officials to stop harsh public rhetoric against GAM (Free Aceh Movement)," he said.

Yudhoyono said he took a political risk by engaging in negotiations. Peace was a risky business, but it was a risk worth taking, he said. Resistance would always come from people with vested interests in war, for economic motives or other political reasons. The President said peace would never have been achieved without courage and "if we had bowed to cynical and self-defeatist attitudes".

The conference, organized by the Indonesian Council on World Affairs, brought together top Indonesian and GAM officials. Also present were former Finland president Martti Ahtisaari, the facilitator of the peace deal, and Aceh Monitoring Mission (AMM) head Pieter Feith.

The closing remarks of the one-day conference saw Kalla take the stage and recollect eleventh-hour obstacles that might have derailed the process.

One of these occurred on the night of July 17, 2005, when he received news of a deadlock on the question of local political parties. "I called the President and he instructed (me) to negotiate more. Three hours later, I sent them a counter proposal and we finally agreed at the last minute," he said.

Kalla also said it was he who recommended Martti Ahtisaari to act as the negotiator. "The President didn't know who Ahtisaari was," Kalla joked. "I endorsed him, got him on the phone, persuaded him, and he was in!"

---

## **Syariat Islam is not welcomed by the Acehnese**

Tempo Interactive - August 14, 2006

Titis Setianingtyas, Jakarta — The First Minister of GAM (Gerakan Aceh Merdeka) Malik Mahmud Al Haytar has declared that the introduction of Syariat Islam in Aceh is not welcomed by the Acehnese.

"What we want is a peace and pluralism for the Acehnese," Malik told journalists, after speaking at an international conference to mark the first anniversary of the Aceh peace agreement at Hotel Shangri-la Jakarta, on Monday evening.

He said that GAM's struggle was not based on religious principles and this is still the position today. GAM has nothing to do with things that have been happening in Aceh recently. "It think this is not what the Acehnese people want," he said.

Malik went on to say that Islam in Aceh has always been traditional Islam. "Islam has been the religion of the Acehnese for a very long time.'

He said that this was the first time he had heard about the use of caning as a form of punishment in Aceh. This has never been a part of the tradition of Islam in Aceh.

---

## **Thousands flood into Banda Aceh to commemorate peace**

Detik.com - August 14, 2006

Banda Aceh — Thousands of people from various regions of Aceh have began arriving in Banda Aceh

to commemorated one year since the Helsinki agreement that falls on August 15 tomorrow. They plan to hold a peaceful action and joint prayers in at several locations in Banda Aceh.

One group coordinated by the Acehese Civilian Organisation Joint Committee is also planning to submit the Acehese people's version of a Draft Law on Aceh Governance to the Indonesian government, the Free Aceh Movement (GAM) and the European Union.

According to one of the committee members, Faisal Rida, the aim of the peaceful action is to call for the Aceh Governance Law to be brought into line with the Helsinki Memorandum of Understanding (MoU). The joint committee comprises 50 civil organisations in Aceh including the Aceh Referendum Information Center (SIRA), GeRAK Aceh (Aceh Anti-corruption Movement) and the Ar-Raniry State Institute of Islamic Studies Forum of Student Executive Councils. "We hope this action will not be tainted by precisely those things that will damage peace", he said.

Since this morning, the protesters have been arriving from areas outside of Banda Aceh including the Ar-Raniry State Institute of Islamic Studies, the Syah Kuala University, Kopelma Darussalam Mosque as well as several other locations in Banda Aceh such as Setui, Ajuen, the Bangsa Lhong Raya Stadium and the Lam Peuneurut area. The majority came wearing headbands reading "Save the Helsinki MoU".

Tomorrow they plan to hold an action at the official event being held the Ulee Lheu area that will be attended by Vice President Jusuf Kalla, former Finish President Martti Ahtisaari and GAM leaders from Aceh and overseas. (mar)

[Translated by James Balowski.]

---

## **Year of peace embraced at birthplace of Aceh rebels**

Agence France Presse - August 13, 2006

Tiro — Eyes red with tears, Alamsyah Mahmud recalls how in 2001, Indonesian paramilitaries swooped on his village in Tiro, the birthplace of Aceh's rebel movement, rounding up people and torching homes.

The police were sniffing out members of the Free Aceh Movement (GAM), which inked a peace pact with the Jakarta government one year ago this week to end 29 years of conflict that had left 15,000 people dead.

"Everybody here was considered GAM... Brimob charged into the village like blind pigs and burnt down our houses. It was a very traumatic experience," says Mahmud, a 37-year-old farmer, referring to the feared Indonesian force.

That was a particularly memorable attack in Labu Adang village. But over three decades, ordinary life too became a distant memory. "Going to the rice fields, going to the hills, all our movements were limited," Mahmud says. "If Brimob saw our pick-up loaded with rice, they would arrest us, asking for bribes," chimes in Nyok Aloh, who is just back from the fields. "It scares me to remember the way our people were killed in the conflict. Now we are all traumatised. Every time a green uniform comes to the village we think of death."

Today the rice paddies are greening in Tiro, a group of villages on the east coast of Aceh on Sumatra island's northern tip. It was here in 1976 that rebel leader Hasan Tiro declared the creation of GAM, ensuring a violent destiny for the villagers: hundreds of killings, abductions, destruction and forced labour.

But instead of harvesting their crops gripped by terror, villagers across Tiro are gratefully reaping a peace dividend this year, with the trauma starting to ebb away as the local economy picks up pace.

Farmer Mahmud says his income has picked up by a quarter since a year ago. "Before, I would sometimes stay up to one week at home without working in the paddies because of gunfights," he says, gesturing to hills once used as a training ground by GAM fighters and skirted by abandoned betel and cocoa plantations.

Eleven-year-old Tut Nurfinda, wearing her crisp blue-and-white school uniform, says she now walks to school without being afraid. "Sometimes we would hear gunshots. I would fall face down on the road, it was so scary," she remembers.

Back then, a 10-kilometre (six-mile) motorbike ride with the risk of being caught in crossfire was often too much for teacher Rohana, who used to frequently skip school, along with many of her students. "Many students had relatives killed, abducted or tortured," she recalls. "They just could not concentrate."

Tiro today hosts 150 ex-combatants, most of them farmers. Since last year, dialogue with the police has improved, as both sides regularly meet for steaming cups of Aceh's famed coffee, they say.

Tiro police chief Idris Ousmani is providing commentary at a soccer match between police and ex-fighters from a wooden and palm leaf shack at Tiro's main pitch. Pausing a moment, he tells AFP: "Before, we were like water and oil. Now we're like egg yolk and white... We are complementary."

Ousmani says that the situation improved when the almost 6,000 police stationed from outside Aceh were pulled out by the central government, as required under the peace pact. Almost 26,000 troops were also redeployed. "Now they have gone, things are much smoother between us and GAM," he says.

Mirza Ismail, the GAM representative to the foreign monitors' district office, says that both sides have been cooperating to identify people carrying weapons, whether they are ex-rebels or criminals. "I can reach the district police head at any time, even 2:00 am in the morning," he says.

Still, worries persist in Tiro over Aceh's political future, exacerbated by a dispute over the government's passage of a new law giving the province greater self-rule, which was passed in July after months of delay.

The law was required under the peace pact, and paves the way for local elections due to be held before December. Under the deal signed in Helsinki, GAM dropped its demand for independence

in return for greater autonomy and the right to form local political parties which are banned elsewhere in Indonesia.

But GAM has expressed dismay at some of the law's provisions and wants amendments. "We're in peace, but we are disappointed," says 40-year-old Abdullah Usman, the head of Tiro's Menassa Pana village.

GAM officials and activists argue the law curtails the power of the local administration in international cooperation and management of its national resources, while potentially strengthening the military's role in Aceh. "Was it planned so the conflict is perpetuated?" wonders Abdullah.

Tiro's former rebels say they would be prepared to resume fighting. "If the people of Aceh ask us, we are ready to fight again," warns Tiro's ex-GAM commander Iskandar Daud.

Fakruddin Muhamad, a 26-year-old ex-guerrilla with a bullet permanently lodged in his kidney that prevents him from working too long in the fields, would also pick up arms again. "If our leaders want it, I am ready," he says.

In Aceh's capital of Banda Aceh, GAM negotiator and deputy spokesperson Munawar Liza Zain says GAM may not have the power to control the emotions of the Acehnese, but "we are committed not to use weapons". "We are going to use non-violent political channels" to sort out differences with the government, he adds. Head of the foreign monitors Pieter Feith, who believes "there has been remarkable progress achieved in a very short time", says GAM can seek redress using democratic, parliamentary means provided by the constitution. "The security situation in Aceh is stable and there is no reason to believe this would change," he says.

In Tiro, despite the anger at the new law, a resumption of the conflict seems out of the question for many. Irwandi, 27, gave up fighting to sell fish at the Tiro market. "I just want things to stay as they are now. I don't want war again," he says, sitting among the local crowd cheering a soccer match.



---

## **BRR slammed for funding Aceh military operations**

Jakarta Post - August 12, 2006

M. Taufiqurrahman, Jakarta — The Aceh-Nias Rehabilitation and Reconstruction Agency (BRR) is coming under fire for allocating funds to security and intelligence operations by the Indonesian Military (TNI) in Aceh.

Rights watchdog the Aceh Working Group (AWG) said on Friday that the BRR had violated military laws by earmarking more than Rp 400 billion (about US\$44 million) in its 2005 budget for security operations in Aceh and Nias.

The allocation was deemed irrelevant to the BRR's primary task of helping Aceh recover from a devastating tsunami, especially since the funds set aside for military operations dwarfed those allocated for children's education and women's empowerment.

"All the money that the BRR received from donors should go to victims of the tsunami and not TNI soldiers. International donors should question this because their money was not used for reconstruction purposes," Choirul Anam of AWG said.

A document obtained by The Jakarta Post indicates that the BRR earmarked Rp 285 billion for defense operations and another Rp 122 billion for security operations. The document shows that an intelligence operation got Rp 416 million and strategic intelligence received Rp 1.08 billion.

A substantial amount of the money was earmarked for developing the defense capabilities of individual military forces in Aceh and Nias. In total, funds allocated for security and defense make up 11 percent of the BRR budget for 2005. Education and children's empowerment make up less than 4 percent.

BRR chief Koentoro Mangkusubroto has argued that the allocation of funds for security and defense is part of the effort to safeguard reconstruction

projects.

AWG dismissed Kuntoro's statement, saying Aceh did not need such operations as it was no longer in an emergency situation. "There are no longer threats to security in Aceh. Besides, the post-disaster emergency period has ended," fellow AWG activist Rafendi Djamin said.

Rafendi said problems would arise when the BRR had to account for its use of the funds. "The only institution authorized to scrutinize the military budget is the House of Representatives. But what about the funds disbursed by the BRR, as the agency answers only to the finance ministry," he said, adding that such a breach of procedures was also vulnerable to corruption.

Responding to the criticism, BRR said what was classified as security in Aceh and Nias in fact was the reconstruction of military facilities that were destroyed by the tsunami.

"Come to Aceh now and you will see brand new barracks and offices for army and police personnel (to replace those) that were destroyed by the tsunami," BRR spokesman Mirza Keumala told the Post.

Mirza said the money for reconstructing military and police facilities was drawn from the state budget. "It, therefore, has won approval from the House," he said.

---

## **Poll finds Acehnese more optimistic about the future**

Jakarta Post - August 11, 2006

M. Taufiqurrahman, Jakarta — Almost a year after the signing of the Helsinki peace accord that ended 29 years of fighting in Nanggroe Aceh Darussalam, most people in the province believe conditions are improving, a survey reveals.

The poll, conducted by the Jakarta-based Indonesian Survey Circle (LSI), found that 67 percent of people surveyed in the province said

they were satisfied with the present security and political environment.

LSI interviewed 440 people from July 18-21 in Aceh for the poll, which has a margin of error of plus or minus 4.8 percent.

The survey finds satisfaction about the peace is equally spread among people from different demographic groups. Most people — about 56.7 percent — also believe the peace will last.

Positive sentiment about the agreement is also shared by a significant number of people outside the province.

In a national survey, conducted between July 28 and Aug. 3, LSI discovered that the largest number of people, 47 percent, believed that things had generally improved in Aceh, while another 43 percent hoped that peace in the province would last.

For the national survey, LSI interviewed 700 randomly selected respondents with a margin of error of 3.8 percent.

The existing peace, however, did not mean an improvement in people's livelihoods. Despite the upbeat mood, Acehnese were divided over how to judge the economy.

Only 29 percent of those surveyed believed the economy was improving, while 38 percent thought the opposite. High prices for basic goods and unemployment were the most pressing problems for residents.

In the national survey, most Indonesians supported the dissolution of the Free Aceh Movement (GAM). "In our national survey, 81.2 percent of respondents said that GAM should disband following the passing of the Aceh governance law," said Denny Januar Ali, the executive director of LSI.

Denny also noted many respondents supported former GAM members' involvement in local politics in line with the Helsinki accord.

However, a former senior GAM member, doubted the peace in Aceh would last. Mohammad Nur Djuli, who helped negotiate the accord, said the pact seemed to be unenforceable in its present state. He

believed a new generation of rebels could emerge within a decade, amid dismay about the accord's half-hearted implementation.

Former GAM members and activists have complained that the Aceh governance law does not give the provincial administration powers to make international agreements, including those on natural resource management issues. "If the injustices are not addressed, then I fear other GAMs might be born in a decade from now," Nur told AFP.

---

### **Reintegration agency occupied by protesters**

Jakarta Post - August 11, 2006

Nani Afrida, Banda Aceh — Residents of Mane village in Pidie, Aceh, who lost family members and homes during the 30-year conflict between the government and the Free Aceh Movement have occupied the Aceh Reintegration Agency (BRA) office to press their compensation demands.

"We will stay here until our demands are met," one of those involved in the action, Muhammad, said Thursday.

At least 200 people have occupied the office and its yard for the past three days. Several people involved in the protest, including children, have begun to show signs of illness, while dwindling food supplies have forced protesters to beg from passersby.

The villagers are demanding the government take responsibility for the disappearance of family members and friends during the conflict, and for the disappearance of their livelihoods as a result of the violence.

"We want the government to provide each of us compensation amounting to Rp 150 million (US\$15,789), so we can rebuild our homes, open new businesses and send our children to school," said Agus Salim, a spokesman for the protesters.

He said one year after the signing of a peace

agreement between the Indonesian government and the Free Aceh Movement (GAM) in August last year, those who lost loved ones and property in the conflict had yet to receive assistance from the government. He said the government had ignored several requests for financial support submitted by conflict victims.

Hanif Asmara, the reintegration agency secretary, said representatives of the BRA and the conflict victims were engaged in ongoing negotiations. "We hope some assistance for the conflict victims can be disbursed by next month," he said.

The agency has increased its compensation budget for victims to Rp 215 billion (US\$22.63 million) this year and Rp 400 billion in 2007, from only Rp 10 billion in 2005. Funds will be channeled to about 63,000 conflict victims in Aceh, with each victim to receive Rp 10 million.

The government also will set aside another Rp 60 million to help families of those who died in the conflict. Preliminary data at the agency show the number of dead from just between 1989 and 2005 at 19,597. "The death toll could increase," Hanif said.

---

## **Former Aceh rebel warns of future unrest over peace pact**

Agence France Presse - August 10, 2006

Jakarta — A former senior separatist from Indonesia's Aceh said Thursday that a new generation of rebels could be spawned within a decade amid dismay over the implementation of a peace pact signed a year ago.

Mohammad Nur Djuli, who was a senior member of the rebel Free Aceh Movement (GAM) and helped negotiate the pact inked last August, said a newly-passed law on self-rule for the province could encourage youths to take up arms.

GAM officials and activists have complained about several articles in the law, arguing that the power of the local administration is curtailed in

international cooperation and natural resource management and that the military's role is unclear.

"We, the negotiators, are in danger of being ostracised by our people for signing the MOU (memorandum of understanding, or peace pact) that seems to be unenforceable as it is," he told a panel discussion on a year of peace.

"If the injustices are not addressed, then I fear other GAMs might be born in a decade from now," Djuli said, adding that thousands of Acehnese have protested against the autonomy law.

Djuli said former guerrillas were committed not to return to fighting because they had surrendered all their weapons.

A future generation who felt betrayed by the peace deal may however provoke violence, he said, following in the footsteps of GAM which was formed due to Jakarta's failure to give the province autonomy as promised when national independence was proclaimed in 1945.

"Why did GAM take up weapons in the first instance? Because... we came to feel that our parents were fooled by promises of autonomy... Maybe my children or my grandchildren will think that I was stupid," Djuli said. "It is hoped that political leaders in Jakarta are far-sighted enough to address this now," he said.

Information Minister Sofyan Djalil, who attended the discussion, said dissatisfaction with the autonomy law passed last month could be resolved by amendments or by contesting it in the country's constitutional court.

"We adopted the law this year, but if we find some weaknesses, some limitations then next year or two years from now we (could) change that," Djalil told reporters.

Another speaker at the forum however said the greatest risk to the peace deal was the lack of jobs for the hundreds of ex-guerrillas, most of whom returned home to already-poor rural villages.

"What happened is that they are still looking for jobs and their communities have the burden of supporting the GAM members," said Sandra Hamid,

from the Asia Foundation, a US based non-governmental group. "Potentially this could be a peace spoiler if not addressed."

Hamid praised the deal, saying expectations that guerrillas or security forces might seek revenge for atrocities committed during the long conflict had failed to materialise.

She also noted that contrary to predictions, former rebels unhappy with the peace deal had not split from the GAM leadership and resumed fighting.

The peace pact, signed in Helsinki and spurred on by the devastating 2004 tsunami which lashed Aceh, ended 29 years of conflict. The unrest had claimed the lives of about 15,000 people, mostly civilians.

---

## **Vast majority of Acehnese back Islamic law - poll**

Associated Press - August 10, 2006

Jakarta — Some 90% of people in Indonesia's Aceh province say they agree with Islamic laws that punish gamblers with caning and force women to cover their heads in public, according to an opinion poll released Thursday.

Aceh is the first province in secular but Muslim-majority Indonesia to be allowed to implement laws based on the Islamic legal code, or Sharia.

Religious police currently enforce laws criminalizing consumption and sale of alcohol, gambling, non-Islamic dress and illicit relations between men and women. Punishment is either by fines, short prison terms or light caning.

Some 90% of respondents in a poll by the respected Indonesian Survey Circle said the laws were "in line with their wishes."

The survey was conducted based on face-to-face interviews with 440 respondents in mid-July, with a margin error of approximately 4.8 percentage points.

The implementation of the laws is being watched closely by other provinces in Indonesia that want to introduce similar laws. Members of the country's Christian minority as well as some moderate Muslims have expressed concerns about the development.

Aceh — which lost some 131,000 people to the 2004 Asian tsunami — is the most Islamic Indonesian province, but foreigners and Christians have always been welcome there.

Some local women's rights activists have said they don't agree with the laws, but fear speaking out against them because in doing so they may be portrayed as anti-Islam.

---

### **Acehnese optimistic of lasting peace one year after peace deal**

Kyodo News - August 10, 2006

Rudy Madanir and Christine Tjandraningsih, Jakarta — A recent survey has found that the majority of people in Aceh are satisfied with the current condition in the northernmost Indonesian province and believe in lasting peace, a year after the government and the separatist Free Aceh Movement signed a peace deal in Helsinki.

A former rebel of the movement, locally known as GAM, separately said, however, that injustice still occurs in Aceh and if not fully addressed, similar movements may spring up within five to 10 years.

Pollster Lingkaran Survey Indonesia told a press conference Thursday that 67 percent of Acehnese are satisfied with the current condition in the province.

According to the survey, 56.7 percent of the 440 respondents, interviewed between July 18 and 21, were confident the current condition will lead to eventual peace.

"The survey also found that the peace deal has boosted the feeling of nationalism among the



Acehnese, with 57.8 percent of the respondents regarding themselves as Indonesians rather than as people of certain ethnic or religious groups," said Denny Januar Aly of the LSI.

A similar survey in October last year found that 45.5 of respondents regarded themselves as Indonesians.

Asked how proud they are to be Indonesian, 77.7 percent responded by saying very proud or quite proud, compared with only 56 percent in the October survey.

A nationwide survey recently carried out by LSI also found that 81.2 percent of Indonesians said they wanted GAM, which fought for independence from Indonesia for 29 years, to once and for all disband.

Separately, former senior GAM rebel leader Muhammad Nur Djuli told a panel discussion of the Jakarta Foreign Correspondents' Club that GAM is committed to not return to armed struggle. "GAM will not take up arms anymore. That's for certain," Djuli said.

Djuli said, however, that although the entire population of Aceh, including those who were anti-GAM, has embraced the former rebels, many GAM fighters are still jobless and are living in poverty.

The Law on Aceh Governance, which was recently passed by the parliament in accordance with the Helsinki peace deal to give the province greater autonomy, "may be enforceable, may be nice in the short term," he said. "I must say that the current government is generous, pro-peace and pro-democracy. But this government will not last forever. So, if we have a system that is based on the current enforcer, it (peace) won't last long," he said. "In the long term, popular dissatisfaction and the feeling of injustice once again will set in. If the injustice is not addressed, I feel like in five to 10 years, other (similar movements) might be born," he added.

Sandra Hamid of the Asia Foundation, a US non-governmental organization, shared a similar view, saying the most important challenge for the government and civil society is to address the issue of injustice, which potentially could be the

peace spoiler.

"What is happening since Aug. 15 last year is encouraging and the prospect of peace is promising for many reasons, but the most important thing is that people really want it," Hamid said. "They are tired of conflicts, and no politicians and political parties would be willing to be seen as spoiling the peace for the Acehnese," she added.

Information and Communications Minister Sofjan Djalil, who also attended the discussion, however, promised weaknesses will be addressed, including those related to the law.

"I think the history of abuse of the central government during the Suharto era will never come to Indonesia forever. I do believe that," he said.

---

## **Indonesia's Aceh to vote in December - Jakarta**

Reuters - August 10, 2006

Achmad Sukarsono, Jakarta — Indonesia plans to hold the first direct elections in once-volatile Aceh province by December 10, a government minister said on Thursday.

Indonesia's parliament passed a landmark law last month giving Aceh limited self-rule, a move aimed at cementing a peace pact between the government and the separatist Free Aceh Movement (GAM), signed last year in Helsinki.

The law paves the way for direct elections of local executives in the province, on the northwestern tip of Sumatra.

"In December, we hope by the 10<sup>th</sup> of December, we will have local elections," Information Minister Sofyan Djalil told reporters, adding executive posts in 19 regencies and cities across Aceh would be up for grabs besides the position of the province's governor.

The Helsinki accord marked the end of a separatist insurgency in which more than 15,000 people, mostly civilians, died in the conflict that went for nearly 30 years. The pact was the result of

months of talks spurred by the December 2004 Indian Ocean tsunami that left around 170,000 Acehnese dead or missing.

Djalil, who was speaking to foreign journalists in a panel discussion, said the elections would mark a fresh start in Aceh. "We hope these elections can be conducted smoothly and peacefully. Then, we start a new page of Aceh with greater autonomy and officials directly elected by the people," he said.

GAM officials have said they welcomed the new law but that some of its provisions must be amended because they were not in line with the peace agreement.

The truce required that future policies related to Aceh must receive consent from the region's legislature but the new laws had stopped short by only stipulating the local body would be consulted in such cases, GAM said.

"In the long term, I think popular dissatisfaction and the feeling of injustice, the feeling of being cheated yet once again would set in," Nur Djuli, a member of GAM's negotiation team for the Helsinki talks, told the forum.

The Indonesian Survey Circle, a leading pollster, said that its latest survey in Aceh showed public scepticism in the peace process might increase if economic woes, which sparked the rebellion, remain unresolved after the December polls.

The Helsinki agreement came after GAM dropped its demand for an independent Aceh state. Jakarta in turn promised to allow local political parties, including any group set up by GAM, to operate in Aceh, although that contradicts Indonesian laws.

Existing national laws require parties to have branches in more than half the country's 33 provinces and individuals to obtain party endorsements before they run in elections.

## **WEST PAPUA**

### **Freeport suspects reject indictment**

Jakarta Post - August 9, 2006

Ary Hermawan, Jakarta — Lawyers for seven men charged with the 2002 killings of two Americans and one Indonesian in Papua province entered a not guilty plea for their clients Tuesday, saying the indictments were obscure or baseless.

"The defendants have been made scapegoats as part of an effort to clean up the image of the TNI (Indonesian Military) and mend military ties between the United States and Indonesia," chief lawyer Johnson Pandjaitan told the Central Jakarta District Court. He did not elaborate.

The suspects were indicted for killing US nationals Ricky Lynn Spier, 44, and Edwin Leon Burgen, 71, and their Indonesian colleague, FX Bambang Riwanto, in an armed ambush near PT Freeport Indonesia in Timika district.

Johnson said the charges against key suspect Antonius Wamang, who has confessed to shooting at the vehicles carrying the Freeport employees, were obscure.

"Prosecutors charge Antonius with recruiting the other six defendants to help him vandalize the road to Freeport, but they do not clearly say whether he planned to vandalize the road or to commit murder," Johnson said.

He said the indictments against Agustinus Anggaibak and the five other defendants were premature as their case was related to that of Antonius, who had not been proven guilty.

Antonius' six colleagues are accused of aiding him in launching the assault. "The police said Agustinus Anggaibak and Yulianus Deikme knew nothing about the order, while the rest only knew that there was a request from Antonius to sabotage the Freeport road," Johnson said.

He said the seven suspects could not be charged with premeditated murder because they actually intended to vandalize Jl. Tembagapura, rather than commit murder.

Johnson also said the Supreme Court's order to move the trial from Timika district to Jakarta was invalid. Such an order should have been issued by the Justice and Human Rights Ministry, the lawyer argued.

"The 'security reasons' for the trial to be moved to Jakarta ahead of the Papuan gubernatorial election were an exaggeration, because the poll ended peacefully," he said. "After all, all regions (across the country) will hold local direct elections, and that should not necessarily cause court proceedings to be moved."

During the Tuesday court hearing, the seven defendants continued to protest against being tried in Jakarta. They refused to sit in the defendants' chairs, and kept silent during the proceeding. Johnson said the arrests of the suspects by FBI agents in January were also invalid because they were carried out without arrest warrants.

"They were deceived by the FBI agents, who persuaded them to come out of hiding with a promise that they would be brought to the US so they could tell about the injustices in Papua. But in fact they were turned over to Indonesian authorities," the lawyer said.

Johnson also said his clients were not accompanied by a translator during the investigation, and most of them could not speak Indonesian fluently.

Presiding judge Andriani Nurdin adjourned the trial until Aug. 15, when it will continue with or without the presence of the defendants.

---

## **West Papuan refugee finally gets asylum**

Green Left Weekly - August 9, 2006

Pip Hinman — Refugee-rights campaigners and supporters of a free West Papua welcomed the Refugee Review Tribunal's (RRT) ruling on July 31 to overturn the government's decision not to grant a temporary visa to the last of the 43 West Papuan asylum seekers who landed on Cape York in January. David Wainggai had been told he could apply for a visa in Japan, the birth country of his mother, and was incarcerated on Christmas Island.

Nick Chesterfield from the Free West Papua Campaign in Melbourne said Wainggai's flight from

the Indonesian military's violence in West Papua entitled him to a visa, like to the other 42 asylum seekers.

While welcoming the RRT decision, Greens immigration spokesperson Senator Kerry Nettle warned on August 1 that if new migration laws due to come before the Senate this week are passed, asylum seekers like Waingai will be returned to face the persecution they had fled.

The Migration Amendment (Designated Unauthorised Arrivals) Bill (DUA bill) does not guarantee the resettlement of refugees in Australia. This means that refugees, including children, could be locked up on Nauru indefinitely while the immigration department (DIMA) finds another country willing to take them.

Neither does the new bill allow for judicial review, which is essential to scrutinise DIMA's decisions and has enabled many refugees to stay in Australia. The review process has also helped prevent some refugees from being deported to countries where they would be likely to face persecution.

Anna Samson, a campaign officer for A Just Australia, told Green Left Weekly that had the Howard government's law already been in place, Waingai would have been transferred to Nauru to have his claim processed there and, rather than being given community housing, would have been locked up in a detention centre without access to health and welfare services.

Samson explained that the bill "aims to create a two-tier system of legal rights for people wanting to migrate to Australia. On the one hand, refugees like David will be forced to settle for a decision made by a single department officer that may be appealed to another 'non-DIMA officer' drawn from a 'pool' of people with RRT experience. They will not have access to courts.

"On the other hand, people who arrive by plane will have full access to the Australian legal system. Yet, statistically, asylum seekers arriving by boat are more likely to be refugees than those who arrive by plane and seek asylum."

The DUA bill will not guarantee adequate health

and welfare services on Nauru.

Nettle has recently returned from visiting West Papuan refugees in Papua New Guinea. She said that many suffer in difficult conditions in remote refugee camps and "for Australia to attempt to reject West Papuan asylum seekers and send them home, or into these camps, is simply cruel".

To prevent the retrograde DUA bill from becoming law, two senators will have to cross the floor.

The Greens are urging other senators to oppose the DUA bill and Chesterfield is calling on dissident Coalition MPs to vote against Howard's attempts to make the migration laws even more punishing.

---

### **'Time for government to change approach to Papua'**

Jakarta Post - August 9, 2006

President Susilo Bambang Yudhoyono's recent visit to Papua marked the government's renewed commitment to addressing the multitude of problems facing the local people. Papua University scholar Agus Sumule, who helped draft the law on special autonomy for Papua, shared with The Jakarta Post's Dwi Atmanta his views on the implementation of the law.

Question: Many people say special autonomy is the best solution to Papua's problems. What actually are the problems?

There are four basic problems facing Papuans. First, the yawning gap between Papua and Jakarta. Despite the exploration of natural resources like mineral, marine and forest resources, the quality of life of the Papuan people remains poor as indicated by the province's mortality rate, which is the highest, and life expectancy, which is the lowest in the country. Second, the traditional rights of Papuans have long been neglected. The history of the extraction industry in Papua cannot be separated from Jakarta's negligence of rights abuses. Third, many gross human rights violations that have occurred since 1963 in Papua remain unaddressed. Fourth, there has been debate over the history of Papua's integration with Indonesia

through the Act of Free Choice in 1969. Many Papuans believe the process was unfair and far from honest. Law No. 21/2001 on special autonomy for Papua was envisioned to address the problems, one by one. It stipulates the allocation of 2 percent of the special allocation fund for Papua and the lion's share of 70 percent of the revenue from oil and gas for the province. Past human rights abuses will be settled through the Papua office of the National Commission on Human Rights and the controversy surrounding Papua's integration into Indonesia will be resolved through the Truth and Reconciliation Commission. But apparently the major problems have remained unaddressed.

Why has special autonomy not gone ahead?

The government has made two basic mistakes. First, I haven't seen the central government intent on upholding the special autonomy law since it was enacted by president Megawati. It was evident in the delay of the formation of the MRP (Papua People's Council) and the issuance of Presidential Decree No. 1/2003 (on the acceleration of Papua's division into three provinces). As soon as SBY assumed power, we pushed for a media campaign to tell the new government the time had come to make amends for the mistakes. But our advice fell on deaf ears. Second, the law cannot work because the local government lacks the capacity, which is demonstrated by overwhelming practices of KKN (corruption, collusion and nepotism), while at the same time we feel the central government seems reluctant to improve conditions. Jakarta is mandated to carry out the supervision of regional governments, according to Law No. 22/2004 on regional administrations. It is as though there is some grand scheme to derail special autonomy by letting the mismanagement continue.

The government plans to review the law on special autonomy for Papua. Will the revision result in improvements?

The revision must first of all guarantee that the substance of the law will not be altered, because the problem rests with the implementation. That's why the Papua legislature has expressed opposition to the revision plan. Even the formation of West Irian Jaya cannot justify the amendment.



Such a revision must start from the bottom, which more or less is similar to the way Law No. 11/2006 on Aceh's governance was drafted. Thank God, Aceh's problems could finally be settled through a democratic process. We can do it for the Papuans, can't we? Therefore the government should let Papuans take the initiative in the revision of the law on special autonomy for Papua. The law itself stipulates that any revision to it must be done through consultation with the legislature and the MRP.

How do you see the recently issued presidential instruction on the acceleration of Papua's development?

I don't agree with it. First, the instruction, if we read it thoroughly, confirms the government's failure to uphold the special autonomy law. In the case of Aceh, the law on special autonomy status for the province was a failure and was replaced by the law on Aceh governance. It is humiliating for Papuans if the law on special autonomy for Papua is replaced with a presidential instruction. Besides, the hierarchy of our legal system does not recognize a presidential instruction according to People Consultative Assembly Decree No. 3/2000.

Second, the presidential instruction on Papua's development requires each Cabinet minister to draw up a strategy for development in Papua. So, where is the autonomy? It is obviously a form of central government intervention in Papua's autonomy.

Third, through the instruction, the government appears to be pushing for a resettlement program in Papua. It is not specifically stipulated in the instruction, but the fact that it orders the transmigration minister to deploy skilled human resources to help Papua develop agriculture means transmigration.

Fourth, the instruction offers affirmative actions that differ from those stipulated in the special autonomy law. The instruction restricts the affirmative actions to opportunities for local people to hold government, military and police posts, which worries me. Will there be a new military battalion in Papua that will treat fellow Papuans brutally? I don't know.

Fifth, the instruction is too simple compared to

Law No. 21/2001. The protection of traditional rights and the settlement of past human rights abuses, for example, are absent from the instruction.

The instruction should have focused on steps to correct the ineffective implementation of special autonomy following the inauguration of the new Papua and West Irian Jaya governors, to adjust all government policies to the law and investigation into corruption cases.

Is separatism still relevant in Papua?

It's a very relevant issue to date and is worrying. People have considered special autonomy a failure and demanded talks to restore public trust in the central government. If the demand is left unheeded, they will feel they are different and look for their own way. Separatism may not take shape in an armed struggle but an intellectual revolt.

The timing is right for the government to improve the condition now that the new governors have been installed following a democratic process and the Aceh problem has been settled through talks that set a good precedent for international support for the solution to Papua's problems. The involvement of foreign parties does not mean turning the matter into an international issue, but it will instead build trust as happened in Aceh. If this golden chance is wasted, I don't know what will happen.

## HUMAN RIGHTS/LAW

### **Human trade flourishing in Indonesia, say experts**

Jakarta Post - August 16, 2006

Jakarta — Although the central government has identified human trafficking as one of Indonesia's most serious problems, the trade continues to flourish here.

Arist Merdeka Sirait of the National Commission on Child Protection (Komnas PA) said that the situation was being aggravated by the way police treated the victims.

"Instead of taking a protective approach towards the victims, the police tend to humiliate them," he told The Jakarta Post on Tuesday. "To eliminate this crime, we need to make an extra effort and involve all security institutions and the public," he said.

Indonesia is a hub for trafficking. Young local women are often hired under the pretense of overseas employment as domestic workers, only to end up in forced prostitution in Malaysia, Taiwan, Japan, Hong Kong, South Korea, Singapore, Saudi Arabia, Kuwait and the United Arab Emirates.

Babies have also been sold internationally for illegal adoptions through "legitimate" children's institutions, Arist said.

"This is mostly caused by poor law enforcement. We need pro-active enforcers. The Indonesia Workers Service Company needs to be watched closely," he said. "The Manpower and Transmigration Ministry should be more careful because so far its monitoring has been weak. For example, it is against the law to send people under 18 to work abroad."

High rates of poverty and unemployment, along with low levels of education, have been blamed for the ease with which people in Indonesia are exploited.

"The law on child protection is used for those who violate children's rights while the Criminal Code is for women. We have drafted a bill, now in the hands of the House of Representatives, to really banish human trafficking in Indonesia. We are improving the criminal, protection, rehabilitation and repatriation aspects," said Muhammad Joni, a legal expert at Komnas PA.

He said transnational organized crime needed to be watched by international organizations too, otherwise national institutions would perform poorly.

"Other crimes, such as corruption, money laundering and terrorism, can be handled seriously. Why can't human trafficking cases be handled in a serious manner?" said Muhammad.

Meanwhile, monitoring group Indonesia Police Watch head Neta Pane said most of the data available about human trafficking was provided by

non-governmental sources.

"That proves that our government is not serious enough about handling the issue," said Neta.

He added that poor and developing countries were easy targets for criminal organizations.

"The police alone, with their limited facilities and equipment, cannot handle these crimes. They need to collaborate with the Navy and immigration personnel," Neta said.

He said the National Police had succeeded in catching some of the people involved in trafficking, but that the bosses often evaded arrest.

---

## **Activists gear up for fight to save death row Christians**

Agence France Presse - August 12, 2006

Arvin Fikriansyah, Palu — A last-minute reprieve for three Indonesian Christians on death row has been welcomed by activists and relatives as they geared up to fight for a commutation of their sentences.

Indonesian authorities granted a stay of execution for Fabianus Tibo, Dominggus da Silva and Marianus Riwu, who were found guilty in 2001 of violence against Muslims in Central Sulawesi, minutes before they were to be shot.

Police said that officials were too busy preparing for celebrations ahead of Indonesia's Independence Day on August 17, so the men would have to be executed by firing squad, probably three days afterwards.

The wife of Tibo, Nurlin Kasiala, thanked the government.

"I am very thankful to the Indonesian national police chief for delaying my husband's death sentence," she told AFP. "I am going to continue fighting until my husband is pardoned from execution because I have no doubt that he is innocent from having taken part in

violence in Poso," she said, referring to the area affected by the religious conflict.

The trio's case is sensitive in Indonesia, where three Islamic militants are also on death row for their roles in the 2002 Bali bombings, which killed 202 people. They are to be executed on August 22 unless they request a case review.

The execution of the three Christians would have been the first carried out by Indonesia this year.

Amnesty International, along with other critics of the Poso case, have said the men's original trial was unfair. Angry Muslim mobs besieged the court during their trial and there were reports of intimidation of judges and their legal team.

Amnesty hailed the decision by the government and urged it "to immediately transform this act of clemency into the commutation of their death sentences," it said in an e-mail to AFP.

The reprieve was granted after Pope Benedict XVI dispatched Friday a request for clemency to Indonesian President Susilo Bambang Yudhoyono, though officials in the world's most populous Muslim nation denied there was a connection.

George Aditjondro, an analyst who has done extensive research on the Central Sulawesi religious conflict, which saw some 1,000 deaths in 2000-01, said the government may have considered both foreign and domestic protests.

"Perhaps international pressure played a hand in the decision but there was also strong support domestically" for the stay of execution, he told AFP, referring to protests this week by thousands of Christians.

He also said that the president must have taken into account that the executions "have the potential to trigger even bigger communal conflict."

A government-brokered peace pact came into force in 2001 in Central Sulawesi but intermittent violence mostly targeting Christians, who live in roughly equal numbers with Muslims there, has persisted.

Protestant priest Yance Taihatu also welcomed the

reprieve but warned that the government still needed to devise a permanent solution to end ongoing unrest.

"This is a dilemma because for sure there will pro and anti reactions to the delay. The government must meticulously analyze this matter although they are now facing a dead end," he said. "This is a cul-de-sac. The president is in a cul-de-sac."

Johnson Panjaitan, who heads the Jakarta-based Indonesian Legal Aid and Human Rights Association, also said any pardon must be granted "in the context of a package that can comprehensively solve conflict in Poso."

The three death row inmates in the Poso case have already exhausted all legal avenues of appeal, including an appeal for clemency from the president. In theory, Yudhoyono could still grant them a pardon.

---

## **Thousands protest Poso executions**

Jakarta Post - August 11, 2006

Yemris Fointuna and Ruslan Sangadji, Kupang/Palu  
— Large rallies were held across East Nusa Tenggara on Thursday to protest the impending executions of Fabianus Tibo, Marianus Riwu and Dominggus da Silva for their roles in violence between Christians and Muslims in Central Sulawesi's Poso district.

In Kupang, the Peace and Truth Commission of the Kupang Diocese called on Catholics to pray at home for the safety of the three death-row convicts, who hail from East Nusa Tenggara.

Commission head Father Maxi Un Bria urged all believers to pray for the lives of the three men to be spared. "A person's life and death is determined by God and not by bullets," Maxi said.

The foster father of Dominggus, Anselmus da Silva, said by telephone he was resigned to the fate of his son. "We have exhausted every legal channel. We can only pray for the government to overturn

the ruling. We are powerless in the face of the government," he said.

The Palu Prosecutor's Office has set the execution date for the three, who will die by firing squad this Saturday at 12:15 a.m. Their families said they had been notified of the date.

Central Sulawesi Police chief Brig. Gen. Oegroseno said Thursday he had received execution orders from the prosecutor's office. He added that his officers were ready to carry out the executions. "We have prepared six firing squads, or 40 selected sharpshooters. They have been trained and they are psychologically prepared to carry out their duty," Oegroseno said.

In Tentena, Central Sulawesi, thousands of Christians held a rally Thursday morning to condemn the executions. The head of the Central Sulawesi Protestant Church (GKST) Synod, Rev. Renaldy Damanik, told The Jakarta Post the executions were unjust and inhumane. "If the executions stand, we will cancel plans to plea for clemency for perpetrators of the Poso conflict. Anyone involved must be punished," Damanik said.

GKST secretary Rev. Irianto Kongkoli said that Fabianus Tibo's disclosure of the identities of several people believed to have masterminded the Poso violence received very little response from the authorities, and instead three innocent men were to be executed.

"I don't believe a farmer could have masterminded the conflict. They are only victims. The one who should be severely punished is Arief Patanga," Kongkoli said.

Arief Patanga was the Poso regent from 1992 to 1997. The Poso conflict began toward the end of his term. There have been allegations that in an attempt to win reelection he mobilized supporters, which eventually flared into religious violence.

The spokesman for the Central Sulawesi People's Coalition Against Violence (KoMa), Edmond Leonardo, voiced opposition to the use of capital punishment in Indonesia, including the execution of Tibo and his colleagues. He said the country had far more pressing problems to address, such as poverty and corruption.

Poso Center secretary Mahfud Masuara said President Susilo Bambang Yudhoyono should form an independent fact-finding team to gather objective, honest and thorough information on the violence that occurred in Poso from 1998 to 2006.

"This team should determine the facts relating to the controversial death sentence of Tibo and his friends, and recommend a proper and just legal solution. In this regard, the government should postpone their executions," Masuara said.

Robert Tibo, Fabianus Tibo's son, said he was convinced his father was innocent. "My father is a victim of the interests of selfish people in Poso."

## GOVERNMENT/CIVIL SERVICE

### **Brokers blamed for delays in government projects**

Jakarta Post - August 11, 2006

Rendi Akhmad Witular, Jakarta — The delays in the spending of development funds by many local administrations are believed to be partly the result of rent-seeking practices involving collusion between a number of national legislators and local administrations, a minister says.

Under the regional autonomy scheme, local governments are entitled to receive specific allocations out of the annual state budget under the general allocation fund (GAF) and special allocation fund (SAF) arrangements, in addition to a share of taxes and natural-resource revenues.

State Minister for National Development Planning Paskah Suzetta said Thursday that some of the funds allocated to local governments could not be immediately employed because of delays in the completion of their regional budgets.

Paskah said that these delays were often deliberately engineered in order to give the local administrations time to seek higher allocations out of the GAF. For this purpose, many provincial administrations employed the services of national legislators as lobbyists, who then pressured the central government during the deliberation of the national budget.



"Approval of a lot of regional budgets is delayed due to the fact that the local administrations are seeking higher allocations from the GAF. That is why there are so many brokers providing such services," said Paskah after a meeting with Vice President Jusuf Kalla. A GAF allocation to a local administration cannot be disbursed until such time as its budget has been approved by the regional legislature. However, in a Catch-22 situation, local administrations claim that they cannot accelerate the adoption of their budgets as they first have to wait for the approval of the national budget.

This year, the central government has earmarked a total of Rp 145 trillion (around US\$16 billion) in GAF allocations.

"It is simply unacceptable that the local administrations cannot approve their budgets in line with the adoption of the state budget in December. They are inventing reasons so as to allow them to secure higher GAF allocations with the help of brokers," said Paskah.

Paskah said that the central government normally disbursed the GAF payments to all of the regions in February, around two months after the adoption of the national budget.

Paskah should be fully au fait with the situation as he served as chairman of the House of Representatives finance commission from 1999 until 2004. He may also be able to help identify the corrupt legislators who act as brokers.

A number of legislators are currently under the spotlight after seven of their colleagues were accused of acting as middlemen who pressured government officials to secure disaster relief money for their regions.

The scam was uncovered a few weeks ago after a lawmaker was dismissed from the House for acting as a middleman in a government-funded haj-dormitory project.

The lobbyists received hefty fees for their services.

Aside from rent-seeking, some local administrations have also been accused of delaying

projects after the funds had been disbursed so that they could earn interest on them by putting the money in government bonds or bank deposits.

The central bank recently discovered a staggering Rp 43 trillion in development funds that were supposed to be used for regional projects lying idle in the banking sector.

---

## **Legislators named in alleged threats**

Jakarta Post - August 10, 2006

M. Taufiqurrahman, Jakarta — Weeks after a lawmaker was dismissed for acting as a middleman in a government-funded haj dormitory project, seven lawmakers are accused of pressuring government officials in order to get disaster relief money for their regions.

The Coordinating Ministry for the People's Welfare disclosed the names of the lawmakers Wednesday.

After meeting with House Speaker Agung Laksono, Ministry secretary Sutedjo Yuwono said the lawmakers included Emir Moeis of the Indonesian Democratic Party of Struggle (PDI-P), Rudianto Tjen, also of the PDI-P faction in the House, and M. Tonas of the Democratic Pioneer Star faction.

The remaining four were Ahmad Hafiz Zawawi of the Golkar Party, Jabaruddin Ahmad of the United Development Party, Baharuddin Asari of the National Awakening Party and Nurhadi Musawar of the National Mandate Party. Emir and Hafiz are the chairman and deputy chairman of the House budget committee.

Sutedjo said some of the lawmakers phoned him, asking for a portion of the Rp 3.2 trillion (US\$355 million) in relief funds to be allocated to their regencies.

"Some others went further in coming up with their own proposals for projects that had nothing to do with disaster relief programs," Yuwono told a press briefing. He was referring to Roedijanto, who submitted a proposal to improve services at a

hospital in North Sumatra.

Sutedjo, who was the first official to disclose the allegations, said he had received threats from some legislators who felt that their proposals were not being responded to.

He had said previously that several lawmakers threatened to block the funding unless their regions received a share of the money, even though they were not affected by disasters. The lawmakers in question have appeared on television and other media outlets denying any wrongdoing.

Coordinating Minister for the People's Welfare Aburizal Bakrie said some of the lawmakers had bypassed the existing procedures for the disbursement of relief funds.

It was a breach that could disrupt government planning mechanisms, he added. "If the procedures are not followed there will be confusion in the planning of disaster relief fund allocations," Aburizal said.

The House leadership, however, defended the lawmakers' conduct, saying they had merely acted on behalf of their constituents.

"I know that the House members did make contact with people from the ministry but such conduct was part of their role in representing people from their electoral districts. After all they did not make efforts to enrich themselves," Agung Laksono told journalists.

## **WAR ON CORRUPTION**

### **Suharto graft case should be dropped: Appeal court**

Agence France Presse - August 9, 2006

Jakarta — An Indonesian appeal court has ruled that a corruption case against former dictator Suharto should be dropped, overruling a lower court's order to reopen the case.

The attorney-general's office announced on May 11 that it had halted legal proceedings against the ageing Suharto, who is accused by critics of amassing billions of dollars in state assets

during his iron-fisted rule. It cited poor health, saying a stroke had left Suharto unable to follow proceedings.

In response to a suit filed by activists, the South Jakarta district court ruled in June that the case be reopened. But the Jakarta Court of Appeal has overruled it, court spokesman Yohannes Suhadi told reporters.

A panel of three judges said in their ruling, a copy of which was released to the press, that Suharto's inability to communicate both verbally and in writing "is a reason to void any authority to indict" him.

The attorney-general's office had based its decision to drop the case on an interpretation of a Supreme Court decree, which had recommended that Suharto face trial if and when his physical condition improved. The office argued it could not implement the decree as Suharto's health had deteriorated too much.

The appeal court's decision is not necessarily the end of the legal saga. The activists who initially lodged the lawsuit could appeal to the Supreme Court and others could attempt to launch similar suits.

Due to ill health, Suharto has never taken the stand for corruption charges levelled against him in 2000. These accuse him of misusing more than 500 million dollars from charitable foundations he set up during his rule — separate to the billions in state assets he is alleged by critics to have siphoned off.

Suharto, 85, stepped down amid mounting unrest in 1998 after ruling for more than three decades and has lived at his upscale family residence in the leafy Jakarta suburb of Menteng since then.

He has been in and out of hospital for various health problems in recent years, including at least three operations and nearly a month of treatment for stomach problems this year.

---

## **Corruption pervasive in villages**

Jakarta Post - August 10, 2006

Agus Maryono, Purwokerto — Corruption is a deep-seated and pervasive problem that affects all levels of governance, from neighborhood level up.

The efforts of President Susilo Bambang Yudhoyono and other high-ranking officials, as well as police and prosecutors, to eradicate corruption within the government appear to have had little impact at neighborhood or village level.

In Banyumas regency, irregularities have been reported in the issuance of household cards, identity cards and the disbursement of cash assistance for the poor.

The government implemented a quarterly cash compensation package last October to offset the effects of last year's fuel price increases. Under the scheme, low-income families are entitled to Rp 300,000 (US\$31.57).

Applying for a household card or a picture ID in Banyumas is a complicated process. The application, which must go through the neighborhood and community units, then the district and regency administration offices, can take weeks to complete.

"The official fee is Rp 8,000, but it could take two months. I eventually asked them to 'accelerate' the process. The clerk at the district administration office charged me Rp 30,000 and said it would take a week, which turned out to be true," Yono, 36, a resident of Kembaran village, said.

Instead of Rp 300,000, many recipients of the unconditional cash assistance received only Rp 250,000, or even Rp 200,000. "We only got Rp 250,000. They said the Rp 50,000 was for administrative fees and contributed to the village coffers," Warsim, 30, from Kemetug village, Baturaden district, told The Jakarta Post.

He said residents had been warned that reporting the matter to their neighborhood chiefs could boomerang on them, because their names might be dropped from the list of recipients.

"Besides which, the cash assistance has not been fairly distributed. Many poor people don't receive it, but those who are better off — who have nice homes with tiled floors — receive it because they are close to their neighborhood chief," Warsim said.

Supeno, 50, from Sumbang village reported similar treatment. "Well, everyone knows the neighborhood chief distributes the money as he likes. I, who live in a house like this, get nothing, but many people who have houses with tiled floors and own motorcycles appear to be eligible," said Supeno, when met by the Post at his dirt-floor home.

In Wlahar village, Kalibagor district, residents said village officials had deducted Rp 100,000 from their payments. "They demanded Rp 100,000 from me, saying the money would be divided among their superiors. They told me not to tell anyone. If I did, they were going to drop my name from the recipient list," said villager Mad Kasim, 45.

Irregularities in the distribution of cash assistance are believed to be rife partly because residents are afraid to stand up for themselves.

However, hundreds of Wlahar Wetan residents staged a protest at the local village hall demanding that the village treasurer, who allegedly deducted Rp 100,000 from the payments, be dismissed.

Banyumas Regent Aris Setiono said Saturday, "I will take stern action against my subordinates if they are proven guilty. It is not appropriate behavior."

## **ENVIRONMENT**

### **Porong workers see dreams sink beneath mud**

Jakarta Post - August 16, 2006

Indra Harsaputra, Sidoarjo — Workers whose companies are affected by hot mudflow in Porong, Sidoarjo, East Java, said Tuesday they were not being properly compensated for their loss of income.

Susiati, 40, was sent home until further notice along with 63 other workers after the mudflow,

which began pouring out of an exploratory well at Lapindo Brantas Inc. gas prospecting site on May 29, swamped their company, cracker producer CV Sari Inti Pratama.

Lapindo had said it would give the workers Rp 700,000 (US\$76) each per month but they only received Rp 500,000 from the cracker producer. They were allegedly threatened with dismissal if they refused the offer.

"I'm tired of fighting the company to get it to change its mind. I've been in two protests but nothing has changed. Rather than having to protest all the time, I'd rather quit my job," she told The Jakarta Post on Tuesday.

In order to compensate 1,873 workers in 19 companies affected by the mudflow, Lapindo has distributed Rp 1.3 billion.

Reality is starting to hit home for the hundreds of workers who have lost their jobs. They wonder how they are going to feed their families.

Their future is becoming more uncertain still as it is likely that residents will be evacuated from their homes, with no guarantee they will ever be able to return.

"This is a nightmarish situation. I've got no idea what to do. I'm sure Lapindo won't be handing out money for ever," said the woman, who is staying in a temporary shelter. Other workers have had better luck.

A number of companies in the affected areas have transferred their employees to other branches. Many have also received full cash compensation from Lapindo.

Abimanyu, who previously worked in the human resources department of food producer PT Primafindo Pangan Makmur, said he had not been notified by the company of any relocation plans. "But the good news is I'm back at work at a branch office of our company. And my salary is the same as before," he said.

Primafindo's general manager Maria Elizabeth Anggraeni said that if the company was forced to scale back its operations it would find jobs for

its employees at its branch offices or other companies. "This is to ensure that the workers can return to work immediately."

Sidoarjo Deputy Regent Saiful Illah said he had warned businesspeople against dismissing workers because of the mudflow. However, he said he understood it was difficult for companies that had already suffered huge financial losses.

"The (regency) government is just a facilitator. I've repeatedly asked companies not to fire workers. We've also urged workers to look for other jobs, so they don't stay unemployed for long," Saiful said.

The head of the Sidoarjo regency manpower office, Bambang Widagdo, said the administration was planning to hold a job fair.

The job fair, he said, would give workers an opportunity to look for alternative work. "We're working hard not to add to unemployment numbers. We plan to prioritize workers affected by the mudflow."

---

## **Worsening forest fires cause haze to spread**

Jakarta Post - August 16, 2006

Tb. Arie Rukmantara, Jakarta — Forest fires on Sumatra and Borneo are sending a toxic haze across the skies of Southeast Asia, raising air pollution levels on the two islands and in neighboring Malaysia, Singapore and Brunei.

Malaysia's Meteorological Services Department on Tuesday said a smoky haze was blanketing skies in the central Selangor state and the eastern state of Sarawak on Malaysia's part of Borneo island, causing air pollutant indexes at five stations to record unhealthy air quality levels.

The indexes, which measure harmful particles in the air, recorded moderate air quality levels in 38 other areas.

In Singapore, the pollutant standards index (PSI) dropped from "healthy" to "moderate" with a



reading of 52. A reading of more than 100 is considered dangerous to the health, while 50 or below is good.

The haze from the fires also has affected Brunei, which experienced higher than normal air pollution levels Monday and reduced visibility levels of 5,000 meters.

Malaysia's Sarawak Deputy Chief Minister Tan Sri Dr George Chan warned the haze in the state was expected to worsen.

He said the Meteorological Services Department had forecast "less than normal" rainfall in Borneo until the end of the year, which would give rise to more brushfires and more haze.

The Jakarta-based ASEAN Secretariat said satellite images showed there were more than 350 "hot spots" detected in Riau, North Sumatra, South Sumatra, Bengkulu and Jambi, producing a haze that traveled throughout the region. It also showed more than 170 hot spots in Borneo, but did not state whether these fires were sending smoke across the region.

"Most of the fires have occurred in abandoned plantation areas and peat lands," according to a report issued by the secretariat Tuesday.

Triwibowo, the director for forest fire control at Indonesia's Forestry Ministry, confirmed the secretariat's report that most of the fires were on privately owned land. He said this was one reason it was so difficult for the government to extinguish the blazes.

"We deployed dozens of officers to put out the fires 10 days ago but they have been unable to deal with them," he told The Jakarta Post.

Triwibowo said his office was formulating new strategies for fighting the fires, including deploying helicopters and planes to drop water on the blazes.

"But that would still be difficult because the fires are scattered around thousands of hectares of land. I guess now is the time to pray for heavy rain."

---

## **Environmentalists say European firms using stolen Indonesian wood**

Deutsche Presse Agentur - August 15, 2006

Jakarta — A coalition of environmental groups on Tuesday accused leading European flooring manufacturers of using wood stolen from Indonesia's last remaining rainforests.

The London-based Environmental Investigation Agency (EIA) and its Indonesian partner Telapak had previously released evidence claiming that much of the merbau timber sold as flooring by several European and North American flooring manufacturers had come from Indonesia's strife-torn Papua province, where illegal logging is rampant.

The groups said that although many British and American flooring retailers moved immediately to remove the products from sale, three European manufacturers refused to do so. The groups identified the manufacturers as Tarkett of Germany, Kahrs of Sweden, and Junkers of Denmark.

"While we applaud the swift response of the large retail chains, we are appalled by the failure of major flooring brands to take similar decisive action," Sam Lawson, a senior investigator with EIA, said in a joint-statement with Telapak.

"These companies are clearly more concerned with supplying the demands of consumers for cheap and fashionable flooring than they are with keeping their hands free of contraband wood." The statement said Junkers had made "considerable effort" to investigate the groups' findings but continues to use Indonesian merbau, while the other two manufacturers have not responded to EIA and Telapak's investigation.

Papua, one of the world's most remote areas, lies on the eastern end of the Indonesian archipelago and is home to some of the last significant tracts of virgin tropical forest in Asia.

Rampant illegal logging, in many cases protected by Indonesian security forces, has enabled hundreds of millions of dollars worth of prime

timber to be smuggled out of the province and shipped abroad.

Around 60 million hectares of pristine forest across Indonesia has vanished in the last 20 years because of over-cutting, illegal logging, land conversion, natural disasters and forest fires, according to The Jakarta Post newspaper. According to EIA, Indonesia was the largest source of illegal timber and wood products to the European Union in 2004.

---

### **River pollution hits new high**

Jakarta Post - August 15, 2006

Multa Fidrus, Tangerang — Thousands of Tangerang residents living along the Cisadane river are at risk of various illnesses due to the increasing level of pollution in the river, a report says.

Tangerang municipality water company PDAM Tirta Benteng announced Monday that tests of river water had shown alarming levels of contaminant, including manganese, iron, ammonia and sodium.

Company spokesman Indra Wawan Setiawan said the hazardous chemicals could build up as deposits in the human body, causing effects that were likely to become apparent within the next five years. "The effects will range from skin diseases and digestive problems to kidney failure and various kinds of cancer," he said.

He said Tangerang tap water consumers would also be affected, but that people living along the riverbank were at a greater risk as they used water directly from the river for household purposes. He said they were also alarmed by river water seeping into the wells of residents living nearby.

The report was based on recent tests on water samples from the Cisadane River carried out by a joint team of officials from the municipality's environmental agency, health agency and water companies PDAM Tirta Benteng and PDAM Tirta Kerta Raharja.

The tests also found that 11 companies producing a range of products, including ceramics, fibers, chemicals and textiles, had been dumping liquid waste into the river.

PDAM Tirta Benteng president director M. Kodri said the increasing level of pollution had caused water purification costs to increase significantly, and if it persisted, could lead to the disruption of tap water supplies.

"If the problem is not immediately taken care of, the residents will suffer," he said, adding that the dry season had significantly decreased the river's volume.

He said the company's water intake level had decreased from 3 meters to 90 centimeters. If it continues to decrease by 10 centimeter a day, the company will only be able to provide clean water for consumers for the next nine days.

Wild grass has covered the surface of sediment in the river, while algae has blackened the water.

The oxygen level in the water has also dropped below the normal standard, a supporting test from independent laboratory Sucofindo indicates.

"Our pumping engines are currently still working. But the quality of the water is of concern," he said, adding that it would be very difficult to process river water into clean water.

---

## **Deforestation threatens to sound death knell for Lampung park**

Jakarta Post - August 14, 2006

Oyos Saroso H.N., Bandarlampung — Five-year-old Trimu is placed in an old babywalker every now and then. Although his feet can touch the ground, he isn't able to get it moving as other children usually can.

The boy, blind at birth, was playing alone in front of his 12-square-meter house with plaited bamboo walls and a dirt floor.

Trimo, who also suffers from malnutrition, is a child of Rasidi, 45, and Tatik, 37, from Pemerihan village, Bengkunt district in West Lampung.

Rasidi and Tatik, who originate from Pacitan, East Java, cultivate farmland within the Bukit Barisan Selatan National Park. While they are poor, and do not own the land they live on or cultivate, the park is their source of livelihood.

Pemerihan village, established in the 1950s, borders the park and was previously a vast forested area. Its population of about 4,000 mostly originate from Cawang Ara village inside the park area. In the 1970s, they were evicted and relocated to Pemerihan.

Squatters from areas outside Pemerihan openly clear forest land to make way for the cultivation of coffee, pepper, cacao and vegetables without any fear of being caught by forest rangers, while those from Pemerihan usually play cat and mouse with forest rangers, disappearing whenever they sense the presence of rangers and outsiders.

Rasidi said he decided to cultivate land within the national park to seek a sustainable livelihood. According to Tatik, she and her husband moved to Pemerihan a few years back. They previously lived in Kalianda, South Lampung, working as farm laborers.

"We had to move here to survive. But, we don't own a farm here, and we built this house on this land with permission from our neighbor," said Rasidi.

The pace of deforestation in Bukit Barisan Selatan National Park is about 1,630 hectares per year. Tens of thousands of people like Rasidi who live within the park area cultivate crops on state land. Data at the park's office showed that no less than 26,242 squatter families cultivate land inside the park.

They began to cultivate 53,000 hectares of land after illegal loggers had finished removing the timber in the area. The highest extent of damage occurs in Sekincau, Suoh and Rantauagung areas (bordering Bengkulu province).

"We are actually benefiting from what is left... rather than leaving the areas barren," said

Rasidi.

Head of the park's office Tamen Sitorus said that the largest deforested area was in the Sekincau area in West Lampung, where more than 21,353 hectares had been turned into coffee farms.

Besides the threat of deforestation, the area which has been listed as a world heritage site is under constant threat of theft of trees with high market value, such as meranti, a mahogany-like hardwood.

The park's management faces difficulties in evicting the squatters who have been cultivating the land in the national park for decades.

"Land clearance and illegal logging are obviously a threat to flora and fauna in the park," said Tamen.

A recent study by the Lampung office of the World Wide Fund for Nature (WWF) indicated the presence of new deforested areas, a process that continues at quite an alarming rate in the park, stretching from Pematang Sawa, Bengkumat, Rata Agung and Merpas to Bukit Benungla and Sekincau, all in West Lampung regency.

"The areas are the habitat and vital reproducing areas of large mammal species," said Lampung WWF consultant, Joko Santoso.

Joko said that the deforestation problem could not be resolved by applying forceful approaches to evict the squatters, but through a comprehensive approach to the problem.

Based on observations by the Post, a number of logging routes which were previously only narrow trails, have turned into roads passable by four-wheeled vehicles.

The path which connects Suoh and Menanti villages in Bengkumat district, for example, is used by trucks daily to carry harvested coffee beans out of the area.

Head of the West Lampung Forestry Office, Warsito, said that his office had done all it could to prevent deforestation, but due to limited personnel, illegal logging still continued unabated. "We have also carried out patrols

involving the community," he said.

The Bukit Barisan Selatan National Park spans 356,000 hectares, stretching from Tanggamus and West Lampung regencies in Lampung province to Kaur regency in Bengkulu province.

The park is of great significance for the preservation of a number of large mammal species, such as the Sumatra elephant (*Elephas maximus sumatrensis*), Sumatran tiger (*Panthera tigris sumatrensis*), Sumatran rhinoceros (*Dicerorhinus sumatrensis*), tapir (*Tapirus indicus*) and honey bear (*Helarctos malayanus*).

The Gunung Leuser, Kerinci Seblat and Bukit Barisan Selatan national parks have together been named world heritage sites by UNESCO.

---

## **Haze returns to Indonesian part of Borneo island**

Agence France Presse - August 13, 2006

Jakarta — Thick and acrid haze from fires set to clear land is blanketing parts of the Indonesian section of Borneo island, a meteorology official said.

"The haze is thick early in the morning, limiting visibility to under 200 meters (660 feet), but by 9:00 visibility would already have improved to around 2,000 meters," said Bambang, an official with the meteorology station at Pontianak in West Kalimantan province.

Satellite images show the overwhelming majority of the 344 hotspots detected on the island are found in the province.

"People are still using fire to clear ground for the new planting season. Nothing has changed and it is hard get them to shed the practice," said Bambang.

The government has outlawed land clearing by fire but weak enforcement means the ban is largely ignored.

Satellite imaging also showed a few hotspots in

East Kalimantan province, along with 26 on Sumatra island, mostly in the provinces of Jambi and South Sumatra.

Burning in Indonesia and some parts of Malaysia to clear land for crops causes an annual haze that can afflict Malaysia, Singapore and Thailand as well as Indonesia itself.

The Indonesian forestry ministry last week denied that fires on Sumatra and Borneo were to blame for the haze which smothered areas in Malaysia.

---

### **Mud may force Sidoarjo residents out for good**

Jakarta Post - August 12, 2006

Jakarta/Surabaya — Permanent effects from the huge mudflow engulfing Sidoarjo, East Java, may keep thousands of displaced residents from ever returning to their homes, officials warn.

In a worst-case scenario where the mudflow from the May 29 accident remained unstoppable, residents of Porong district would have to relocate, officials reportedly said during a closed-door presentation Friday organized by the Energy and Mineral Resources Ministry in Surabaya.

The government would allow the inundation of at least seven villages, with a combined population of more than 13,000, to create a huge crater that would shield other areas from the mud, one of those present said.

The mudflow was caused by a drilling accident at the site of Lapindo Brantas Inc. Thousands more people were forced from their homes Thursday after the mud breached an embankment.

The situation was discussed by President Susilo Bambang Yudhoyono, House of Representatives Speaker Agung Laksono, several related ministers, local officials and legislators as well as Lapindo executives. But the President later tersely denied there was a plan to sacrifice the villages.

After the meeting, Agung said the experience of other countries with similar disasters showed even



the most advanced technology often was insufficient.

"There is a worst-case scenario that the mudflow could not be stopped. It may stay permanently. The government has several strategies to cope with the situation and ensure that there will be no casualties and economic calamity for the region," he said.

East Java council member Muhammad Mirdasy said the meeting had included a simulation of creating strong barricades encircling the affected area, with a water treatment dam for the mud to be channeled to the sea.

"The construction of the barricades and the dams would cause the loss of at least seven villages that would be permanently inundated by the toxic mud. The total area that would be affected by the plan is estimated to reach more than 350 hectares."

Three of the villages, Mirdasy added, were currently not affected by the mudflow, and were inhabited by middle-income families who owned businesses in the area.

Construction of the facilities, all to be financed by Lapindo, was intended to purify the mud of toxic materials before it flowed into the Porong river, which heads straight into the Madura Strait.

Yudhoyono responded that only uninhabited areas would be used as a mud catchment to remove toxic materials. "There is no plan to inundate seven villages. We will pool the mud in uninhabited areas. There is no such term 'inundation'. We wouldn't have the heart to do that," a clearly annoyed Yudhoyono told a news conference.

However, Vice President Jusuf Kalla said in Jakarta the relocation of residents would be permanent due to the massive scale of the disaster. He said the process would be arranged by the local administration but financed by Lapindo.

"Seeing the swift flow of the mud... it is impossible for the houses and the areas to be inhabited again," Kalla said at his office, adding the firm should provide compensation for the

people's losses.

## **HEALTH & EDUCATION**

### **Ailing health care system hurts the most vulnerable**

Jakarta Post - August 14, 2006

Adisti Sukma Sawitri, Depok — Suci Islamiyah will never forget the fact that her mother died in one of the leading government hospitals in Central Jakarta, deprived of proper medical treatment.

Although she possessed a health insurance card that was supposed to ensure that her mother received treatment in a second-class ward at the hospital, her mother died of a stroke in a third-class ward, where five nurses had to take care of about 80 poor people with serious health problems.

"I felt terrible about what the hospital did to my mother, but what concerns me most is that the people who were hospitalized with my mother are still suffering today due to the corrupt hospital management," Suci said last week at the launching of a health advocacy center in Depok, West Java.

If such practices can happen in one of the best hospitals in the country, she said she could hardly imagine the condition of health services in the rest of Indonesia.

Low quality health care in government hospitals and clinics for people of the low-income bracket is one of many chronic public service problems in the country.

Although the government has allocated Rp 3.4 trillion (US\$373.6 million) this year for health insurance for the poor (Askeskin), disbursement remains low due to the sluggish bureaucratic system and low commitment of health officials.

"We admit that our performance in disbursing and managing the budget is still poor. That is because we do not have a good system for coordination yet," said the deputy head of the Health Ministry's Finance and Insurance Center, Kalsum Komaryani.

She said that although the center had tried to cooperate with PT Asuransi Kesehatan (Askes) and state and private hospitals, problems still existed due to corrupt practices by individuals, such as the unauthorized collection of funds from patients or pushing them to buy expensive medicine.

Under the Askeskin program, poor people are supposed to get free treatment and medicine in hospitals that have an agreement with PT Askes, as long as they can show a letter from their neighborhood chief to prove that they do not have the means to pay for the treatment.

In fact, poor people find it hard to get such a letter, and hospitals often charge them for medicines and hospitalization.

"To tell you the truth, when it comes to such practices, I don't know what to do," Kalsum said.

The National Planning Agency's director of health and public nutrition, Arum Atmawikarta, said that community groups should actively participate in the provision of good health care and the improvement of hygiene to make up for the failure of the ministry's bureaucracy.

He cited as an example that Indonesia had been unable to battle Malaria because people depended on the government to battle the disease.

"We really support individuals or organizations who want to participate actively in providing health services," he said. Arum said that community-based public services had proven to be effective in providing clean water in several regions.

A World Bank-sponsored project, initiated in early 2000, has successfully provided community-based clean water facilities in several low-income areas in eight provinces.

Local residents covered 20 percent of the financing for the project, while the remainder was taken care of by the bank. A community group could get up to Rp 250 million for the project.

"The local people take care of the facilities because they financed them and were involved in

planning the project. I think this kind of participation will also work in health services," Arum said.

However, he added that private institution's involvement in managing public services should be avoided because it may lead to the seeking of commercial gain.

---

## **HIV-resistant condom for her is here**

Jakarta Post - August 12, 2006

Hera Diani, Jakarta — The National AIDS Commission is running a trial on the use of female condoms in Papua to reduce the rate of new HIV infections.

The commission's secretary-general, Nafsiah Mboi, said 900 female condoms had been distributed in selected areas in the province to gauge acceptance of the contraceptive device. Papua province has the highest prevalence of HIV/AIDS in the country.

"It's a pilot study to see how people like it, and we also train people to promote it," said the longtime HIV/AIDS activist Tuesday.

Nafsiah said she was eager to provide women with female condoms since they had proven effective in containing the epidemic in such countries as Thailand and Zimbabwe.

"The HIV infection rate is increasing much faster among women than among men in Indonesia. The percentage of new infections among women is very high. We have to provide female condoms so that women can protect themselves. Not just for injected-drug users or sex workers, but also housewives who know that their husbands are unfaithful," she said.

Women account for nearly half of HIV infections worldwide and almost two-thirds of those among young people. Yet, gender norms and inequality make it difficult for women and girls to control some aspects of their lives, particularly sexual matters.

It is often impossible for local women to negotiate with their partners over abstinence, faithfulness or condom use.

Zimbabwean activist Caroline Maposhere said the female condom was a good negotiating tool for women.

The condom is a thin, loose-fitting polyurethane plastic pouch that covers the vagina, cervix and external genitalia, and is inserted before intercourse. It can be put in up to 8 hours before sex.

"It is large because the vagina is large; it can accommodate a baby coming out. But the condom sticks to the wall of the vagina, and fits into any size vagina," Maposhere told The Jakarta Post.

She said the female condom has many advantages including preventing pregnancy and sexually transmitted diseases as well as HIV/AIDS, and increasing pleasure in men and women.

"In terms of alcohol and drugs, people are often too drunk and too high to put on a condom. With the female condom, women who are injected-drug users are already protected," Maposhere said. She added that the female condom had increased condom use by 30 percent.

Nafsiah said the government should increase the availability of female condoms without waiting for the study to be completed in November. "Especially in Papua, we really can't wait a minute longer," she said.

As of Sept. 30, 2005, Indonesia has 4,065 people who are HIV positive and 4,186 people living with AIDS, according to official statistics. Local and international organizations, however, estimate that between 90,000 and 250,000 people are living with HIV/AIDS in Indonesia.

Papua, the easternmost province, has a population of only 2.5 million (out of the total Indonesian population of more than 210 million). It has 932 reported cases of AIDS, which is a rate of 40 per 100,000 individuals, or 20 times higher than the national average of two per 100,000.

The female condom costs around US\$1, but Maposhere

said the price will go down if demand increases.  
"You cannot put a price on women's lives. It's much cheaper than the cost of treatment."

## ISLAM/RELIGION

### **Scholars warn government of latent jihadi danger**

Jakarta Post - August 14, 2006

Ary Hermawan, Jakarta — The government should take all the necessary measures to prevent Indonesian jihadis from leaving for Lebanon or they will only create more problems when they return home, Muslim scholars say.

"If they could really make it to Lebanon and survive the war, they would become problems when they come back to Indonesia," Syarif Hidayatullah State Islamic University rector Azyumardi Azra told The Jakarta Post on Sunday. "They would have the aura and charisma of fighters. This would be make it easier for them to recruit new militants."

Azyumardi urged the government to boost security measures around border areas to ensure that no militants left the country. "It should also coordinate with neighboring countries, such as Malaysia, Singapore and Thailand, to check if some Indonesian jihadis have transited there," he said.

Azyumardi said Indonesians heading to Middle Eastern cities such as Abu Dhabi, Doha, Amman and Damascus should also be monitored. However, he said the government should not ban hard-liners from expressing their willingness to go on a jihad. "We just have to make sure that nobody leaves," he said.

The issue was not merely prohibiting jihadis from going to war-torn Lebanon, but to anticipate the growing radicalism among Indonesian Muslims, Azyumardi said. "We must not let happen a repeat of when many Muslims went to Afghanistan to help the Taliban fight the Soviets," he said.

Imam Samudra and Amrozi, two terrorists on death row for their key roles in the 2002 Bali bombings, were both trained for the Afghanistan war. Another hardline activist, Suaib Didu, recently boasted that thousands of Indonesians had signed up for

jihad in Lebanon.

Militants who had returned from Afghanistan were also involved in the bloody 2002 conflict between Muslims and Christians in Maluku.

Former Muhammadiyah chairman Ahmad Syafii Maarif said it was unwise for ulema to encourage young Muslims to fight a holy war in Lebanon. "I think there is no wisdom in doing so," he told the Post. He said the brutal Israeli offensive into Lebanon should not lead to Indonesian Muslims losing their heads. "I think whatever we do must be based on clear minds," he said.

However, Syafii doubted the recent conflict would boost militant movements in Indonesia, arguing radicalism was mainly triggered by injustice and uncertainty. "The country is not in a normal condition. When there is justice, radicalism will fade away by itself."

Azyumardi said that joining the fight against Israel was akin to suicide and would only further burden the people in Lebanon, including Hizbollah fighters.

Providing them with humanitarian aid would be much more useful, he said. "I hope ulema could explain to the people that there is no use going there for jihad."

National Resilience Agency governor Muladi warned Thursday that jihad volunteers were committing an illegal act and would not be protected under international law. "They could be considered terrorists. If caught, they could be sent to Guantanamo prison without trials," he said.

Didu, meanwhile, said he would continue recruiting jihadists, although Lebanese Ambassador Hasan Muslimani said Friday that his country did not want or need fighters from other countries. "We're not defending Lebanon, we're defending the oppressed," Didu told the Post on Sunday.

Meanwhile, the Indonesian Mujahidin Council said it would formally ask for police and the military to train jihadists before they departed to Lebanon. The hardline group has vowed to send 500 jihadists and medics to the country.

The police have pledged to prevent all would-be fighters from leaving for Lebanon.

---

## **Human rights commission wants Ahmadiyah protected**

Jakarta Post - August 12, 2006

Panca Nugraha, Mataram — The National Commission on Human Rights has asked the government to guarantee the security of Ahmadiyah followers to ensure members of the religious sect can live in peace and worship freely.

Commissioner for individual freedoms Chandra Setiawan said in Mataram on Friday the government should abide by a 2005 law ratifying the International Convention on Civilian and Political Rights.

"In order to provide security assurance for Ahmadiyah members in Indonesia, we have written to the President (Susilo Bambang Yudhoyono) and the National Police chief (Sutanto). The letter is intended to ensure that Ahmadiyah members can perform their daily rituals again and that their children can go to school," Chandra said.

He said the July 27-dated letter asked the government and the police to ensure the security of Ahmadiyah members in several areas in West Nusa Tenggara.

"Soon, we will send another letter on the types of human rights violations experienced by Ahmadiyah members," he said.

Chandra said after ratifying the international convention into law, the government was obliged to protect people's freedom to worship.

He said the groups that drove Ahmadiyah members out of their hometowns in Ketapang hamlet in West Lombok and Praya in Central Lombok, had violated sect members' human rights.

"If there's a resident who objects to Ahmadiyah members' presence or actions then they should report the matter to the police and let the court determine whether what the group does is right or



wrong. We have the Criminal Code that regulates the matter," he said.

The Ahmadiyah faith developed out of Islam in India in the late 19<sup>th</sup> Century. Its members believe that the prophet Mizra Ghulam Ahmad is God's last messenger after Muhammad.

Groups in Indonesia have been the subject of attacks by Muslim groups after the Indonesian Council of Ulema (MUI) outlawed the faith in a fatwa earlier this year.

Fifty-five Ahmadiyah members from 18 families were forced out of their hometown in Praya, Central Lombok and are now camping in the grounds of a Praya hospital. Meanwhile, in Mataram, 133 Ahmadiyah members who were driven out of their houses in Ketapang are still sheltering in a Transito building. The houses of the two groups were vandalized and some were set on fire.

Following the February attacks, President Yudhoyono said the state "guarantees the freedom of each citizen to hold and practice their own religion". He said the government did not differentiate between religious groups or categorize them as "recognized or unrecognized".

Last month, the Transito group's leader, Zainal Abidin, said the followers wanted to go home after living the shelter for six months. He also complained that children from the group were being singled out for discrimination at their new school.

Members of Ahmadiyah late last month conveyed their grievances to the Australian Consulate General in Denpasar and said they intended to seek asylum in the country. The group's legal advisers also said they would seek similar protections from Japanese, Canadian and German missions.

MUI responded by calling the group's meetings a "publicity stunt". Its clerics said the group would never be accepted by mainstream Muslims.

---

**MUI Jakarta declares SMS reward scheme prohibited**

## **by Islam**

Jakarta Post - August 12, 2006

Jakarta — The Jakarta administration will have to rethink its plan to increase public awareness about paying taxes in an SMS reward program after the Jakarta chapter of the Indonesian Ulema Council (MUI) declared it prohibited by Islam.

MUI Jakarta edict commission secretary M. Cholil Nafis said Friday that the council decided the program verged on gambling — and was thus haram — after examining the 2006 gubernatorial regulation on the program. But Cholil added that there was still the chance to make changes to the program to allow it to conform to Islamic tenets.

The Jakarta Revenue Agency devised the program in an attempt to increase people's awareness of paying taxes and increase city revenue.

Under the scheme, the public was to report the amount of taxes they paid for leisure activities — such as dining out or entertainment — by sending an SMS with the receipt number. Participants could win a car through a lottery drawing to be held every six months.

The agency postponed the scheduled June start date to allow the MUI to determine its status under Islam.

Cholil said that the gubernatorial regulation stated that for the first year of the program, the prize for the winner would be taken from the city budget. However, for the second and third year, PT Haltek, the city's private partner for the program, would provide the prize.

He said the council initially viewed the use of the city budget for the prize as syubhat, or not clear in its halal or haram status. "The council then decided that it was haram, because the rate for one SMS was above the standard one," he said. The rate is Rp 1,000, compared to standard Rp 250 or Rp 350 rates.

He added that the program was undoubtedly haram if the prize was provided by PT Haltek and not from the city budget. "If the prize is provided by PT Haltek, it means that there is no middle party

between the participating public and PT Haltek, which means that the program is classified as gambling."

Cholil said that the council recommended the city revise clause No. 13 of the gubernatorial decree, which regulated PT Haltek to provide the prize for the second and third years.

He said the revision of the gubernatorial regulation was vital to prevent the public from gambling through the program. "The program can be carried out if the prize is provided by the city and the SMS rate is a standard one," he said.

In May, MUI released an edict stating that the flourishing SMS reward programs were equivalent to gambling. The council viewed them as gambling because of their negative effect on people's lives, including wasting their money, creating fantasies and addiction, and causing them to be lazy.

City secretary Catur Laswono told The Jakarta Post that the administration had still to decide if it would call off the program altogether following the fatwa. "We will first look at what changes can be made to the program," he said.

## **ARMED FORCES/DEFENSE**

### **Indonesian military in urgent need of reform**

Jakarta Post - August 14, 2006

Hasballah Saad and Michael Shank, Washington DC — The United States Congress recently passed a contentious bill that allocates over US\$6 million to Indonesia for military equipment and training in 2007. Two checks will be issued: \$4.5 million under Congress' Foreign Military Financing program and \$1.28 million under Congress' International Military Education and Training program. While these figures fall \$2 million below the Bush Administration's request, they represent a multi-million dollar increase over 2006 totals.

The bill, passed by the US House in June, sparked immediate controversy. Decried as one of the world's most egregious militaries, Indonesian troops have a reputation for being abusive,

corrupt and largely above the law. With such a funding increase from Washington, one expects to hear of significant improvements in Indonesia military's ethical standards and practices. But that is far from the case.

In the months preceding the bill, Indonesia — a critical ally in the US-led “war on terror” — was busy hosting notables as they congratulated the nation's democratic progress. Secretary of State Condoleezza Rice and World Bank President Paul Wolfowitz made high-profile visits to laud the “vibrant democracy” and “clean government”. With the largest Muslim population of any nation worldwide, Indonesia received and will continue to receive special attention from Washington. Congress' \$6 million is the latest manifestation of this commitment. But where Congress falls short is in fully understanding Indonesia's people and the dynamics on the ground. If Congress wants to ensure that the Muslim populace remains peaceful and democratic, refraining from terrorist-like behavior, then they selected the wrong method and financed the wrong government agency.

Indonesians protest the military, which critics once dubbed “Exxon's Army”, on a daily basis, criticizing its widespread corruption (from poorly managed self-financing policies) and its abusive security services which it contracts to mining and logging companies — companies accused of pillaging local communities and environmental resources.

Congress failed to include sufficient parameters on how the money should be spent. Congress did not, for example, require that the military be trained in public accountability and transparency, democratic and participatory methodologies, human rights law, and respect for civil society organizations. Regulation and the capacity to sanction errant behavior were absent; the bill lacked any of these requirements.

At minimum, Congress could have mandated that a 2004 law — requiring the military to withdraw from business by 2009 — be enacted prior to receipt of US funds. According to Human Rights Watch, civilian and military leaders have promised to implement the law, but no regulations have yet been adopted.

So how can Congress, in the same month that Human Rights Watch issues a damning report titled "The Human Rights Cost of the Indonesian Military's Economic Activities", pass legislation that gives the military the green light without clear parameters that show respect for human rights, democracy and civil society?

How could the State Department justify pulling caveats in the bill that stipulated specific reform requirements? Does Washington not realize that to guarantee Indonesia's peaceful and democratic state is to instead put restraints on their reckless and unsupervised military?

Moreover, if Washington is concerned about keeping the peace in this archipelago, then it would help Indonesians with more pressing needs like preventing and containing bird flu, rebuilding communities devastated by the Tsunami and recent earthquakes, sustaining the peace agreement signed in Aceh, reducing widespread poverty, and ensuring that US mining and logging companies are held accountable for their misdeeds.

That's how Washington can help keep the peace in Indonesia. The US must not continue to think that traditional anti-terror tactics — i.e. funding militaries with a blank check — will suffice in preventing terror from erupting.

If the US genuinely cares about the world's most populous Muslim democracy then a radical departure from the norm is necessary. Keeping the peace will not happen on the military's watch as long as Congress continues to unconditionally fund its corrupt, abusive, and illegal practices.

Concomitantly, keeping the peace requires Congress to be more proactive on the social front — i.e. returning to Aceh to rebuild the war — and tsunami-stricken environment, bolstering the capacity of health workers to adequately prevent and contain bird flu, ensuring that US companies operating in Aceh and Papua are socially and environmentally responsible, and assisting Indonesia in eradicating poverty.

A \$6 million blank check written out to the military will not automatically keep the peace. At minimum, Congress should issue a directive stating that Indonesia's military receive training in

public accountability and transparency, democratic and participatory methodologies, human rights law, and respect for civil society organizations.

Regulation and the capacity to sanction must accompany such a directive. Ideally, Congress helps Indonesia rebuild its society — a people besieged by recent floods, earthquakes, bird flu, and civil war. While the latter option may be a radical departure from the norm, it is the only way to truly keep the peace.

[Hasballah Saad is Indonesia's former Minister of Human Rights under President Abdurrahman Wahid and is currently the Commissioner for Indonesia's National Commission on Human Rights and the founder of the Aceh Cultural Institute. Michael Shank is the Press Secretary for Citizens for Global Solutions, a Washington-based foreign policy advocacy organization.]

---

## **TNI reshuffles 79 senior officers**

Jakarta Post - August 11, 2006

Ridwan Max Sijabat, Jakarta — The Indonesian Military (TNI) has replaced the chiefs of three military commands and of the Army Special Forces (Kopassus) as part of a major reshuffle of its 79 senior officers.

Under the changes announced Thursday, Maj. Gen. Sriyanto, the Siliwangi military commander overseeing West Java and Banten, will become the governor of the Military Academy in the Central Java town of Magelang.

He will be replaced by Maj. Gen. George Toisutta, the current chief of the Cendrawasih military command overseeing Papua and West Irian Jaya.

Maj. Gen. Zamroni, the Udayana Military commander responsible for Bali, West and East Nusa Tenggara, was appointed to take over Toisutta's post. Zamroni was replaced by Maj. Gen. Saiful Rizal, the current commander of Kopassus.

Maj. Gen. Rasyid Qurnuen Aquary, chief of the

First Division of the Strategic Reserves Command (Kostrad), will replace Saiful. Rasyid's job will be taken over by Brig. Gen. Noer Muis, chief of the staff of the Diponegoro military command overseeing Central Java and Yogyakarta.

TNI commander Chief Air Marshall Djoko Suyanto said the reshuffle was an "ordinary matter".

"The reshuffle is essential to refresh the military organization. There is nothing new about it because it has been done regularly and it is an ordinary thing," he said.

The reshuffle was decided on at a plenary meeting of the military promotion board at TNI Headquarters last Friday.

The shakeup also affected the Navy, where Rear Adm. Waldi Murad, chief of the Eastern Fleet Command, was promoted to deputy to the Navy chief, replacing Vice Adm. I.W.R. Argawa.

Waldi's post will be taken by Rear Adm. Muryono.

---

## **House urged to investigate arms stash**

Jakarta Post - August 11, 2006

Ridwan Max Sijabat, Jakarta — Military analysts Thursday blasted the military probe into an arms stash scandal as neither transparent nor credible, and urged the House of Representatives to launch an immediate inquiry into the case.

They said the investigation was not thorough since it focused only on violations of arms procurement procedures by the late Brig. Gen. Koesmayadi, instead of the underlying situation that made it possible for him to acquire so much weaponry.

At least 145 automatic rifles, 42 handguns, nine grenades, 28 binoculars and 28,000 rounds of ammunition were found at Koesmayadi's home in Ancol, North Jakarta, after his death.

Koesmayadi, a former Army deputy logistics chief, died on June 10. "It would have been impossible for Koesmayadi to do that alone and breach the

official arms procurement procedures without any consent by Army leadership. All actions in the Army are based on instructions and the chain of command from Army leadership," said J. Kristiadi of the Centre for Strategic and International Studies.

"The investigation should proceed not only to the 11 suspects but, more importantly, to those behind Koesmayadi, and to what the guns were being hoarded for."

The deceased general was named a suspect along with his son-in-law and nine other people, including several low-ranking military personnel and three foreigners. The military said Koesmayadi acquired 43 of the guns himself and collected the arms and ammunition at his house as a hobby.

Investigators said other suspects would be interrogated for allegedly helping Koesmayadi bring in the guns via Singapore and move them from his residence in Kuningan, South Jakarta.

Army chief Gen. Djoko Santoso has said several senior officers, including former Army chief Gen. Ryamizard Ryacudu, Koesmayadi's former superior, had been summoned to testify as witnesses or information sources only.

Kristiadi said the House should form a special committee to uncover all those involved in the case and to examine arms procurement in the military.

Those comments were echoed by military analyst Indria Samego of the Indonesian Institute of Sciences (LIPI), who questioned the military's internal reforms.

Indria said the House should use its legislative right to investigate the case thoroughly in order to force further reforms.

"It is quite dangerous and the military's professionalism comes under question when a military officer has a large arms stash. If two to five military officers did something like this, you can imagine what they could or would do," he said.

He stressed that the investigation should focus on



the environment that supported Koesmayadi's stockpiling. He added that lawmakers should investigate possible business connections to the arms cache.

There has been speculation that Koesmayadi was involved in the arms trade. Deputy House Speaker Muhaimin Iskandar said lawmakers had no plans yet to investigate. He added that the House would first study a report from the military about its findings.

However, several legislators on House Commission I for defense, information and foreign affairs vowed to call for an inquiry into the case.

Kristiadi and Indria said Defense Minister Juwono Sudarsono should amend the administrative mechanisms of arms procurement accountability and arms storage for all military forces. They said the procedures must be aligned with the 2004 law on the Indonesian Military and the 2003 presidential decree on arms procurement.

They added that the minister should play a role in order to ensure civilian supremacy over the military.

The military is believed to be one of the country's most corrupt institutions, with its weapons and equipment procurement division seen as its most graft-ridden.

---

### **General's stash only a hobby, TNI claims**

Jakarta Post - August 10, 2006

Ridwan Max Sijabat and Tony Hotland, Jakarta — A military police investigation found the massive arms hoard of a deceased Army officer was for his personal collection and not politically linked, with the probe zeroing in on low-ranking servicemen and civilians suspected of supplying the weapons.

However, legislators said they needed to study the report before deciding whether to accept its findings or launch their own investigation.

Military Police chief Maj. Gen. Hendarji, who accompanied Army Chief of Staff Gen. Djoko Santoso at a press briefing to announce the findings, blamed the late Brig. Gen. Koesmayadi and his son-in-law for failing to follow standard procedures on weapons.

He said Koesmayadi, then deputy to Assistant for Logistics to the Army chief who died on June 25, illegally sourced some of the guns and stored them at one of his residences in Ancol, North Jakarta. His son-in-law, a middle-ranking officer in the Presidential Guard, has been held as a suspect for removing the guns from Koesmayadi's official residence in Kuningan, South Jakarta.

A total of 43 of the 185 arms, most nonstandard issue, were sourced at his own initiative and did not follow set procedures, the report said. Koesmayadi also was blamed for keeping the weapons in his home, a violation of the law even if they were for a personal collection.

The investigation identified a ring of 11 people, including Koesmayadi and his son-in-law. "Nine others also allegedly involved in the illegal procurement of 43 guns will undergo further interrogation," said Hendarji.

Army chief Djoko Santoso said the group consisted of eight servicemen, with ranks ranging from private to brigadier general, and three civilians. He said the latter were two Italians and a South African.

They were among 129 people questioned about the stash. "The 129 people were, among others, Gen. Ryamizard Ryacudu and many other high ranking officers from Army Headquarters," said Djoko.

He insisted that Koesmayadi supplied the guns and ammunitions and was keeping them at his home in a private collection, "because he had an obsession to establish an arms museum". He also pledged to ensure accountability and transparency in arms procurement in line with military regulations and a 2003 presidential instruction.

The unprecedented exposure of the arms stash fanned conspiracy theories that centered on a rift between President Susilo Bambang Yudhoyono and Ryamizard, who was passed over by him for the

position of TNI chief.

Koesmayadi was reportedly close to Ryamizard when the latter was commanding the Army's Strategic Reserve Command (Kostrad) and the Army between 2000 and 2005.

The President, with full support of the House, has ordered a thorough investigation into the case.

Effendi Choirie, a member of the House's Commission I on defense, information and foreign affairs, said his commission was still waiting the investigation's result and would assess it before making decision on whether to accept it or not.

"If the military police's investigation is determined to be satisfactory, the House will not take further action. But if it's dissatisfactory and the military police was not transparent in carrying out the investigation, the House will necessarily form a special committee to conduct its own inquiry in to the case."

Djoko Susilo, an outspoken legislator of the National Mandate Party (PAN), urged the military to prosecute all the suspects.

Separately, Defense Minister Juwono Sudarsono declined Wednesday to elaborate on the findings except to say they should be respected. He also would not comment on speculation the probe focused on low-ranking personnel to shield high-ranking officers.

## **FOREIGN AFFAIRS**

### **Howard withdraws migration bill**

The Australian - August 14, 2006

Cath Hart and Samantha Maiden — John Howard has pulled the plug on his controversial migration bill to avoid facing a defeat in the Senate.

The Prime Minister told a press conference this afternoon: "It was made very clear to me this morning that a government senator would cross the floor and vote against the legislation." Liberal Senator Judith Troeth has led dissent against the bill.

Mr Howard said he was "disappointed" with the outcome. "I believed in this bill, I still do, but I accept that there aren't the numbers in the Senate to pass it, and I'm a realist as well as a democrat," he said. "And that is why we've taken the decision we've taken today but don't let anybody think for a moment that I didn't believe in it — I believed in it very strongly — and I suspect did the majority of the Australian community." "He did not regret proceeding with the bill." "I proceeded with this bill because I believed it would add strength to already strong border protection laws," Mr Howard said. "Australia has very strong border protection laws. This bill would have made those strong border protection laws even stronger."

It would have required only one senator to cross the floor or two to abstain from voting to defeat the bill, which would have forced any unauthorised arrival to have claims for asylum processed offshore by the United Nations.

The Government was facing defeat after Family First senator Steve Fielding said yesterday he could not support a policy designed to appease Indonesia. Up to four Coalition senators refused to say whether they would cross the floor if it went to a vote.

Rebel Nationals senator Barnaby Joyce said yesterday he would abstain from the vote unless the Government agreed to his new amendment to allow the Senate to review every asylum-seeker decision. But government sources indicated his proposal was unlikely to secure support.

Senator Fielding announced his surprise decision to oppose the legislation after talks with Papuan refugees and the Indonesian ambassador. "You know, I started to really look at it and I thought, look... obviously it's to appease another country and it's the Indonesians," he said. "Imagine if every other country did what Australia is proposing. It would be chaos. There would be absolute chaos if everybody decided to boot people off to a foreign land."

The new laws were introduced after a diplomatic rift emerged between Indonesia and Australia over the decision to grant asylum to 42 boatpeople from Papua, who arrived in far-north Queensland in January.

The Government was accused of appeasing Indonesia,

with its new laws that would send all boatpeople, including those who arrived on the mainland, to overseas processing centres such as that in Nauru.

The legislation passed the House of Representatives last week despite three Liberal MPs — Petro Georgiou, Judi Moylan and Russell Broadbent — crossing the floor to vote with the Opposition.

Mr Howard insisted yesterday that the Government was not attempting to appease Indonesia. "I think our relationship with Indonesia will remain soundly based no matter what happens," he said. "This is not something that is crucial to the relationship with Indonesia."

However, he conceded at that stage there was a serious prospect that the legislation would be defeated. "Well, I think we can all count," he said. "Any government senator crossing the floor will kill it, and if two government senators were to abstain, that would kill it as well."

Senator Fielding has in the past voted with the Government on issues such as the introduction of voluntary student unionism last year. Yesterday he dismissed the migration legislation as "ludicrous", saying he also had concerns over the Government's decision to change the rules for asylum-seekers when it suited them.

"What is at the essence being proposed by the Government is, 'We don't like the rules any more', "he told the Nine Network's Sunday program. "That's not fair. We expect everybody else to play by the rules, not booting people off willy-nilly."

---

## **Indonesian strategy 'defeats' Australia**

Melbourne Age - August 13, 2006

Tom Hyland — The Indonesian Army manipulated the voyage to Australia of 43 West Papuan asylum seekers in a secret psychological warfare operation that gave Jakarta a diplomatic and strategic victory over the Howard Government, a former intelligence analyst says.

Indonesian Army specialists in psychological operations ("psyops") knew the West Papuans planned to sail to Australia and let the voyage go ahead, believing Indonesia could benefit as a result, says the expert on the Indonesian military.

The secret operation then psychologically penetrated and destabilised the Federal Government's decisions and appears to have won the army the right to expand its influence in West Papua.

Making the claims is Matthew Davies, a former army officer and Defence Department intelligence analyst. His conclusions coincide with the debate that has torn divisions in the Federal Government over tough new migration laws, introduced following strong Indonesian protests after the asylum seekers were granted refuge.

"They knew they were going, and believed this was beneficial," Mr Davies told The Sunday Age.

In an unpublished report, he says Jakarta's handling of the diplomatic row that erupted over the asylum seekers showed "a canny ability to penetrate the Australian Government's 'decision cycle' to attain favourable results".

The Indonesian military understood the Government's mentality and knew it was "locked in" to taking tough action against unauthorised arrivals as it had politically exploited the issue and feared a continuing influx.

Mr Davies says that if the "diplomatic posturing" was viewed as a sophisticated psychological operation, Indonesia secured a significant strategic result in the "destabilisation of a large Australian target".

His conclusions, drawing on published Indonesian sources, are made in a report analysing the operations of Indonesian security forces in West Papua. Mr Davies, a linguist and author, is an expert on Indonesian military doctrine, personnel and structure.

News of his findings comes ahead of this week's Senate debate on the Government's migration bill, which requires asylum seekers arriving by boat to

be sent to far-flung islands such as Nauru while their refugee claims are assessed.

Last week three Government lower house MPs voted against the bill while two abstained. A number of Government senators have deep reservations about it. The Opposition says the bill is an attempt to appease Indonesia.

The decision to give the West Papuans refugee status after their arrival from the West Papuan port of Merauke in January triggered a diplomatic rift, with Jakarta withdrawing its ambassador as Indonesian MPs and sections of the Jakarta media accused Australia of supporting separatists. The rift has been patched, with the Government introducing the migration bill, reaffirming its support for Indonesian control of West Papua and pushing ahead with talks on a security treaty.

While the row heartened supporters of West Papuan independence by drawing attention to their cause, Mr Davies' thesis is that Jakarta and its military emerged victorious. "Such success would likely see West Papua become the table on which Indonesian leaders could bargain for the most beneficial results of a restored bilateral security treaty with Australia," he says.

The episode has delivered specific gains to the Indonesian military, which is keen to regain its former pre-eminent role not only in internal security, counter-terrorism and intelligence, but in government as well.

It gave the military "yet greater scope for expansion", the report says. "The Merauke case's most enduring irony could be that Australia helped Indonesian military expansion ... in that part of Indonesia closest to the land mass of Australia itself."

Mr Davies' report highlights what he says is an unusual and abnormal military intelligence operation based in Merauke, on West Papua's south coast, headed by Colonel Kitaran Joy Sihotang, a veteran "psyops" expert. His report says the departure of the asylum seekers from Merauke is "odd" given the area contains security headquarters, troops and a navy base. "The voyage from Merauke indicated a deliberate manipulation by TNI psyops veterans, buffered by proxy agents

for strict deniability."

He says his analysis in no way contradicts or denies the West Papuan asylum seekers' claims for protection visas.

## **ECONOMY & INVESTMENT**

### **Signs point to economic rebound**

Jakarta Post - August 14, 2006

Urip Hudiono, Jakarta — A rosier economic picture is expected to emerge in the second half of the year, with increased growth forecast after a recent easing of inflation and interest rates.

The rupiah also has stabilized to a rate more favorable to investment in the real sector, yet still competitive for exports, which should provide a boost to the country's main growth engine of consumption.

According to the latest surveys from the central bank, public confidence in the economy is on an upward trend.

Although more than half of consumers in the country still believe economic prospects in the next six months will remain shadowed by inflation, nearly a quarter are optimistic that things will improve in terms of growth, income, business opportunities and demand for durable goods. The optimists outnumber those who see the economy heading for a downturn.

More than half of the businesses and industries surveyed are looking to expansion in the second half, closing the book on the slowdown they experienced during the first half of the year.

Astra Honda Motor vice president Tosin Himawan said the motorcycle industry might be able to turn around an estimated 20 percent decline in sales so far this year on the improving economic conditions.

"Opportunities for market expansion are still open given favorable economic conditions and policies," he said.



The country's largest motorcycle maker sold one million units in the first half of the year, less than half of last year's total sales of 2.6 million units. Car manufacturers also expect improved sales in the second semester, after sales dropped to 149,600 units in the first half from 533,900 all of last year.

In the export-oriented furniture industry, confidence is high that the latest economic developments will help the industry achieve a 15 percent growth in sales to US\$2.2 billion this year from 7 percent growth last year, Indonesian Furniture and Handicrafts Manufacturers Association chairman Ambar Tjahyono said. The Indonesian Computer Industry Association, meanwhile, sees a 20 percent sales rise to 1.4 million units, association secretary-general Sutiono Gunadi said.

The economy grew by 4.6 percent in the first quarter of this year as compared to 6.2 percent last year, marking a slowdown for the fifth consecutive quarter. The Central Statistics Agency on Aug. 15 will release the first-half growth data, with Bank Indonesia estimating the economy may only have improved slightly to between 4.6 and 5.1 percent. The government expects full-year growth at 5.9 percent.

A surge in inflation to 17 percent following last's year fuel price increases, and ensuing increases of BI's key rate to 12.75 percent, have been blamed for the first-half slowdown. However, inflation eased to 15.15 percent by July, giving BI room to cut its rate to 11.75 percent. Banks are expected to follow by cutting their lending rates, giving a boost to consumption and investment.

Economist Chatib Basri from the University of Indonesia said recently the rate cuts would help revive consumer lending in the automotive, property and consumer electronics sectors.

"We can expect more growth in these sectors for at least the next quarter," he said. Investment in capital goods, however, may only begin picking up in response to rising demand in the last quarter, Chatib said. He added that there was a need to continue improving the investment climate.

Finance Minister Sri Mulyani Indrawati has said state budget spending in the second half will be increased to support the rate cuts in spurring growth.

---

## **Foreigners eye Indonesian smokes**

Asia Times - August 11, 2006

Bill Guerin, Jakarta — Indonesia's tobacco market, the world's fifth-largest, is primed for foreign takeovers. Tough economic conditions have recently taken the buzz out of Indonesia's top four cigarette producers' profits, as spiraling inflation and higher excise taxes have driven the country's estimated 141 million smokers to trade down from premium, high-margin brands to cheaper sticks.

The cigarette industry has witnessed a 12.4% decline in sales in the first half of this year, with national cigarette consumption down to 94.8 billion smokes compared with 108.3 billion during the same period in 2005. Cigarettes are huge business in Indonesia, and foreign investors are just beginning to get into the action. Some 70% of men and nearly 20% of women smoke, and last year Indonesian smokers puffed their way through 225.5 billion cigarettes, according to industry statistics.

PT Gudang Garam Tbk and PT HM Sampoerna are Indonesia's top two cigarette producers, followed by Djarum and Bentoel. Nearly 92% of all cigarettes sold in Indonesia are clove-based, known locally as kreteks. Although many big foreign tobacco companies have long peddled their products here, they have fared poorly competing against local kretek producers.

But the rules of the market are changing fast. US tobacco giant Philip Morris International, the tobacco arm of Altria Group and producer of Marlboro cigarettes, last year paid Rp48 trillion (US\$5.2 billion) to take a 98% stake in Sampoerna. Faced with big legal bills in the United States, Philip Morris's Indonesian investment has so far paid off nicely: Sampoerna is the only major

producer to increase its sales and net income so far this year and is currently the sixth-largest capitalized firm on the Jakarta Stock Exchange, with a market capitalization of nearly \$3.8 billion, equivalent to about 3.9% of the weight of the Jakarta Composite Index.

Gudang Garam, with total assets valued at about Rp22.1 trillion at the end of last year, is currently Indonesia's biggest cigarette producer. Lately, though, the company has hit a rough patch, where net profits have fallen by about 50% — from just over Rp1 trillion to Rp545 billion — in the first half of this year compared with the same period in 2005. The company's total market share, meanwhile, has fallen slightly from 31% last year to about 29.5% now. Foreign-owned Sampoerna's market share has over the same period surged to 28.6% against 22% previously.

Hedru Budimean, Gudang Garam's director and corporate secretary, attributes the massive drop in profits to increased operating costs and recent rises in excise and value-added taxes. However, some industry analysts criticize Gudang Garam's apparent failure to predict that Indonesian smokers would opt for cheaper hand-rolled cigarettes during tough economic times as the main reason for its loss of market share to its main rival Sampoerna. Smokers outside urban centers largely buy cigarettes by the stick rather than the pack.

#### Foreign rolled

The slip in financial performance has set new rumors in motion about another big foreign takeover. Chinese-Indonesian businessman Surya Wonowidjojo founded Gudang Garam in 1958 and his eldest son, Rachman Halim, who is listed by Forbes as the richest man in Indonesia with a net worth of \$2.5 billion, is now rumored to be in talks with publicly listed British American Tobacco (BAT) about a possible sale.

BAT, Philip Morris's global arch-rival, is currently the industry leader in Asia. Although it has had a presence in Indonesia since 1917, nearly 90 years later the company's Lucky Strike and Dunhill brands have negligible market share in clove-smoking Indonesia. Although BAT denies any takeover talks, the Gudang Garam management, with

profits flat and market share shrinking, is certain to be considering its options.

Philip Morris had also been in Indonesia for nearly a half-century, but had captured just 4.4% of the market with its Marlboro brands. A BAT acquisition of Gudang Garam, industry analysts predict, would lead to a battle of the titans to win the hearts and lungs of Indonesia's millions of kretek addicts.

"To participate fully in the Indonesian market, you have to offer what the consumer wants," Altria chief executive officer Louis Camilleri told reporters in a conference call after the Sampoerna sale was announced last year.

Foreign management has arguably bolstered Sampoerna's earning power. The company booked a net income of almost Rp1.9 trillion through June, an increase of 20.9% compared with the almost Rp1.6 trillion it earned over the same period in 2005 — notably before Philip Morris's takeover. Revenue also increased 29.4% to Rp14.6 trillion from almost Rp11.3 trillion over the same half-year period; locally run Bentoel and Gudang Garam, meanwhile, have experienced a decline in net income and revenue over the same period.

Analysts say at least part of the difference comes down to marketing. Sampoerna's better performance is underpinned by the strong brand equity of its brands, the hand-rolled Dji Sam Soe and Sampoerna A Hijau and factory-packaged Sampoerna A Mild. Djarum's leading brands are Djarum Super and Djarum Coklat, but the company has wholly failed to make inroads into the mild kretek market, now dominated by Sampoerna's A Mild.

Chandra S Pasaribu, an industry analyst, said Sampoerna's position is still quite solid given that its premium products are aimed at a loyal consumer sector with higher income levels. At the same time, cigarettes are priced to sell in Indonesia, with many cheap brands selling for less than 50 cents per pack. Yet lost in all this profit is the human toll in a country where most smokers can't afford even basic health care, let alone expensive treatments for advanced respiratory illnesses.

With the financially crippling legal hassles the

tobacco industry now faces in many Western countries — where suffering smokers have sued and won against cigarette companies over the adverse health impacts of prolonged smoking — Indonesia's lightly regulated market and less-than-litigious society represents a potential cash cow for foreign tobacco firms. Indonesian politicians are so far not prone to politicize the cigarette market because it is one of the government's biggest earners. At Rp35 trillion, tobacco taxes are estimated to contribute about 7% of total tax revenue this year, and the industry is the single biggest contributor to national coffers, with upwards of 90% of all excise revenue coming from tobacco.

### Evocative fragrance, deadly pull

For potential foreign buyers, however, the export potential would probably be limited, particularly to litigious Western markets. Behind the evocative clove fragrance lies a mysterious, but potentially deadly, pull on puffers. Eugenol, a phenolic compound in cloves, has sedative properties that give smokers a "feel good" high. Along with the mood fix, smokers also get massive doses of nicotine and tar. Kretek cigarettes contain on average about four times as much nicotine and tar as even the strongest Marlboros. Gudang Garam tops the list at 53.2 milligrams of tar per cigarette, while the bulk of the brands hover at about 40mg, and only one contains less than 30mg.

Dji Sam Soe, Philip Morris-owned Sampoerna's flagship best-selling brand, accounts for more than half of the company's total sales. The brand also has twice the amount of nicotine and three times the amount of tar of a conventional cigarette. Tests have shown that eugenol alone causes extensive lung damage when smoked over sustained periods. The compound also enhances the effect of the tar, according to laboratory tests. While there are no legal storm clouds linking cigarette smoking to respiratory illnesses on Indonesia's immediate horizon, civil-society groups are increasingly on the offensive against the industry. More than 20 non-governmental organizations and professional organizations, grouped under the so-called National Movement to Prevent Smoking Problems, have recently lobbied President Susilo Bambang Yudhoyono to stop the

expansion of cigarette companies. In particular, they have criticized the government for its recent approval of Sampoerna's investment in a new factory to be built in Karawang regency, West Java.

Sampoerna currently produces cigarettes from its plants in Pandaan, Rungkut and Malang, all in East Java province. The company's planned investment prompted National Investment Coordinating Board chairman Mohamad Lutfi to say it was a "strategic initiative to regain trust from potential foreign investors that would stimulate economic growth in Indonesia". (In the first six months of 2006, total foreign direct investment and in-house investment in Indonesia increased by more than \$45.2 billion, representing a 12% jump over the same period last year.)

But Farid Anfasa Moeloek, chairman of the Indonesian Doctors Association and a former health minister, warned: "The new factory is able to produce 9 billion cigarettes a year. This will be an insidious danger for the youth and poor people because it will increase cigarettes' availability in the country."

There has been some movement on those sentiments, albeit somewhat tentative.

In February, Jakarta implemented a smoking ban in certain public areas. In particular, the ban prohibits people from lighting up in public places such as shopping malls, office buildings, health-care centers, children's activity areas, places of worship and schools and on public transport. Also included in the regulation is the requirement for building management to set aside rooms equipped with exhaust fans for smokers, while offenders can be fined up to Rp50 million.

Should other Indonesian cities and provinces introduce their own smoking bans, analysts predict that those hardest hit would be the cigarette brands sold mainly to middle- and high-income smokers, namely Dji Sam Soe, A Mild and Marlboro. Yet despite this first-ever smoking ban and an increasingly strong anti-smoking sentiment among civil-society groups, Indonesia is still one of the last countries in the world that has not signed into the World Health Organization's Framework Convention on Tobacco Control.

The Department of Trade is rumored to be considering a proposal from the anti-smoking lobby that the industry should be placed in the so called "negative investment" list, which could potentially close it to new foreign investments. The bill is now being deliberated by the House of Representatives' Trade and Investment Commission.

As interest rates start to drop, consumption growth may pick up and, with most Indonesian households reportedly spending less on food and clothing than on tobacco, prospects for the industry look bright. And for now, at least, Indonesia is still very much a smoker's delight for local and perhaps soon more foreign cigarette makers.

[Bill Guerin, a Jakarta correspondent for Asia Times Online since 2000, has worked in Indonesia for 20 years, mostly in journalism and editorial positions. He has been published by the BBC on East Timor and specializes in business/economic and political analysis related to Indonesia. He can be reached at [softsell@prima.net.id](mailto:softsell@prima.net.id).]

## **OPINION & ANALYSIS**

### **Australian sovereignty is damaged by the migration bill**

The Australian - August 10, 2006

Nothing has changed since John Howard's ill-judged and dangerous migration amendment bill was first introduced into the federal parliament in May to suggest it now deserves support. Even in its present form, mildly watered-down after a backbench revolt, the bill represents the worst kind of policy-making, trading Australian sovereignty to appease Jakarta's anger over our granting protection to 42 Papuan asylum-seekers in March.

Instead of using diplomacy to assert Australian sovereignty when Jakarta threw a tantrum over the decision, the Prime Minister came up with a bill to ensure anyone arriving illegally on Australian shores by boat is taken offshore for assessment. In the process, he handed Indonesian President Susilo Bambang Yudhoyono the right to decide who comes to this country and under what

circumstances.

The Australian backed Mr Howard in 2001 over his controversial Pacific solution, which succeeded in stopping people smugglers exploiting the tide of human misery produced by upheaval in the Middle East. But this newspaper cannot support a measure that undermines Australian sovereignty.

Arguing against the bill yesterday, Labor immigration spokesman Tony Burke observed that almost five years has passed since more than 300 desperate men, women and children drowned in a failed attempt by criminals to smuggle them into Australia on board the unseaworthy Siev-X.

In stark contrast, the modest boatload of 43 Papuans who landed on Cape York in January were possibly the first to do so in the four decades since Indonesia imposed its administration in the Papuan capital, Jayapura. The spectre raised earlier this year of a flotilla of vessels carrying asylum-seekers from the troubled Indonesian province to northern Australia has not eventuated in the hiatus while the bill is debated, and is not likely to.

In June, Mr Howard attempted to defend his legislation on the basis of Jakarta's continuing role in helping to prevent people-smuggling. But 43 people climbing into their own canoe to flee persecution does not meet any sensible definition of people-smuggling.

At least four Liberal backbenchers have indicated they will cross the floor to vote against the legislation today, and Mr Howard faces the possibility of the bill failing in the Senate. It should. Jakarta's silence following the granting of a protection visa to the last of the 43 Papuan asylum-seekers, David Wainggai, 10 days ago suggests the whole affair was a storm in a tea cup and underlines Mr Howard's poor judgment in the scale of his response.

Our existing arrangements are entirely capable of weighing the claims of Papuan asylum-seekers at the same time as supporting legitimate Indonesian territorial sovereignty. Rather than attempting to intimidate Australia, Jakarta would do better to focus on improving conditions for the Papuans in its eastern-most province.



---

## **Goodbye pluralism**

Jakarta Post Editorial - August 16, 2006

Houses of worship are an important topic of discussion for many people, as the recent debate over them showed. The impression was that people put more importance on the buildings themselves than on practicing the good deeds taught inside them.

The heated debate revolved around drawing up new rules on church or mosque construction to replace an antiquated joint ministerial decree. If any issue reflects the nation's progress, it is this one. After 61 years as a free nation we are still fighting over rudimentary matters of religion.

Reality is following close on the heels of the debate. In Jakarta, some housing developments are being tailored to a particular religious group, an upsetting trend. Already our schools are strongly divided along religious lines. Wealthy schools in the cities further divide the rich students from the poor.

Our penchant for symbolism and intellectual banality has never waned. Ceremonies play an important part in our lives, while statements in bad taste by certain segments of the elite are rampant.

We are fond of surface values, of appearances rather than substance. A recent study by the Indonesian Survey Institute (LSI) finds that people are less tolerant of a neighbor with a different faith, simply because of the religious difference. This is especially so when one religious group dominates a residential area. People don't bother to find out what kind of person their neighbor is. There is also relatively high opposition to the construction of houses of worship of different faiths, according to the study. It is a sign that an attitude of "holier than thou" and "us versus them" prevails.

The institute also finds that the Muslim majority disapproves of efforts by minority groups to

defend their rights by, for example, holding rallies. LSI rightly states that this hinders democracy.

Our gender bias is equally disturbing. According to the survey, we tend to resent homosexuals and transvestites even more than people of different faiths. But LSI is too polite in airing some of its findings. It should have been more explicit in pointing out the rise of religious conservatism. This is clear from the higher rate of support among the 1,200 respondents in all 33 provinces for such groups as the Front Pembela Islam (Islam Defender Front) and the Majelis Mujahidin Indonesia (Indonesia Mujahidin Council), which are often perceived as radical, than for the more moderate Jaringan Islam Liberal (Liberal Islam Network).

The greatest enmity, according to the study, is focused on those formerly imprisoned as communists. This is a disturbing reminder that the mystery of the 1965 putsch, blamed on the communists, has yet to be unraveled. Thousands of communist detainees, jailed for years in the late 1960s under inhumane conditions and often without trial, are now free. Yet they still face discrimination.

The recent Ahmadiyah case reminds us that foes can be found even within one religion. Ahmadiyah members, regarded as heretics by mainstream Muslims, are being beaten and evicted. Thousands live as refugees in their own country. Some are applying for asylum overseas.

This low tolerance toward our compatriots reflects our failure to create a nation where people can live peacefully. It is tragic and deeply saddening that seeking differences among us appears to be almost second nature, even at the cost of weakening ourselves.

We divide ourselves not only along lines of political ideology, religion, race, ethnicity, gender, and region of origin, but also by kampong or village of origin and by the universities we attend.

People seem to have excessive energy for finding differences, for dividing and weakening themselves, eroding social trust until it almost

disappears. We seem to lack the urge to seek a common ground where synergy can take place.

The many religions people practice, the hundreds of ethnic groups, the rich culture and languages adorning our nation appear to be more of a liability than an asset. This has to change, once and for all, because it subverts the character of our country and would have seemed like a nightmare to our founding fathers when they envisioned this nation 61 years ago.

Time is short but we have impeccable social capital in our hands. We believe that the tradition of tolerance and respect for each other's faith is still the underlying foundation of our social and political culture. It is a gem that has stood the test of time throughout the archipelago. It explains the nation's resilience in the face of many past crises.

It will take strong and inspirational leadership, however, to revive this tradition amid ongoing economic crises. We must do it, lest our precious treasure slip quietly from our hands.

---

## **Disasters in waiting**

Jakarta Post Editorial - August 11, 2006

The following are the tangible impacts of the hot, toxic mud that has flooded part of the East Java town of Sidoarjo since the end of May: nearly 8,000 people have been displaced, more than 190 hectares of farmland have been flooded, at least 15 factories have been shut down and a section of the Surabaya-Gempol turnpike has been closed.

The multiplier effects of the disaster are even more damaging — over 1,700 workers have been laid off, state freeway operator PT Jasa Marga has lost billions of rupiah in revenue and Sidoarjo's economy has been crippled because the mud has shut down one of East Java's industrial hubs.

State railway company PT KAI is the latest operation to be affected after mud flooded the railway line Thursday, forcing the firm to close

the Sidoarjo-Pasuruan route indefinitely. Train passengers traveling to the eastern part of East Java now have to stop at Sidoarjo station, while those heading west must get off at Bangil station near Pasuruan.

With government scientists confirming that the mud contains dangerous levels of toxic substances like benzene, toluene and xylene, and that the air has been contaminated with high levels of ammonia and sulfur dioxide, more disasters are within sight.

The quality of the environment in the area has been permanently fouled and it is likely to be extremely difficult and costly to rehabilitate. If they are not evacuated, nearby residents are likely to face health problems for many years ahead because of the contamination.

But a more devastating catastrophe is lurking at the beginning of the rainy season in October. If more levees holding the mud collapse, over 20 million cubic meters of the muck could flood even more villages in the regency than the four already affected. The local authorities have asked residents of the villages to ready themselves for an evacuation.

With a team of international experts at a loss how to stop the hot mudflow, it is anyone's guess how long the makeshift defenses can last.

Environment group Greenomics has estimated the total damage caused by the mudflow amounts to a whopping Rp 33 trillion (US\$3.6 billion), an amount that would certainly bankrupt the company being held responsible for the disaster, PT Lapindo Brantas Inc.

This company, partly owned by the family of Coordinating Minister for the People's Welfare Aburizal Bakrie, has yet to be prosecuted under any environmental laws, although a criminal investigation is underway.

And strangely, Supreme Court Chief Justice Bagir Manan, thinks further legal action is unnecessary. Currently, Lapindo is being allowed to set the level of compensation it pays to the thousands of affected people.

But even if Lapindo is prosecuted — and there

certainly seems to be enough evidence to do so — whatever damages the company will have to pay won't be enough to offset the losses the local people have had to bear since the disaster struck.

It was a clear signal of the villagers' fear when people in Siring hamlet scrambled to help construction workers prevent mud from spilling over the dam, which had kept their area safe. Some of the villagers, many of whom are factory workers, took a day off work for the effort.

Given the imminent danger and that scientists have no solutions to stemming the continuing mudflow, it looks likely the state will have to follow environment group Walhi's advice. They have called for the government to prosecute Lapindo and, if necessary, the other companies involved in the natural gas drilling that is blamed for causing the disaster.

More immediately, it is also perhaps worth considering channeling the mud to the sea, as an expert on an independent team tasked with handling the mudflow has suggested. However, this would likely cause an even larger ecological disaster and Environment Minister Rachmat Witoelar has already expressed his opposition to the proposal.

But as long as the mud continues to gush from the Lapindo well site, something must be done — and done fast.

---

## **Australians cool on Indonesia's Bali**

Asia Times - August 9, 2006

Gary LaMoshi, Bali — Another high season after another bomb attack, and another struggle to recover for Bali's tourism-driven economy.

After the terrorist bombings that targeted foreign tourists in October 2002, Bali, one of Asia's premier tourist destinations, was on track for a record year in 2005 before October's explosions that killed 23 people, mostly tourists. Australian tourists had led the previous recovery, but this time they're leading the decline — and the bombs,

it appears, are only part of the reason.

Bali tourist arrivals have fallen 19.8% for the first half of 2006, from 114,829 per month last year to 92,096 this year. For the estimated 1 million Balinese who rely on tourism for their livelihoods, that means everything from lower income from the service charges that comprise the lion's share of wages, to working on a one-week-on, one-week-off schedule, to selling a motorbike or even the family land.

On the sunny side, this year's tourism figures top the 63,901 arrivals the year after the first Bali bombings, which then represented a 41% drop off from the previous year.

But there's a dark Down Under side to this year's story. Australian tourist arrivals are down 57% so far in 2006, from a monthly average of 21,813 in 2005 to 9,466 this year. That difference accounts for more than half of the shortfall on Bali and has pushed Australia down to third place on the tropical island's arrivals chart behind Taiwan.

The Australian shortfall is larger both in percentage terms and in raw numbers than witnessed after the 2002 terrorist bombings that killed 88 Australians among the 202 dead. Four Australians were among the 23 dead, including three suicide bombers, in last year's attacks.

### Cheap beer and sunburns

Ryan Van Berkmoes, who researched in June the next edition of Lonely Planet's guidebook to Bali, has noticed the difference.

"Bali has suffered greatly because so much of the mass Australian market is gone. These aren't the people who wanted to go see a dance or indulge in the island's culture. They weren't coming to Bali so much because it was Bali but because it was comparably close to home and wouldn't cost a lot.

"Bali [now] is damaged to such a degree that when you tell someone at the market or in the pub that you're going to Bali on holiday, they're likely to say, 'Why the hell would you go to that bloody place?' So increasingly Australians are getting their cheap beer and sunburns elsewhere."

Tourism officials confirm that lower-rated one-, two- and three-star hotels are suffering more than luxury properties, and Kuta, the touchstone for Australian holidaymakers, is noticeably quieter this high season.

"After the 2002 bombings, there was a general outpouring of goodwill from around the world and from Australia in particular," said Australian Rodney Holt, owner of five restaurants in Bali. "The goodwill from Australia that was present after 2002 this time seems absent. And we do not understand why."

Bali insiders cite several reasons for the change in Australian attitude. The most obvious factor has been a series of high-profile drug cases involving Australians in Bali. The first and most famous involved beauty-school graduate Schapelle Corby, who was arrested after customs officials found nearly 10 kilograms of marijuana in her boogie-board bag.

Corby, whose sister is married to a Balinese and lives on the island, arguably should have known that the best strategy was to keep quiet and aim to negotiate the charges away. Instead, the family launched an intensive media campaign in Australia to assert their daughter's innocence and blame Indonesia for discrimination against foreigners. That misplaced effort ensured that Indonesian prosecutors and judges threw the book at Corby, to the tune of 15 years, later raised to 20 on appeal.

After Corby, Australian underwear model Michelle Leslie was busted at a party with two Ecstasy pills in her purse. After three months of incarceration, including court appearances in Muslim dress — Leslie claimed to have converted the previous year — she got off with time served and wore a tank top for her release photos.

More seriously, nine Australians were arrested in Bali for carrying heroin from elsewhere in Southeast Asia on their way to Australia. Two of the so-called "Bali Nine" received death sentences. "In Bali, people are at a loss to understand how a few cases involving tourists with drugs, which have been happening for as long as foreigners have been coming to Bali, created such headlines verging on national hysteria in

Australia," Holt said.

Corby's defense claimed that the drugs were placed in her unlocked luggage by an Australian airport smuggling operation. Leslie's lawyers claimed alternately that she was holding the pills for a friend and that they were an emergency substitute for her usual prescription dose of Ritalin. The Bali Nine arrests were prompted by a tip from Australian Federal Police, which sniffed out the scheme before the smugglers arrived in Bali.

Pictured frames

Facts aside, there's a widespread perception that the defendants were set up by Indonesian authorities.

"Ask Australians what is stopping them from coming to Bali [and they say] they are scared of getting drugs planted on them," Bali Hotel Association vice chairman Robert Kelsall said. "Bookings for the wholesalers in Australia started to show a severe decline back in May 2005 when the Corby issue was strong."

Kelsall also chides the Australian media for stirring up negative sentiments toward Indonesia, focused on the drug convictions and a series of contentious diplomatic incidents over the past year. Canberra loudly protested the sentence reductions and early release in June of Abu Bakar Ba'asyir, the alleged spiritual leader of terror group Jemaah Islamiyah, for his alleged role in the planning of the 2002 Bali bombings. Australia's dissent revived ever-popular charges of interference in Indonesia's internal affairs.

Amid rising violence in Papua, Indonesia's primitive easternmost province, Indonesian officials once again pointed fingers at Australia, where many Papuan separatists live and enjoy grassroots support from various rights organizations. That prompted a war of cartoons depicting each nation's leaders as canines, a particularly nasty insult to Indonesia's Muslim sensibilities. Australia's subsequent decision to grant political asylum to self-proclaimed Papuan separatists prompted the recall of Indonesia's ambassador to Canberra.

"I don't think anyone listens to the political



issues," said Kelsall, general manager of a five-star hotel in the heart of Kuta. "The Australian press tried to make an association and tried to create an issue trying to state the Indonesians would be angry with the Australians if they came to Bali — same as they tried to do during the Timor crisis." "He contended that" on the whole, the people are not interested in politics. They just want to get on with their lives and get things back to normal ASAP."

## Paradise lost

The drug issue is the second-biggest reason for the decline of Australian visitors, said Kelsall, who chairs a Bali Hotels Association subcommittee on Australia that includes Bali government officials and other tourism stakeholders. The No 1 reason, he contends, was closure of Bali-based airline Air Paradise, which launched in 2003 and quickly became the island's unofficial flag carrier.

"Air Paradise was the No 1 cause for a faster recovery from Australia" after the 2002 bombings, Kelsall explained. "Not only through their ability to add more capacity, but their strong marketing strategy and their ability to quickly adapt strategies to the changing needs of the market. They were willing to take risks and add capacity before they knew they would fill that additional capacity. Then they would try hard and market it, and they succeeded at it."

However, Air Paradise was grounded after last year's bombs, which remain at the heart of Bali's current doldrums. "Whereas after the 2002 bombings there was a general optimism that the worst was over, I do not have that feeling now and feel the long-term effects of 2005 bombings are far more difficult to predict," Holt said.

[Gary LaMoshi has worked as a broadcast producer and print writer and editor in the US and Asia. Longtime editor of investor rights advocate eRaider.com, he's also a contributor to Slate and Salon.com, and a counselor for Writing Camp.]