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Introduction:

In the aftermath of the Asian Financial Crisis (AFC), the Indonesian state witnessed unprecedented levels of violence and conflict – in fact the fault-lines of this violence cut across several parallels which included ethnicity, religion and race, leading some to predict its break-up like Yugoslavia while others denounced this (Liddle, 1997). Till the democratic shift, conflicts in Indonesia had remained largely vertical where some regions had conflicted with the centre. Such conflicts were evident in East Timor, Aceh and Irian Jaya or West Papua (Sukma, 2002). While these conflicts were indicative of the fact that the nation-building process remained incomplete, they neither destabilised the state nor created significant impact in other regions of Indonesia (Bertrand, 1995). In fact, for much of the thirty years under the New Order regime, Indonesia witnessed a degree of stability. However, underlying this sense of stability were critical fault-lines that were well camouflaged (Elson, 1998). These fault-lines contributed to the eruption of violence along horizontal lines that encompassed racial, ethnic and religious divides in the period following the democratisation process.

The primary trigger for this transition in Indonesia was the Asian Financial Crisis. The impact of the AFC on Indonesia was severe, leading to a `systemic change’ that led to the overthrow of the New Order regime and brought in democratic rule instead (Varshney, 2002). This systemic change gave an added impetus to many conflicts revealing fault-lines that had not been so openly visible before. Some of these conflicts were further aggravated by the dismemberment of East Timor from the Indonesian state (Cotton, 2000). The centrifugal forces unleashed by this have a bearing on the manner in which the relations between the centre and the regions had to be re-aligned in a new matrix of power and resource sharing.

In the context of this present study I have taken four case studies: Aceh, Papua, Riau and Malukku. One critical commonality in all four cases is that the desire to control the economic resources at the local levels tends to promote the growth of a separatist identity (Morin, 2006). Consequently, there seems to be a view particularly regarding the first three cases that the uneven distribution of economic wealth between the region and the centre has contributed to the demand for greater rights to control the economic resources of a region. Interestingly, in all of these cases, the integration of the province or the peripheral region into the nation-building process itself remains an issue of dialectic discourse, whereby regional and national histories are often seen competing with each other.

While the four conflicts are clearly different, there are also parallelisms in terms of the impact that the globalisation process has had upon them. Another distinction is in the
levels of sub-national developments. While in the vertical cases the growth of separatist identity has been far stronger, in the horizontal cases, the growth of sub-nationalism has been more muted, especially following the implementation of the laws on decentralisation and devolution (Elisabeth, 2006). Also, democratisation has brought with it changes that impact upon the growth of “local nationalisms”. While the factors that determine this find its roots in the historical evolution of the nation-state, Rizal Sukma identifies these causes as falling into two broad categories: “immediate and permissive causes” (Sukma, 2002: 8). While the immediate cause may be factors that trigger the actual outbreak of violent conflict, the permissive factors are those that are already embedded in the system which may slowly increase the potential for conflict (Sukma, 2002). The permissive factors may be systemically rooted and may need to be studied within the context of a “systemic change” in Indonesia. Contextually therefore, the democratic shift becomes significant because it allows for the critical realignment of the existing fault-lines, and the state’s response to these is crucial in determining the shift towards greater ethnic harmony and equal distribution of resources and power representation among the various ethnic groups and the centre (Sukma, 2006).

**Globalisation and Sub-nationalism.**

Within the lexicon of international relations today globalisation has become an all encompassing word that relates to processes at multiple levels of state as well as non-state functions. In its most basic definition globalisation relates to the movement of capital, finance and multinational corporations across borders and is in that sense driven by the economic dimensions of international economic relations (Kinvall, 2002). However, beyond this basic definition it may include other factors such as those relating to migration, movement outside and within states for employment and also refugee flows (Kinvall, 2002). The transfer of ideas and views across regional and national boundaries have also found a place within the definitional scope of globalisation. This has two impacts. First, it poses challenges to states from outside in that the onset of new ideas and cultures may undermine the existing order. Second, it has the capacity to impact upon the way states are constructed from within (Wee and Jayasurya, 2002). The process has the potential to unleash challenges on the state structure in the form of varying identity constructions and divergent views regarding historical distinctions between state and peripheral formations. This basically is critical when regions within states have distinct notions of their own formation that may precede the state formation. This acts as the basis for identity constructions for regions that have a distinct view of their historical evolution and also for the way in which they view their integration into the state (Wee and Jayasurya, 2002).

Various disciplines have tended to look at globalisation in differing contexts, i.e. in terms of the economic, the political and even the socio-cultural dimensions of the issue. There is one view that sees plural or multiethnic countries being affected by identity constructions that result from the process of globalisation. Consequently, this has given rise to conflicts and dilemmas that result from tying national identities to culture (Kinvall, 2002). In many cases the study of globalisation has challenged state-centric views and
assumptions that emerge from the accepted notions of what constitutes modernity, religion and the historical evolution of the state (Globalisation in Southeast Asia, n.d.). As the competing forces of the global and the local come into contact with one another, the strictly held notions of time and space continuum are also challenged. Within the social sciences this distinction becomes more significant since it contests widely held state-centric assumptions of international relations (Hughes, 2000).

The neo-liberal view looks at globalisation as a market-driven globally oriented process that leads to development for all, a result of the greater inter-connectivity which links the local and the global in a development process. In this regard the process of globalisation, democratisation, liberalisation and development are seen as elements of the same matrix. Opposed to this is the other view that looks at the process as one that is rather bleak and threatening (Kinvall, 2002). Within this context globalisation is driven by capital markets and will eventually undermine or destroy national cultures, transform the democratic political life within states by unleashing upon them influences from outside that have little harmony with the local cultures, thereby reducing the relevance of the state from within (Kinvall, 2002).

Christopher Hughes puts forward the argument that in the past the global social space had been primarily dominated by the inter-sovereign state relationship in matters relating to politics, economics and security. However, as a result of globalisation there is increasing ‘porosity or irrelevance of state boundaries’, and there is ‘growing exposure to and interaction between internal social groupings and external forces’ (Hughes, 2000). Hughes argues that the traditional notion of the state as the key player in the security dialectic gets transformed under the impact of globalisation as it heightens the awareness of divisibility and shifts the focus from the sovereign state to the internal social elements that are at play (Hughes, 2000). The Financial Crisis of 1997 did reflect this view which suggested that the political legitimacy of states was undermined because the state could not protect the interests of the different groups within it. Its impact on Southeast Asia and on Indonesia in particular is significant to this study (Soesastro, 2003).

In addition to this, the democratisation process in Indonesia following the Financial Crisis created complications that aggravated the identity issues, which were already just below the surface during the New Order regime. The state policy of *pancasila* was imposed from above and this did not allow for the amalgamation of many identities that remained under the cloak of a national identity (Elson, 1998). The shift to democratisation, the impact of the financial crisis and the developmentalist agendas of the New Order regime had dire results. First, it tilted the balance between the centre and the periphery creating friction. With the democratic shift, the peripheral regions asserted more strongly their right to control their own resources at the local level. Also, with the democratisation process, the development of sub-national tendencies seemed to have been aggravated. In the aftermath of the East Timor crisis, centrifugal tendencies erupted, heightening concerns regarding the possible break-up of the state. These old vulnerabilities in the structure were resurfacing under the impact of the systemic transition that Indonesia was going through. Patterns within the state structure that had been institutionalised over a period of 35 years were being challenged by a new matrix in
which the quest for power and the control of local resources began to shape the form and content of the newly emerging state structure. This shift and the manner in which the peripheral regions have reacted form the core of this study.

In an attempt to understand the cases that are being studied I adopt three approaches as used by Jacques Bertrand. First, I will use the constructivist approach that seeks to emphasise the social and historical context which shape ethnic boundaries (Anderson, 1999). This approach promotes the possibility of creating a kind of historical fault-line where the history of the ethnic region is seen to be different from the history of the nation. This in itself creates a friction between two competing histories within one single entity (Wee, 2001). The second is the instrumentalist approach, which emphasises the role of the elites to use ethnic identity as a mobilising force in order to get specific gains. Sometimes when different groups compete for state power, resources and the fulfillment of private interests, groups are mobilised on the basis of ethnic identity to push for claims, so as to ensure their own political, economic, social and cultural continuance (Bertrand, 1995). The third approach is the primordialist approach which tends to view ethnic identity in terms of an inheritance, that which is congenital or by birth, thereby placing it in the context of that which is unchanging and immutable (Bertrand, 1995).

Another factor that determines the balance is the evolution of the Indonesian state as a unitary one, with a highly centralised structure of administration which has changed only recently bringing with it several complications in the management of inter-ethnic issues. Moreover, there are significant economic issues that result from the view that the economic resources of some peripheral regions have been exploited by a process of resource centralisation. Also with these prevailing factors the propensity for the evolution of lop-sided institutions that allow for inter-ethnic rivalries and tensions to be exacerbated becomes a critical cause for the furtherance of identity factors. In response to these tensions the autonomy laws were passed, first in 1999. The laws were seen as a basic response by the government to pacify the regions which were dissatisfied with the performance of the government in the aftermath of the democratic shift. In many ways the willingness to give more regions the right to manage its affairs also meant that the regions would exert the necessary effort to boost their economic performance as well (Sukma, Conflict Management, 2003). This was followed by the ‘otonomi luas’ of 2001 which furthered the scope for decentralisation. While some scholars may feel that these laws do not address a range of issues, they are indicative of Jakarta’s willingness to accommodate minority issues (McGibbon, n.d.).

Vertical Cases: Aceh and Papua.

Aceh

In addressing the particular issue of the Aceh conflict several factors must be considered. First, there is a constructed understanding of the conflict in terms of the separation of the region’s history and the nation’s history. This is strongly reflected in the Acehnese
psyche which clearly looks at the robust history of the Acehnese sultanate as being distinct from the history of the Indonesian state (Reid, 2004). Till the Dutch conquest of Aceh in the late nineteenth century the region had closer connections with the Malay world (Reid, 2004). Aceh’s significance as a source of pepper linked this small sultanate with countries such as America, England, France, India and Italy (Reid, 2004). According to Anthony Reid, if either economics or culture had prevailed, Aceh would have been fitted into a loosely amalgamated British influenced region within the given structures of the Straits Settlement entrepots (Reid, 2004). But the maritime boundaries of the Malacca Straits became the demarcation between the Dutch and British territories and Aceh was incorporated into the Dutch territory (Reid, 2004).

The nature of the Acehnese revolt and resistance to the Dutch was so severe that the Dutch began to see Aceh in exceptionalist cultural terms, i.e. as having a strong emphasis on religious identity, almost bordering on religious fanaticism (Daud, 2006). This description of exceptional ‘cultural identity’ has continued even till date, referring to the region’s ethnic distinctiveness and Islamic fervour (Daud, 2006). Despite its historic uniqueness and its strong sense of being a separate entity, Aceh was an enthusiastic participant in the nationalist movement. Jacques Bertrand argues that the regionalist identity of Aceh was firstly, not predetermined by its historical resistance to the Dutch presence. He also argues that there was no clear-cut primordialist sense of identity that dominated the strong sense of Acehnese identity during the revolutionary years (Bertrand, 2005). In the schism between the Centre and Aceh, perhaps the initial imagination as a nation was seen in two different perspectives. The early anti-Jakarta sentiments came from two expectations that remained unfulfilled. The first was the fact that the vision of Dar-ul-Islam was not complete and the second was the merger of Aceh with north Sumatra (Daud, 2006). To quell the Dar-ul-Islam movement, Aceh was granted the recognition of being “dearah istimewa” in 1959 (Sherlock, 2005). This provided some degree of autonomy over matters relating to religion, customary law and education (Daud, 2006).

The relationship underwent a drastic change in the aftermath of the 1965 coup and the coming of Suharto’s “Order Baru” or the New Order regime. The political economy of the New Order led to a massive centralisation of the regions’ wealth. Aceh was affected in two ways. First, the discovery of large reserves of oil and natural gas in the Lhokseumawe region was a critical development that furthered the sense of discord. In fact the growth of the Gerekan Aceh Movement (GAM) was clearly linked to this development as the natural resources of the region were being exploited by the economic planners of the centre (Aspinall, 2003). Aceh in fact contributed nearly 11 percent of the national revenue with Liquid Natural Gas (LNG) amounting to about 2.6 billion US dollars (Sukma, 2006). Second, another source of income was the taxes levied on the oil and gas fields that contributed billions of dollars to the Jakarta government’s revenue (Sukma, “Aceh in Post Suharto Indonesia,” 2003). These huge amounts of hydrocarbons brought in the presence of global trans-national corporations such as Exxonmobil which has an extensive base in the region. The collusion between Exxonmobil and the state owned corporation, the Pertamina, led to the development of a centre periphery network.
of vested interests, leading to the emergence of a group of rich, employed, non-Acehnese migrants in the region amongst the poor unemployed Acehnese (Emerson, 1993).

Rizal Sukma in his extensive work on Aceh identifies several factors that contribute to the sense of alienation among the Acehnese. First, Aceh’s natural resources were exploited without proper compensation. Second, it remained one of the poorest provinces in the country (Sukma, Aceh in Post Suharto Indonesia, 2003). Third, the dichotomy between the development of the centre and the province pushed the notion of deprivation and alienation even further into the minds of the Acehnese. Fourth, the TNI was involved in several cases of illegal logging, drugs, and even arms sales. These factors contributed another economic dimension to the conflict. Sukma further states that as a result of the central governments policy of imposing uniformity, the feeling that the local identity was under threat was strong (Sukma, Aceh in Post Suharto Indonesia, 2003). Against this background the genesis of the Gerekan Aceh Merdeka (GAM) took place in December 1976 and it remained the forerunner in the demand for a separate nation till the 2005 Helsinki process that negotiated the peace deal between Aceh and the Centre.

Because of the GAM’s armed struggle in the region between 1989 and 1998, the region was known as the ‘dearah operasasi militer’ or DOM. This period was a period of extreme human rights abuses and arbitrary behaviour by the TNI which had been deployed to deal with the separatist threat. With the fall of the Suharto regime there was a brief period when the hostilities flared up with the Acehnese hoping that the changed environment would allow for a push towards independence. Under Wahid and Megawati the Humanitarian Pause and the Cessation of Hostilities Agreement (COHA) were initiated but this also collapsed as a result of non-compliance by both parties.

Simultaneous with the Humanitarian pause, the government also enacted Law No. 18/2001 dated 9 August 2001 giving Special Autonomy to the Province of Aceh Special Region as the Province of Nanggroe Aceh Darussalam. This law was the first of its kind. Under the general provisions of this Law given in Chapter 1, article 1, there is a provision in the 7th clause for implementing the Shariayh law in Aceh. For the first time there was a law that addressed the issue of resource sharing between Aceh and the Centre. The success of Law 18/2001 was however limited because of two significant factors. The law called for direct election of the governor and district heads in 2004 which to the local population was not acceptable. There was a feeling that with the end of the DOM and the initiation of the new autonomy law, the opinions and needs of the local community would be privileged. But the pace at which the law was implemented led to a degree of weariness among the local population. Moreover, there was a critical flaw in terms of the distribution of the revenue. The Golkar leadership in control of Aceh continued to enjoy the benefits of the corrupt system. The share of the revenue still did not reach the province (Sherlock, 2003).

The 2004 general elections in Indonesia which for the first time was a direct presidential election brought to the leadership Susilo Yudhoyono and Jusuf Kalla and both committed to the cause of finding a solution to the conflict in Aceh (Aspinall, 2005). The combination of the 2004 tsunami and the initiative of the Crisis Management Initiative
(CMI) led by the former Finish president Martti Ahtisaari, pushed the peace plan into the framework that “nothing is agreed until everything is agreed”. What was more crucial was that in this case the GAM agreed to give up its agenda of total independence from the Indonesian state and accept self-government for Aceh within the Indonesian state. This changed the way in which the GAM was perceived within the province and the state. This political legitimacy for the GAM was a clear deviation from the earlier stand taken by the Jakarta government and ensured that the peace process was more well-founded (Larkin, 2006).

The Undang Undang Pemerintahan Aceh Nomor (LOGA) 11 August 2006, for the first time, ensured the holding of local elections within Aceh. Held on 11 December 2006, the GAM leader Irwandi Yusuf won a resounding percentage of votes to become the governor. Two challenges are likely to be critical at this stage. First is that the move towards self-government or autonomy within the state must not be hampered by both sides. The present agreement is a breakthrough in the conflict even for those in the other regions in the country, because it does to a degree establish a kind of loose federation within the unitary state of Indonesia (Yusuf, 2006). A second key challenge will lie in the implementation of the LOGA which includes the increase of the local Acehnese budget. Currently the provincial budget is 2 trillion INR but under the new law it is expected to increase to about 3.5 to 4 trillion INR. The key to the solution lies in dispersing prosperity throughout the region which is likely to address the challenges of socio-economic development in Aceh (Ismail, 2006).

Papua

The very nature of the integration of Papua into the Indonesian state is one that is a matter of debate. Papua too had been a colony of the Dutch but when the nationalist movement took place and united the people across the archipelago in places like Java, Sumatra and even Ambon, the region of Papua remained far from the political developments in the rest of the country (Bertrand, 1995). Since its Melanesian people is ethnically distinct, there is a perception that in ethnic and cultural terms it was “part of the eastern archipelago where the Malay world of Southeast Asia and the Melanesian world of the pacific meet and overlap” (Chauvet and Bhakti, 2004). For the nationalist Indonesians the move to reclaim this region was critically linked to the colonial struggle and to the way in which the leadership perceived Indonesia as a secular and multi-ethnic composition. In that sense the need to have Papua integrated into Indonesia was very much a continuation of the fight against the Dutch and a part of the decolonisation process. 10

Indonesia took the issue to the United Nations in 1954, and argued its case on four basic premises. First, the entire decolonisation process meant that Papua too was a part of it. Second, the Indonesian state was a political concept and inspite of its ethnic and cultural diversity, Papua was integral to this. Third, a shared historical struggle against the Dutch unified the Indonesians with the Papuans. And fourth, though there was no Papuan participation in the freedom struggle, the Indonesian nationalist elite viewed Papua as
part of the newly independent state (Chauvel and Bhakti, 2004). While the Dutch tried to assert their rights within Papua two different groups were emerging: those who supported the integration into the Indonesian state led by the *Partai Kemerdekaan Indonesia Irian* PKII led by Ratulangi and the other that began to see an identity for itself without the control of Jakarta or the Dutch (Bhakti, 2006). Therefore within Papua, a divergent history developed that positivized the manner in which the Dutch had allowed education and socialization (Bhakti, 2006). The development of two contrasting histories between the Indonesian nation-state versus the region of Papua evolves from here. This led to the formation of a sense of historical distinctness and laid the foundations for the furtherance of a separate Papuan sentiment which later emerged to challenge the New Order developmentalist vision (Morin, 2006).

The Dutch initiated the Luns Plan of September 1961 which sought to bring the province under UN supervision or that of an `international authority’ to prepare the territory for self-determination. Indonesia opposed this on the plea that it undermined the territorial integrity of the state and could enhance the disruption of national unity (Chauvel and Bhakti, 2004). Under the resolution the territory was to pass under the care of the UN, followed by a period of Indonesian administration after which the Papuans would be allowed to express their sentiments in a referendum (Chauvel and Bhakti, 2004). Known as the New York Agreement, it provided the assurance that the Indonesian government would ensure the Act of Free Choice to the Province of Papua in 1969 (Chauvel and Bhakti, 2004). The Act of Free Choice held under the New Order regime rejected a referendum on the basis of `one man, one vote’ and gave the vote to a select group of 1025 traditional leaders who voted on behalf of the Irianese people to join Indonesia. This was also endorsed by a UN General Assembly resolution 2504 in November 1969 which was adopted with 84 to 0 in favour of Indonesia and 30 abstentions (Chauvel and Bhakti, 2004).

The resistance to the Indonesian government began to emerge out of a feeling that the Act was seriously rigged and did not allow the Papuans to express their true choice in the integration into Indonesia. The formation of the Organisasi Papua Merdeka (OPM) or the Free Papua Movement had begun even before the introduction of the Act of Free Choice in 1965. However, the OPM was an ill-equipped force and its battles against the Indonesian armed forces were carried out with bows and arrows, and even traditional clubs, limiting its activities to mere hit and run operations (Osborne, 1985). The OPM was a loosely knit and loosely coordinated resistance movement and remained ineffective in challenging the Indonesian state’s use of brutal force (Premdas, 1985).

One of the core issues relating to the Papuan conflict is the manner in which the Suharto regime’s policy of centralisation of economic resources drove the wedge between the centre and this periphery. In terms of its significance as a region, it remains one of Indonesia’s richest provinces in terms of human population and human resource. Within the archipelago it occupies almost one fourth of the total land mass of the country with a population of 2.2 million out of the 210 million total population in the year 2000 (Chauvel and Bhakti, 2004). In fact over the years the government’s policy of transmigration has significantly contributed to the shift in the population ratio within the
province. It remains an area of vast natural resources and the Freeport mines contribute a huge amount to the national wealth. The world’s biggest copper and gold mines paid 1.42 billion dollars in taxes, royalties and dividends between 1991 and 1999 (Chauvel and Bhakti, 2004). The Freeport McMoran Copper and Gold Inc. was a US based company that was awarded the first foreign investment rights in Indonesia. The Freeport started off with about 10,000 hectares of land and today owns roughly 2.6 million hectares. While the developmentalist agenda of the Suharto regime has fully benefited from the profits of the Freeport Mcmoran Inc., there is no doubt that the economic benefits have not percolated to the province.

Jacques Bertrand cites an example in his work. In the year 1990, while the total revenue to the government in exports from the province of Papua was estimated to be about USD 600 million, the amount that went back to the province in development terms was merely USD 34 million. Of this 67 percent went into maintaining administrative structures, 10 percent went to roads and 8 percent to the transmigration programmes. The government initiated a few agricultural programmes that were aimed at the transmigrant communities while the local Papuans were left with very little (Bertrand, 1995). In addition to the economic and administrative development of Papua, the transmigrasi policy of the central government contributed to an increasing sense of Papuan identity.

In the aftermath of the fall of Suharto, in what has been described as the Papuan Spring, leaders of various NGO’s, religious and church leaders, officials and intellectuals formed the ‘forum rekonsiliasi masyarakat irian jaya’ or the FORERI (Chauvel, 2005). In June 2000, the formation of the ‘presidium dewan papua’ or the Papuan Presidium Council and the convening of the Papuan People’s Congress indicated that the review of the Papuan national process was likely to emerge as a force that will challenge the newly democratic state. In fact the Congress considered the issue of Papuan integration into Indonesia as the core issue. It was in response to this that the Special Autonomy Law for Papua was considered. Under this the MPR, the People’s Consultative Assembly, called for a decree granting special autonomy to both Aceh and Papua (Chauvel, 2003).

The 2001 Special Autonomy Laws for Papua were at that time the most systematic approach to the resolution and management of the Papuan conflict. To a considerable degree this law had the potential to address the key issues that have emerged from the region within the context of ‘Jakarta’s failed security and developmental policies’ (McGibbon, n.d.). While the law offered the possibility of de-escalation of conflict and, perhaps even a resolution, implementation had the potential to change the ground realities. The law had significant features. First, it included revenue sharing between the centre and the province. Second, it sought to establish a truth and reconciliation process that was to look at Papua’s integration into Indonesia. Third, it authorised checks into human rights violations and the setting up of courts to adjudicate on the same. Fourth, it provided for the establishment of the Papuan People’s Assembly or the ‘Majelis Rakyat Papua’ or the MRP which would review and veto the selection and appointment of officials who went against the rights and expectations of the local community. Fifth, it also gave significant control over land rights to the local community (McGibbon, 2006). However, given the fact that the state security forces had a culture of impunity in dealing
with the region, there were enough potential spoilers to the implementation (McGibbon, n.d.). Particularly within the bureaucracy and the Indonesian military there was a view that the special autonomy law would undermine the national unity of the country. This was especially due to the widespread economic mandate that the law provided. It would attract foreign groups who would support the independence of Papua from Indonesia because of the economic gains that could accrue from it (McGibbon, 2006).

In what is seen as a reversal of the Special autonomy law, on 27 January 2003, without any prior consultations President Megawati issued a Presidential Instruction re-activating Law No. 45 of 1999, which divides the province into three new provinces: Irian Jaya, West Irian Jaya and Central Irian Jaya (International Crisis Group Report, 2006). While the plans to create Irian Jaya Tengah were dismissed due to riots between the supporters and opponents, Irian Jaya Barat has been established with a governor approved by the centre. There is the widespread perception that by this presidential decree the core alignments of the Papuan struggle have been divided into distinct regions in which the local elite has been tempted and divided with economic and power incentives. There are also significant economic outcomes of this divide: Irian Jaya Barat will be the host of the lucrative British Petroleum (BP) natural gas project which has been seen as one of the reasons for the division of the province. In that sense it undermines the provision of the special autonomy law which has an important clause with regards to resource sharing. By this split the government can continue its policy of resource centralisation since it allows for the reinvention of the client–patron practices to survive with new alignments among the local Papuan elites (Elisabeth, 2006). For its part the government presented the new law as an effort to improve access to services and also push forward the economic development agenda. However, in reality it is seen to be a modus operandi to divide the elite leadership within Papua and to weaken the foundations of the independence struggle (International Crisis Group, 2003).

Under President Yudhoyono there was no attempt to reverse the Inpres 2003 and the creation of Injabar or Irian Jaya Barat. But the new establishment attempted to functionalise the special autonomy status within the structures of the new changes brought in by the previous administration (McGibbon, 2006). The Constitutional Court ruling of 2004 stated that while the creation of Irian Jaya Barat was essentially flawed, reversal of the decision was not possible because a separate government had already been established (McGibbon, 2006). In fact gubernatorial elections in Irian Jaya Barat have been held against the wishes of the MRP and in many ways this process has led to the institutionalisation of Injabar as a reality (McGibbon, 2006). While it remains difficult to predict the manner in which the issue of Papua will be resolved, there is a definite need to not merely address it as a political and security issue, but to look at its resolution from the angle of economic disempowerment and violation of human rights.
Horizontal Conflicts – Riau and Malukku.

Riau

The case of Riau has not been as critical as those of the other regions. While the conflict in Riau is one that predates the independence movement, the manner in which archipelagic Riau has been integrated into the Republic shows that within the regional and national histories there have been critical dichotomies. There has been no major movement to determine its separatist identity. However there is undoubtedly a sense that the ethnic dimension of Riau which is mainly Malay-dominated has the propensity to become a separatist movement if issues on the ground are not addressed. In reality the conflict can be viewed in two ways. First, it actually exists in terms of the multiplicity of factors that drive the Riau issue. The second view is that the case of Riau erupted in the aftermath of the democratic shift due to a small group of individuals led by Tabrani Rab, which was attempting to gain some power and economic benefits. In this sense one may think that the conflict was fake (Jones, 2006).

Vivienne Wee in her extensive analysis of the Riau question states that the notion of a historic conflict between Riau and the centre was probably evident at the time of the Second World War when the nationalist movement within the archipelago was at its height. News of Indonesia’s independence took time to reach far-flung corners of the state. While this was in progress there was an attempt by the local Malay community in the islands to re-establish the Riau sultanate (Wee, n.d.). In 1949, with intentions to bring the nationalists into some form of an agreement, the Dutch attempted to create the United States of Indonesia, in which the archipelagic regions of Riau were to fall into the last category of being a lower region in the federation. The region even functioned under a different currency till the konfrontasi, when the rupiah was introduced to the islands (Wee, n.d.).

The economic dimensions of the growth triangle pushed forward the idea of a separatist identity for Riau. The Sijori (Singapore-Johor-Riau) growth triangle was started in 1989 to boost the complementarities available in the three neighbouring regions of Singapore, Johor and Riau. In fact the development processes in Riau are not driven by local needs but by external factors. The potential for conflict lies in the idea that the growth triangle uses the natural resources of Riau and the cheap and intensive labour from Johor for the benefit of Singapore which brings in the capital. In fact Singapore is seen as the insistent force that drives the growth triangle as a result of its own ‘economic and political structuration.’ (Wee and Chou, 1997: 530). Riau in a sense fits into the national agenda and development plans of the three states concerned, while the local concerns are often eroded in the process (Wee and Chou, 1997). It seems that the beneficiaries of these opportunities have been people from outside the region like the Javanese who have moved to the province in search of better jobs (Wee and Chou, 1997). In the case of the indigenous people, the externally driven agendas related to the IMS-GT have actually disrupted lives and reduced economic alternatives (Wee and Chou, 1997).
As a result of this initiative there has been intensive resource extraction from Riau, leading to what Wee describes as the ‘regionalisation and globalisation of resource extraction and transfer’ (Wee, n.d.: 19). The beneficiaries are closely associated with the Suharto family and cronies of the ruling family like the Salim group (Anwar, 1994). In fact the close links between the Salim group and the highest authorities may have been responsible for the departure of local communities from their lands without proper compensation. The lands will be used for projects that cater to demands from outside the region. One such example is the establishment of a freshwater reservoir in which nearly six villages had to be relocated. Such arbitrary moves have further marginalised the community, away from the plans to link them with neighbouring countries (Anwar, 1994). Another factor that pushes the issue is the fact that the Indonesian government has squashed the environmental laws that protect the region. Waste from several industries has been dumped in the region, polluting it and making the lives of the local community difficult (Anwar, 1994).

In an attempt to deal with the rising discontent from the region the central government under the Habibie administration appointed a local Riau born Malay as governor in December 1998. He was the first local governor. Also under the Wahid administration funds were allocated and shared between the centre and the region. The share of the province was 70-80 percent of the oil and gas revenues (Anwar, 1994). In fact without the proper transfer of such funds and lack of transparency in the implementation of such laws, there have been little means to gauge effectiveness on the ground. While the Riau situation has been contained it still remains unresolved and the manner in which it will unfold still remains uncertain (Effendy, 2007).

Malukku (Ambon)

As in the other cases there is in the Ambonese context the question of a distinct history. During the Dutch period the Ambonese Christians were favoured by the colonial administration over the Muslim population. Administrative positions were granted to the Christian groups in a policy of divide and rule. Local Christian groups found positions within the administration and also in the Dutch colonial army, while the Muslims remained isolated and even marginalized (Bertrand, 1995). Between the revolutionary years of 1945-49, the Ambonese Christians resisted the move to join the republic for fear that they would be absorbed into a Muslim majority state. This period was critical in many ways in shaping the foundations on which the future balance and fault-lines in Malukku were to be formed. With the defeat of the Dutch the federal system adopted by the Dutch was replaced by a unitary state of the Republic of Indonesia. Resisting this idea, officers of the Dutch colonial army, supported by the Ambonese Christian community, declared the independence of the South Moluccan Republic (RMS) (Bertrand, 1995). This resistance however was put down by the Indonesian army within a few months.
Jacques Bertrand states that because of the RMS, the region suffered a decrease in its potential as an economic hub during the Suharto years. Trade from the region was redirected to areas like Surabaya which replaced Makassar in Sulawesi. Ambon which had been a centre for the Dutch spice trade, particularly in cloves and nutmeg, was no longer nurtured as an important source of the commodity. Also there was a greater priority given to rice production (Bertrand, 1995). Along with the reduced economic potential, the Christian and Muslim divide was also institutionalized. Identity along religious lines began to govern government positions particularly within the provincial level. The civil service was seen within the region as a lucrative source of employment and this became a keen battleground for both Muslims and Christians (Bertrand, 1995). With the formation of the ICMI or the ‘Ikatan Cendekiawan Muslim se-Indonesia’ (Indonesian Association of Muslim Intellectuals), the rivalry began to take on even more serious proportions. This led to further polarisation between the communities (Bertrand, 1995).

The policy of transmigration was encouraged by the government. Apparently there was a feeling among Christian groups that the policy was actually carried out to bring about a specific demographic shift in the region because of the past historical mistrust of the Christian groups (Bertrand, 1995). In fact from the 1960s onward, the influx of migrant populations that were predominantly Muslim, particularly from the region of Sulawesi began to alter the regional demographic balance in the Malukkus (Kingsbury, 2003). By the 1990s this shift had become critical enough to provide a credible threat to the Christian groups who began to feel that within their own region and province they would eventually be a minority group. In fact by 2001 the Muslims consist 43 percent of the population while the Christians consist 57 percent (Kingsbury, 2003). Along with this shifting demographic pattern, both land ownership and the representation of power at the local levels kept shifting between the Christian and Muslim communities (Kingsbury, 2003).

The conflict in Ambon has economic dimensions; it began as an issue of land rights. Several migrant Muslims acquired land through various land reforms which forced the original owners to quit their lands. This form of displacement was one of the key issues. In addition to this, the original significance of the islands as a key producer of spices like cloves and nutmeg also decreased. The involvement of Tommy Suharto and the monopoly of the spice trade were indicators of the level of patron-client compliance in the islands (Kingsbury, 2003).

In the post-Suharto period the initial violence centered on minor issues that erupted into full-scale communal riots between the Muslim and Christian groups. Initially, the violence was localised. This violence attracted several groups with vested interests and the major player here turned out to be the Indonesian army which had just lost its power hold at the centre under the democratic shift. In a bid to show that the centre lacked the potential to curb the violence at the provincial levels the army took sides in the communal conflict deepening the crisis in the Malukkus (Kingsbury, 2003). The conflict in Malukku took even more serious proportions with the involvement of the Lashkar Jihad (International Crisis Group, 2000).
This involvement seemed to have the sanction of the provincial government and was seen to be orchestrated against the central leadership of Wahid and the first democratic government. When the conflict was at its height, the central government seemed to have little interest in dealing with the issue. The region was not in the Centre’s priority list and as a result action was slower than one would have imagined in such a context. When vice-president Megawati was handed the task of spearheading the reconciliation efforts in the province, little headway was made because she claimed to have little power in negotiating a rapprochement (International Crisis Group, 2000).

Interestingly by April 2001, the violence had become sporadic and a group calling itself the Front Kedaulatan Malukku or the Malukku Sovereignty Front (FKM) proclaimed the 1950 declaration of independence and hoisted the separatist flag (Kingsbury, 2003). With the Megawati government came to power in June 2001, the situation improved with greater control exerted over the security forces and the prevention of violence by the Lashkar Jihad. The signing of the Malino Peace Pacts in February 2002, brought some semblance of normalcy to the region once again (Bertrand, 1995).

One of the most significant impacts of the way the conflict in Malukku was addressed has been the practice of ‘pemekaran’ which was a mechanism established for the sake of administrative convenience (Jones, 2006). The practice of pemekaran was set up under the 1999 decentralisation law in Indonesia which catered to the division of the provinces, districts and sub-districts into smaller units so that there will be better distribution of resources and more effective representation (International Crisis Group, 2007). Interestingly while pemekaran has been effective in bringing down the levels of conflict it has brought with it bigger problems in the form of the local elites’ desire for unviable smaller units that can be controlled. Moreover the policy seems to have brought in newer perceptions as to who the “native” is, with definitions becoming narrower and more limited in the light of reduced practice of adapt (International Crisis Group, 2007).

Law 22/1999 and law 25/1999 brought decentralisation and devolution at the district levels. This bypassed the provinces because the skeptics felt that decentralisation at the provincial level would lead to separatist tendencies (International Crisis Group, 2001). In 2004, under law 32/2004 there were two grants given to the districts in the form of fund allocations from the central government. As a result of these two provisions the intensity and number of smaller units through the ‘pemekaran’ has substantially increased, even where the logic of such division does not exist. This has given rise to two issues: First, the local power representation has become far more complex with smaller units emerging. Also the potential for conflict over economic resources in smaller groups has increased. Within smaller units there is a propensity to engage directly with the global economic determinants and this again increases certain vulnerabilities (Ismail, 2006).
Conclusion

There are five broad conclusions generated from the effects of globalization on plural societies in Indonesia. First, there is today a significant shift in the way in which the centre and periphery alignments are created as a result of the democratic shift and the decentralisation process.

Second, this shift brings about the realignment of global forces at the peripheral levels. As a result there is a growing tendency for the smaller units to interact directly with the external forces. This is causing a loosening of the unitary state structure that was critical to Indonesia since its formation. While there has been no formal adoption of a federal structure, these changes reveal that within the unitary state there is an increasing demand for, and recognition of, local rights and this is leading to the adoption of more flexible structures of relations between the centre and the provinces. While this has been adopted in the Aceh case, the other three are far from receiving this form of autonomy within the state.

Third, the accommodation of these interests, particularly in the Acehnese context, has brought in a new dimension to the manner in which the state has responded to the issue of conflict and the rise of sub-national and separatist tendencies in the conflict areas. The approach has been bold and brings to light the changed domestic political environment in Indonesia. Also this willingness to address the grievances from the perspective of autonomy pushes forward the possibility of resolution within the broad framework of the existing state structure. Thereby both the issues of territorial integrity and the demands from the peripheral regions have been met. The decentralisation process in Malukku is also a significant factor in the manner in which the centre has dealt with the issue of communal violence.

Fourth, the Acehnese settlement has the potential to become a framework for settlement in other regions too. However, it is still in its early stages and the efficacy of its success lies in the centre’s ability to arbitrate judiciously the distribution of the region’s wealth between the region and the centre. In this sense the Law of Government of Aceh (LOGA) also known as the Undang Undang Republik Indonesia Nomor 11 Tahun 2006 Tentang Pemerintahan Aceh, stipulates in article 11 that the distribution of wealth is a significant consideration in addressing regional grievances. One important factor here is very important is that the region’s development cannot be promoted at the cost of the centre. The corrupt practices of the New Order with its crony capitalism still have remnants in Indonesia, but if the leadership can show boldness in tackling these issues, a balanced distribution of wealth between the regions and the centre will substantially help to quell the discontent.

Fifth, the choice between federalism and autonomy is significant because it has divided the Indonesian political elite. Though decentralisation and devolution has occurred, and in many ways remains irreversible, its endorsement remains weak and insufficiently addressed in various laws. It remains to be endorsed within the framework of a constitution that still remains highly paternalistic and centralised with all power...
concentrated in the hands of the president. Given the current political leadership there may be no problems. However, some academics and scholars feel that the current political leadership may not prevail. This leadership is seen to be soft versus several hardliners within the political elite who seem to be waiting in the wings. The question is whether a change in leadership can at some point reverse the processes that have already been established? This remains an issue of concern in some quarters. The question is whether the military, having enjoyed almost total control over the state processes, will be watchful of the direction the state takes. The military has a credible stake in the nation’s security and economy but this should not be a factor to propel its involvement in the political arena again, even if it views the democratic processes as a destabilizing agent.

Endnotes:

3 This point has been dealt with in greater detail further in this paper. As part of the different approaches to understanding the theoretical underpinnings of identity issues the constructivist approach looks at the evolution of competing histories. For details on this see Jacques Bertrand, Nationalism and Ethnic Conflict, CUP, 2004, pp. 10-14. Also see, Vivienne Wee, Ethno-Nationalism in Process: Atavism, Ethnicity and Indigenism in Riau, Working Paper Series, no. 22, March 2002, City University of Hong Kong at the website http://cityu.edu.hk/searc, pp. 1-33.
4 The very nature of the process of globalisation have been emphatically discussed in the context of Southeast Asia and the regional definitions and identification. For details see, O.W. Wolters, History, Culture and Region in Southeast Asian Perspectives, Ithaca, Cornell Southeast Asian Programme and ISEAS, 1999.
5 See also Jacques Bertrand, Nationalism and Ethnic Conflict in Indonesia, n. 1, p. 11.
6 Also referred to in discussions with Professor Rusli Yusuf, 3rd October 2006, at Banda Aceh.
7 The Gerekan Aceh Merdeka is also known as the Aceh /Sumatra National Liberation Front, ASNLF.
8 Also see Stephan Sherlock, “The Tyranny of Invented Tradition: Aceh”, n. 46, p. 180-81.
9 For details see draft of Law 18/2001 at the website http://www.gtzsfdm.gov.id
10 The province of Papua has been identified as West Irian, Irian Jaya, West Papua and now as Papua. For details see Rodd McGibbon, “Between Rights and Repression: The Politics of Special Autonomy in Papua”, in Edward Aspinall and Greg Fealy (eds.), Local Power and Politics in Indonesia: Decentralisation and Democratisation, RSPAS, ANU and ISEAS, 2003, p. 195 Discussions with Professor Dewi Fortuna Anwar at LIPI, Jakarta on 26 November, 2006.
11 Also referred to in discussions with Professor Ikrar Nusa Bhakti at LIPI in Jakarta on 28 November, 2006.
13 Whereas in 1960 2.5 percent of the population, was from outside the province in the 2000 census there were 35 percent from outside the province. Ibid.,
14 Its operations began in 1972 while it was given the contractual rights as early as 1967 when the Act of Free Choice was yet to be held. For details see Winoto Soeryo, Freeport Promotes Social Solidarity in Indonesia, The Jakarta Post, 25 October 1991.
15 For a detailed analysis see, Susan J. Brown, Irian Jaya: 30 years of Indonesian Control, Working Paper No. 107, Monash Asia Institute: Centre of Southeast Asian Studies, Monash University, 1999.
One specific area where the local Papuan community felt alienated was with regards to the development of education in which the curriculum remained largely national in the narrative and the sense of a Papuan identity suffered even further. And the local population did not reach the university levels at the national level because the local curriculum was weaker. Discussions with Simon Morin. See also Adriana Elisabeth, Agenda dan Potensi Damai di Papua, LIPI, December 2005.

For a detailed analysis of the law see the Draft of the Bill of Law of the Republic of Indonesia No. 21 Year 2001 on Special Autonomy for the Papua Province at the website http://www.gtzsfdm.gov.id

Also the government by this move in some ways reduces the impact of the 2001 Special Autonomy Law for Papua and regions that have been highly rich in natural resources fall under the capacity of government control once again. Discussions with Professor Adriana Elisabeth, at LIPI, Jakarta on 6 December 2006.

See also Rodd McGibbon, Pitfalls in Papua, n. 92, pp. 49-52.

For details see, Vivienne Wee, Ethno-nationalism in process: Atavism, Ethnicity and Indigenism in Riau, n.9, pp. 1-33.


Also discussions with Bahtiar Effendy, 7 March, 2007, at Jakarta.

Also see Vivienne Wee, Ethno-nationalism in Process: Atavism, Ethnicity and Indigenism in Riau, n. 9, p. 23.

What was significantly interesting about the case of Malukku was that within villages both communities inter-married and blood ties were established across the inter-religious groups – that formed family unions and kinships without concern for the religious divides. This system of inter-marriage became known as pela-gandong.

Also in confidential discussions with an Ambonese Christian in Jakarta who wishes to remain anonymous.

It was believed that the army after its loss in the post-Suharto period was keen to project the image that the successive democratic governments had to deal with provincial instability.

Also Discussions with Sydney Jones, 28 November 2006, International Crisis Group, Jakarta.

One of these is the general block grant called the ‘dana alokasi umum’ (DAU), given by the central government which amounts to almost 80 percent. In addition to this there is another grant called the ‘dana alokasi khusus’ (DAK), or the special allocation. Discussions with Professor Mawardi Ismail, at Shyah Kuala University, Banda Aceh, 7 October, 2006. Also see ICG Asia Briefing No. 64, Indonesia: Decentralisation and Local Power Struggles in Malukku, Jakarta/Brussels, 22 May, 2001, n. 193, p. 2.

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