



INSS Background Paper

Indonesia's Aceh Conflict in Perspective *Security Considerations for Tsunami Relief and U.S.-Indonesia Relations* By Tamara Renee Shie *

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Executive Summary

The recent Indian Ocean tsunami refocused attention on an obscure decades-long conflict in the Indonesian province of Aceh. Unrest in Aceh dates back to 1873. The conflict involves a complex collision of issues with historical, political, economic, social, ethnic, and religious underpinnings. As U.S. involvement in Aceh transitions from relief to reconstruction and Washington looks to develop stronger ties with Jakarta, U.S. policymakers should take a host of factors into account when developing policy on Aceh and Indonesia. Some key points are:

- **Historical Context** –Indonesia's colonial history continues to shape current problems, such as the central government's challenge in imposing a national identity over an ethnically and geographically diverse nation. Provinces with separatist movements such as Aceh and Papua, both latecomers to the Dutch East Indies, have distinctive historical and cultural traditions that are not fully integrated into the nation-state.
- **Center-Periphery Relations** – Governance in Indonesia is structurally difficult with a highly centralized administration on Java and with Javanese dominance in political, economic, and cultural areas. For over a hundred years the outer islands have supported the center economically and served as a repository for Java's surplus population. The government has tried to promote autonomy as an answer to separatism, but has broken promises repeatedly in the past and has not abandoned hope for a military solution.
- **Gerakan Aceh Merdeka (GAM)** – GAM seeks to establish an independent Islamic state, but is not a terrorist group. The Indonesian government has repeatedly tried to eliminate GAM, but continued military abuses and resource exploitation have only increased GAM's public support.
- **U.S.-Indonesia Relations** – The U.S. intervened repeatedly in post-independence Indonesian politics, supporting several rebellions and a military coup in order to suppress communist tendencies. This ultimately led to the establishment of an authoritarian regime led by General Suharto. Indonesians harbor suspicion about U.S. intentions due to this legacy and more recent U.S. actions in the Asian Financial Crisis and the war on terrorism.
- **Possibility for Peace** – Tsunami relief and reconstruction efforts present an opportunity for peaceful reconciliation in Aceh, but many difficult obstacles must be overcome.

These include the legacy of unfulfilled past promises and the challenge of reconciling competing demands from Jakarta, the military, ordinary Acehnese, GAM, and the international community.

Background

Indonesia

The Republic of Indonesia is an archipelago of more than 17,000 islands stretching over 3,000 miles along the equator between the Asian and Australian continents. It is the fourth most populous country in the world with almost 238.5 million inhabitants. About 60% of the population lives on only 7% of the land mass – the main island of Java. There are more than 300 ethnic-linguistic groups in Indonesia, but the Javanese are the largest group at 45%. Indonesia is a secular republic that formally recognizes five world religions – Islam, Catholicism, Protestantism, Hinduism, and Buddhism. However, approximately 85% of the population follows Islam, making it the most populous Muslim country in the world. Most Indonesian Muslims practice a moderate version infused with Hindu, Buddhist, and local traditions. The country's motto is *Bhineka Tunggal Ika* meaning "Unity in Diversity." Indonesia's ethnic and religious diversity, combined with its far-flung geography, have led post-independence central governments to cultivate nationalism as a means of holding the country together. "Nationalism" is the first of five principles of Indonesian governance called the *Pancasila*, or five pillars.

Formerly known as the Dutch East Indies, the islands of Indonesia were first administered by the Dutch East Indian company from the early 1600s until the company liquidated in 1799. The Netherlands government then took over the administration of the country until formal independence in 1949. The Dutch colonial administration concentrated governance and labor-intensive agricultural production (primarily sugar and rice) on the island of Java while using the less populated outlying islands for lucrative cash-crop plantations and tapping other natural resources. As a result, Java grew more in population, wealth, and industry than the other islands. In the 1800s the Dutch instituted a system of luring migrants from overpopulated Java to work on the plantations in Sumatra. This gradually morphed into the *transmigration* program continued under the Republic of Indonesia until 2000. The large scale movement of predominantly Javanese settlers to other parts of the country contributed to ethnic tensions that persist today.

Indonesia declared independence from the Netherlands on August 17, 1945, two days after the departure of the Japanese. However, full independence was not achieved until 27 December 1949, after more than four years of fighting Dutch troops. Independence leader Sukarno became the first President of Indonesia in 1945 until he was removed from power in a military coup in 1967. President Suharto ruled 32 years until he was forced to step down in May 1998 after the Asian Financial Crisis. Four presidents have succeeded Suharto—B.J. Habibie, Wahid, Megawati, and Yudhoyono—though no president has yet served a full term.

Aceh

The province of Aceh, or Nanggroe Aceh Darussalam, is located on the northern tip of the Indonesian island of Sumatra with the Indian Ocean on its west and the mouth of the strategically important Malacca Strait to the east. Historians believe traders first

introduced Islam into Southeast Asia through Aceh in the 8th century. By the 16th century Aceh had become a powerful permanent sultanate that controlled the Malacca Strait. Acehnese power began to decline in the 17th century as great European powers, the Dutch, British, and Portuguese, vied for control. In 1819 the British obtained exclusive trading privileges with the Acehnese, but an 1824 Anglo-Dutch treaty made Aceh a Dutch protectorate. In 1873 the Dutch launched a military operation to capture Aceh, in what became its longest and bloodiest colonial campaign.

The last Acehnese sultan capitulated in 1903 but it was not until 1910 that the Dutch were finally able to incorporate the province into the Dutch East Indies. Resistance was never entirely quelled and continued until independence. In 1953 Aceh joined several other provinces in a movement referred to as the Darul Islam Rebellion. The Indonesian government bestowed “special territory” status on Aceh in 1959, conferring autonomy in religious, educational, and cultural matters. In practice autonomy was never implemented.

Under Suharto the government became increasingly centralized in Jakarta. The years of autonomy in name only, during which foreign companies and Javanese settlers were awarded contracts to harvest Aceh’s substantial natural resources at the expense of the indigenous population, along with a repressive military presence, served to embitter many in Aceh. Following East Timor’s 1999 referendum on independence, many Acehnese hoped to be granted a similar opportunity. In November 1999 President Wahid said he supported a referendum and gave a timetable of 7 months, but nothing came of it. Wahid began negotiations with GAM in 2000 and promoted a regional autonomy law, but by mid-2001 Jakarta’s policy on Aceh began to harden.

The Acehnese are devout Muslims, practicing a more conservative brand of Islam than much of the rest of Indonesia. Even so, in comparison to many Middle Eastern countries they are less strict, especially concerning women’s rights. Under the autonomy bill passed in July 2001, the central government granted Aceh the right to establish Shari’ ah law and a muslim court system. The predominant ethnic groups in the province are the Acehnese, Gayonese and the Alas, although the number of Javanese has steadily increased due to transmigration and business opportunities.

GAM and the Current Conflict

In 1976 Muhammad Hasan di Tiro, a veteran of the Darul Islam movement and grandson of Dutch resistance hero Tengku Cik di Tiro, formed the Aceh Sumatra National Liberation Front (ASNLF), popularly known as the Gerakan Aceh Merdeka (GAM) or Free Aceh Movement. According to the ASNLF website (www.asnlf.net) the primary purpose of GAM is to challenge the illegal incorporation of Aceh into the Republic of Indonesia in 1949 and to preserve the political, social, cultural, and religious heritage of the Acehnese people from Javanese neo-colonialists, both in the government and settled in the province.

The GAM resistance began with an ill-equipped group of around 70 fighters and a small support base in Pidie. By 1982, the Indonesian military had effectively neutralized the

movement. Di Tiro himself, along with other GAM leaders, went into exile in Sweden in 1979. In the 1980s the leadership sent several hundred GAM members to Libya for military training and in 1989 a revitalized GAM made its reappearance in Aceh. GAM marked its return with literature proclaiming a separate and distinct history apart from the rest of Indonesia. From 1989 to 1992, about 750 GAM guerillas fought several thousand central government troops. The military met the resistance with brutal force.

From 1989 to 1998, Jakarta labeled Aceh a military operations area or DOM (Daerah Operasi Militar). Jakarta's military campaign at first appeared to be successful, with many GAM members going underground or escaping to Malaysia by 1992. Military tactics, including the use of "shock therapy," only increased public support for GAM. Once the DOM period ended in 1998, GAM resurfaced again. The group's support base gradually expanded beyond Pidie to Aceh Besar, and Central, North, and East Aceh. GAM has used Achenese resentment over human rights violations and Jakarta's exploitation of Aceh's natural resources to significantly expand its support in recent years. Mass graves were uncovered in 1999, 2000, and 2001. Presidents Habibie, Wahid, and Megawati made overtures of reconciliation toward Aceh but the military approach continued.

An estimated 12,000 Acehnese have died in the conflict since 1976. Approximately 1,000 were killed in the first three years of DOM, but the majority of casualties have occurred since 1998. In December 2002 the government of Indonesia and the Free Aceh Movement signed a Cessation of Hostilities Agreement negotiated by the Swiss-based Center for Humanitarian Dialogue. The agreement disintegrated in May 2003 when Jakarta declared martial law in the province and launched a major offensive against GAM.

GAM leadership in exile, including founder Dr. Hasan di Tiro, his chief deputy Zaini Abdullah, and Prime Minister Malik Mahmud, have set up a de facto government in Sweden. In 2003 they even established an embassy in the Republic of Vanuatu. On 16 June 2004 Swedish authorities arrested Mr. Mahmud and Mr. Abdullah for "crimes violating international law" but they were released within days.

U.S. Relations with Indonesia

In the early 1900s the U.S. government strongly supported the Netherlands colonial administration in the Dutch East Indies. However by the 1930s and early 1940s, the United States sought to balance its support for a firm ally against the Axis powers against growing Indonesian nationalism. The United States ultimately supported Indonesian independence. During the 1950s and early 1960s, the U.S. government pursued a policy aimed at weakening the Sukarno presidency due to concerns about increasing political influence of the Communist Party. In the late 1950s the U.S. supported Sumatran and Sulawesi rebellions, supplying planes and conducting covert aerial bombings. However the United States later backed Indonesian claims to incorporate West Irian (Papua) from 1961-1963. In 1963 the U.S. Congress cut economic and military aid to Indonesia. There has been considerable speculation about the depth of U.S. involvement in the bloody October 1965 coup attempt and ensuing massacre of suspected communists that

eventually brought Suharto to power in 1967. As a result, many Indonesians harbor negative impressions of the United States and are suspicious about U.S. intentions.

The U.S. government was a strong supporter of the Suharto regime for many years. In 1975, President Ford and U.S. Secretary of State Kissinger tacitly approved the invasion and annexation of East Timor. In meetings with Suharto two days before the invasion, Kissinger pledged an increase in U.S. military aid for the following year. The United States and Indonesia maintained a healthy military and economic relationship for decades, with Washington supplying most of Indonesia's arms and military equipment until the early 90s.

U.S.-Indonesian relations began to sour in the 1990s. A November 1991 shooting of dozens of unarmed civilians in East Timor by Indonesian troops armed with U.S.-supplied weapons led the Congress to cut funding for military training for Indonesia in early 1992. In 1994 the United States banned sales of small arms, light weapons, and riot gear. Following continued violence surrounding the independence referendum in East Timor, the Clinton administration halted all arms sales and military ties in September 1999. The 1997-1998 Asian Financial Crisis further exacerbated weakening ties. Many Indonesians felt U.S. and IMF policies were both harsh and inappropriate; the resulting economic instability contributed directly to President Suharto's fall. Indonesia has cooperated in the global war on terrorism, but U.S. actions such as visa restrictions for Indonesians, military campaigns in Iraq and Afghanistan, and concerns about possible U.S. military patrols in the Malacca Strait have heightened frictions.

Security Considerations:

The complexity of Indonesian and Acehnese historical, political, and cultural legacies present unique challenges to U.S. policy makers. Below are some key security issues to consider when shaping U.S.-Indonesia policy.

- **Civil-Military relations** – During General Suharto's 32 years in power, the military played a central role in government and business affairs. Following Suharto's ouster, subsequent presidents sought to reduce the military's role in politics. The military is no longer guaranteed seats in the People's Legislative Assembly. However the military still wields considerable power behind the scenes; many parliamentary and presidential candidates seek military endorsements. The Indonesian military has been accused of gross human rights violations in Aceh, East Timor, and Papua, but the Indonesian government has had limited success in bringing accused officers to justice. Nevertheless, the military remains popular. Former General Wiranto, indicted on human rights charges by the U.N.-sponsored panel on East Timor abuses, ran in the 2004 Presidential election and received 22% of the first round votes.
- **Transnational crime** – Aceh's location at the mouth of the Malacca Strait raises concerns about terrorist attacks or criminal activity that might affect traffic through the Strait, one of the world's major maritime transportation chokepoints. Although GAM has not engaged in terrorist attacks, they have allegedly engaged in piracy, including the hijacking of ships and the ransoming of crew to raise funds. GAM has acquired much of its weaponry from the Indonesian military (captured during

confrontations or sold by “friends”), but several hundred weapons have been bought illegally via Cambodia and Thailand.

- **Islam/Anti-Americanism** – Conflict in Aceh is not primarily about religion. GAM is not so much an Islamic separatist group as a separatist group made up of Muslims. Anti-American sentiment is prevalent throughout all of Muslim Indonesia due to factors such as the handling of the war on terrorism, the war in Iraq, and visa restrictions on Indonesians. Historically, the Acehnese have a positive view of the United States, but the activities of U.S. oil and gas companies in the province were considered part of the central government’s unjust resource exploitation. In December 1977 GAM shot two American workers at an LNG plant, killing one. The U.S. government has taken a cautious approach on Aceh since East Timor’s 1999 referendum, encouraging negotiations while also trying to restore U.S.-Indonesia military relations. Following the events of September 11, 2001, the U.S. and Indonesian governments have focused more attention on Islamic militant groups in the archipelago with links to sectarian violence and/or terrorist activities. Despite strong religious sentiment in Aceh, GAM is not linked to terrorist violence. In 2002 both Jakarta and GAM rejected claims of GAM’s involvement with Al-Qaeda. However, pro-Jakarta, military-linked groups such as the Islamic Defenders Front and the Indonesian Mujahideen Council — whose executive council member Abu Bakar Ba’asyir is on trial on terrorism charges — have entered Aceh with military backing, ostensibly to assist with relief efforts.
- **Yudhoyono’s political constraints**– Yudhoyono appears open to new approaches in resolving the Acehnese conflict. Prior to his election as president, Yudhoyono visited Aceh many times and was instrumental in negotiating the COHA. In the presidential elections, Yudhoyono did very well in Aceh. Known as the “thinking general” and often characterized as reticent, indecisive, and reformist, he has broad public appeal for his distinguished military service, integrity in government, and academic achievements. However the President must balance concerns from military and government hardliners that he might be too soft on Aceh, especially given the past actions of his predecessors regarding referendums in East Timor and Aceh. Despite his military background, Yudhoyono may have relatively little influence over senior TNI officers, many of whom have supported tough policies on Aceh. He never achieved prominence in top TNI inner circles; his rank of four-star general was an honorary title bestowed when he joined Wahid’s cabinet. Yudhoyono’s path to the presidency was based more on skillful political maneuvering than military achievements, which may limit his military support.
- **Resource issues** – Indonesia is the only Asian member of OPEC and ranks 17th among oil producers, accounting for about 1.8% of total world production. Indonesia is the largest oil exporter in Asia, ranks sixth in global gas production, and is the world’s largest exporter of liquefied natural gas (LNG). Indonesia is also the world’s second largest producer of rubber, tin, and palm oil. Aceh is the fourth or fifth richest of Indonesia’s 26 provinces due to its abundant natural resources, yet many Acehnese are classified as poor. The Indonesian government exports approximately \$1.3 billion worth of oil and gas from Aceh each year, about 30% of the country’s total oil and gas exports. Suharto’s government granted Exxon-Mobil exclusive rights to explore

for oil and gas in Aceh in 1968. The exploitation of the province's resources by foreign companies and the central government is a major source of contention between Jakarta and the Acehnese.

- **Regional Autonomy / Decentralization** – Since Suharto's fall, the Indonesian government has been working to decentralize government administration in favor of greater regional autonomy. Habibie pushed through autonomy laws in April 1999 that applied to all provinces *except* for Aceh and Papua, whose "special autonomy" status excluded them. Special autonomy laws for Aceh and Papua came into effect on 1 January 2002. For Aceh, the key elements are the return of 70% of oil and gas revenues to the province, implementation of Shari'ah Law for Muslims, and the province's first direct elections for governor in March 2006.
- **Regional security** – Following the breakaway of East Timor in 1999, there were regional concerns about the possible dissolution of Indonesia. Calls for a referendum in Aceh later the same year heightened alarm that similar demands from other areas of Indonesia with separatist movements (Papua, Moluccas, Riau Archipelago) or significant ethnic/religious unrest (Sulawesi, Kalimantan) could threaten the unity of the largest country in Southeast Asia, unleashing major consequences for the rest of the region. ASEAN, with its tenets of non-interference and national sovereignty, supports Indonesian territorial integrity.

Implications for U.S. Policy toward Indonesia

The U.S. has a long and complicated history with the Indonesian government, military, and support for rebellions within the archipelago. This history and the security considerations discussed above need to be taken into account as the U.S. government undertakes further relief and reconstruction assistance and works to improve U.S.-Indonesian relations. American military and civil involvement in tsunami relief efforts in northern Sumatra have been well received in Aceh and around the country, but these efforts are unlikely to cancel out popular dissatisfaction with U.S. government policies in Iraq and Afghanistan and in the war on terrorism. Nevertheless, the U.S. humanitarian mission is an important way to demonstrate U.S. concerns about the welfare of Indonesians and to work toward restoring ties with Jakarta. U.S. troops and civilians should be careful to maintain neutrality to maximize their own security in Aceh and to avoid getting involved in the conflict.

Although the U.S. should be cautious in taking sides in the Acehnese conflict, it should strongly support political reconciliation. The U.S. should back development projects, support democratic institutions, and help ensure that provisions in the special autonomy laws and any negotiated settlement with GAM are carried out. The Papuan Special Autonomy Law stipulates recognition of the Papuan flag as a cultural symbol and calls for creation of an authority to investigate human rights violations in the province. Similar provisions in the Aceh Special Autonomy Law might go a long way toward establishing peace. Encouraging Jakarta to accept accountability for the military's past human rights abuses and to initiate concrete steps such as trials of accused officers and establishment of truth and reconciliation commissions would also contribute to improved central-provincial relations and public perceptions of the Indonesian military.

Washington also needs to look toward shaping positive long-term relations with Jakarta. Indonesia is an important regional partner in the war on terrorism. Restrictions on U.S.-Indonesian military relations are due for reassessment. There is probably some truth to Indonesia's allegations that severed military ties hindered TNI's capability to respond to the tsunami disaster. Military ties (including training) should be gradually reinstated, but should be linked to TNI's positive involvement in tsunami relief and reconstruction and visible improvements in its human rights record.

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