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**Intelligence Report**

Office of Asian Pacific and Latin American Analysis

10 May 1999

**Indonesia: Challenges Facing East Timor** [Redacted]

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*Summary*

*The government's commitment to President Habibie's sudden and uncoordinated pledge to offer East Timor a choice between greater autonomy and quick independence has become less certain since the announcement in late January. Reporting indicates a lack of consensus on the issue among key senior officials.*

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*Lack of firm leadership from Jakarta has encouraged civilian militias and their prointegration supporters to continue attacking independence advocates throughout the province.*

- *Armed Forces Commander Wiranto's vow to enforce a recent cease-fire agreement has not stopped prointegration militias from continuing their campaign of violence and intimidation against independence supporters, many of whom remain in hiding.*
- *The disarming of all warring factions is crucial to ensuring a free and fair ballot, but, until genuine attempts at reconciliation commence and the military ends its tacit support of the militias, East Timor's security situation will remain volatile.* [Redacted]

*Indonesian and Portuguese negotiators have agreed that the province will vote on its future on 8 August but, if violence continues, we cannot be confident that the polling process will take place or how orderly it will be.*

- *Sustained unrest could lead UN officials to preempt the ballot in August.*
- *A free and fair ballot will still require approval from Indonesia's newly formed national legislature, which may not approve a close vote for independence.* [Redacted]

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~~Top Secret~~**Jakarta Sending Mixed Signals . . .**

The Indonesian Government lacks a consensus on how to proceed with President Habibie's public pledge in late January to allow East Timor to become independent by yearend if the troubled province rejects autonomy:

- Some government ministers who previously supported independence now privately argue in favor of the autonomy option because they fear granting independence would trigger separatist outbreaks in other provinces. [redacted]
- [redacted] opposition within the ruling Golkar party was complicating Habibie's handling of the issue.
- [redacted] Foreign Minister Alatas has had several heated arguments with presidential foreign affairs adviser Dewi Fortuna Anwar—who helped formulate Habibie's autonomy proposal—over her involvement in East Timor policy. In early April, Alatas told her that she was damaging the Foreign Ministry's credibility because he and his Ministry repeatedly had to deal with repercussions from her unsanctioned statements to the media about the future of East Timor. [redacted]

Support for Habibie's East Timor initiative also appears tenuous among senior military officers, including Armed Forces Commander Wiranto, who has taken no action against the prointegration civilian militias or discipline against local military units that, if not abetting, have at the least tolerated these groups:

- Wiranto has repeatedly promised that the military is a neutral force, but local commanders would have required at least tacit approval from headquarters in Jakarta to allow the militias the blatant free hand they have enjoyed. [redacted] security authorities knew in advance about a planned militia rally on 17 April in the provincial capital of Dili, permitted it to occur, and were ineffective in curbing the violence that led to some 20 deaths.
- [redacted] the military may be seeking to manipulate the polling process in favor of the autonomy option by allowing the militias to create disturbances. The military's

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**Speculating on Habibie's Ulterior Motives** [redacted]

Habibie's sudden and uncoordinated decision to offer independence to the East Timorese is, at a minimum, characteristic of his mercurial leadership style; his continued neglect at keeping key players within the Indonesian Government in the loop on East Timor is exacerbating differences. Habibie's initiative to allow the Timorese to determine their own future may have been designed only to improve his own short-term political prospects:

- Presidential foreign affairs adviser Dewi Fortuna Anwar advocated autonomy in early 1999. According to Anwar, independence was proposed to demonstrate Indonesia's democratic credentials and would be taken only if unspecified efforts to sway proindependence East Timorese failed.
- [redacted] Habibie has repeatedly told US and foreign officials since his announcement in January that Indonesia has no strategic, economic, political, or cultural interest in retaining East Timor. The director of Indonesia's civilian intelligence agency—who has close ties to Habibie—stated in mid-March, however, that Jakarta's offer of independence was for "foreign consumption" only and did not reflect the government's true intentions, which were to ensure the province remained part of Indonesia. [redacted]  
[redacted]
- [redacted] the President viewed his initiative on East Timor as a political ploy designed to improve his party's prospects in the legislative elections in June by stifling international criticism that might benefit opponents; however, Habibie would withdraw Jakarta's acquiescence to an independence option upon securing the presidency later in the fall.  
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strategy, [redacted] is to kill, drive out, or intimidate into silence independence activists and to cow the general population into acceptance of an East Timor under Jakarta's control.

### ... That Cultivates Culture of Violence

Jakarta's mixed signals coupled with local military support have encouraged the prointegration civilian militias to carry on a violent campaign against the independence movement in the last few months:

- The armed forces has trained and provided logistic support to many of the militia units, [redacted] enabling these disparate forces to operate with some degree of coordination. As a result, prointegrationist forces have been able to easily target independence supporters, especially in the western districts of the province.
- The militias' leaders fear retribution by the majority proindependence population and are strongly motivated by desires to protect their wealth, [redacted] For their part, many local military units have vested interests with and emotional ties to the militias. [redacted]

The violence has not been entirely one sided, but proindependence guerrilla attacks against the military and prointegrationists have been relatively restrained, and rebels, for the most part, did not heed jailed rebel leader Xanana Gusmao's public call in early April for his supporters to take up arms in defense:

- [redacted] most of East Timor's proindependence leadership are in mourning—lacking any guarantee from the police for their protection—and the failure of rebel forces to respond to militia aggression is partly due to the fact that they are now disorganized and on the defensive.
- [redacted] despite his call to arms, Xanana remains committed to a path of peaceful dialogue. His Jakarta-based advisers have subsequently directed his followers in East Timor to make

### Security Arrangements for Ballot Remain Vague [REDACTED]

Indonesia and Portugal on 5 May signed an agreement setting 8 August as the date for the autonomy ballot and paving the way for the deployment of a small UN civilian monitoring force to oversee the polls. These latest efforts, however, have side-stepped security arrangements for the ballot at the behest of Indonesia [REDACTED]

[REDACTED] Portuguese officials allege that a miscommunication between their negotiating team and jailed rebel leader Xanana Gusmao led the Portuguese delegation to the UN talks to pay insufficient attention to the document on security:

- The two sides failed to agree on joint disarmament by the rival factions—a crucial precondition to stopping the cycle of violence in the runup to the ballot. Disarmament is only mentioned as something the recently established, but not yet operational peace and stability commission should “endeavor to achieve.”
- It is unclear who has responsibility to maintain security. The draft initially required the Indonesian military to substantially reduce its presence in the province by July, and the local police to take sole responsibility for maintaining law and order during the ballot process. The arrangement now refers responsibility for security to the “appropriate Indonesian security authorities.”

Habibie has agreed publicly to include an international police force as part of the UN presence, but insists they will act in an advisory role, not as peacekeepers, and be allowed only to carry handguns. [REDACTED] President Habibie and Armed Forces Commander Wiranto initially told Australian Prime Minister Howard they could accept an international force of between 200 and 300 police, but retreated from this number and allowed only that they would permit “an adequate number.” [REDACTED]

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whatever temporary accommodations necessary to stay alive until an international force establishes a more secure environment.

Radical elements within the insurgency, however, are likely to react if civilian militias continue their attacks, despite the cease-fire signed on 21 April between proindependence and prointegrationist leaders and witnessed by Wiranto. One Xanana adviser insists that rebel forces will not take action against the militias without the approval of the jailed guerrilla leader. [redacted]

### Independence Not a Sure Bet

[redacted] most East Timorese would reject Indonesia's autonomy package in favor of independence if a free and fair ballot were held. Independence supporters make frequent public assertions that the vast majority of East Timorese want independence. [redacted] most senior Indonesian officials in East Timor concede it is unlikely that a ballot will result in Jakarta's favor. Proindependence Timorese could try to stage a boycott locally of the legislative elections in June to signal the province's opposition to integration with Indonesia. [redacted]

The uncertainty of Indonesia's commitment to allowing East Timor to determine its future and the province's volatile security situation are key determinants of whether a free and fair ballot under UN auspices can take place in the province later this summer. Several scenarios could develop that would derail the process toward independence. [redacted]

**Ballot is Postponed.** Continued violence could indefinitely delay a vote on the autonomy proposal. [redacted] current conditions in the province could prevent a poll, and, in our judgment, the ballot scheduled for 8 August could be pushed back even further if Jakarta cannot guarantee the security of UN personnel deployed to the province to oversee the polls:

- Continued attacks by prointegration militias threaten to degenerate into a protracted conflict. [redacted] Dili has remained tense since the cease-fire, with militias making house-to-house searches for independence supporters under cover of night. The [redacted] reports of prointegration violence outside of the provincial capital, but details remain vague as militia roadblocks prevent easy access to all parts of the province.

- [redacted]

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## Indonesia: Critical Steps Toward an Independent East Timor

### End to Serious Violence



### UN-Led Ballot on Autonomy



### Legislative Decision

- Indonesian military withdraws support from prointegration civilian militias to establish public faith in its neutrality.
- Reconciliation talks involving proindependence and prointegration leaders resume.
- Rebel forces and civilian militias maintain ceasefire and disarm.
- UN and Indonesia agree to terms on security arrangements.
- The ballot is widely perceived as free and fair.
- The ballot outcome is decisive in rejecting Jakarta's autonomy plan.
- The legislative election on 7 June results in new Peoples' Consultative Assembly that is willing to rescind the annexation of East Timor.

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[REDACTED]

[REDACTED]

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***Ballot Not Viewed As Free and Fair.*** Expecting to win by a wide margin, proindependence leaders are likely to view an outcome favoring autonomy as evidence of manipulation by prointegrationists. Conversely, prointegrationists could escalate violent attacks as a last-ditch response if the vote rejects autonomy and East Timor appeared poised to be granted independence. [REDACTED]

[REDACTED] the UN will insist on a completely secret ballot so that neither individuals nor villages can be targeted for retribution on the basis of their voting pattern.

[REDACTED]

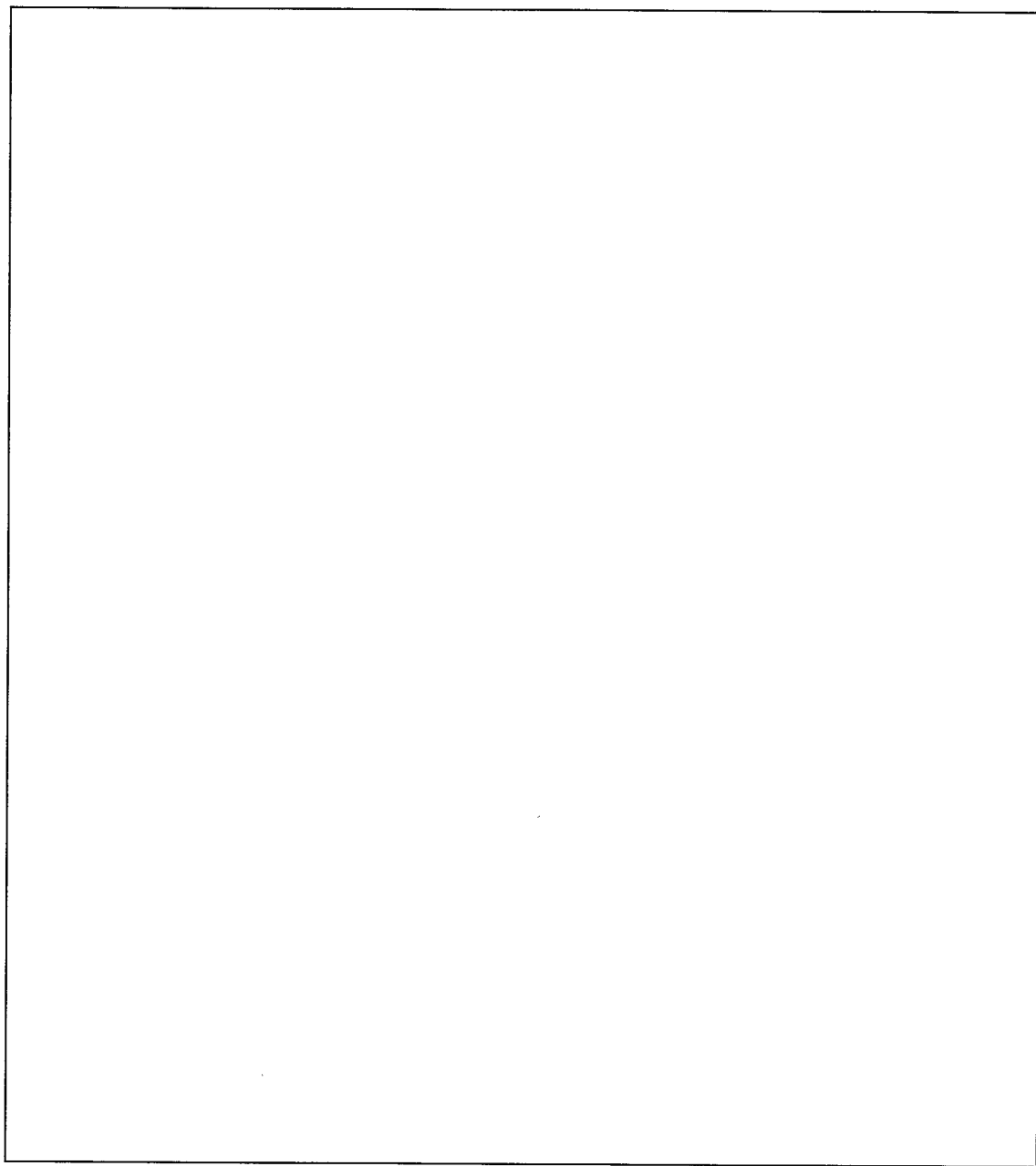
***Legislature Rejects Ballot Results.*** Even if East Timorese reject autonomy, the newly formed Peoples' Consultative Assembly (MPR) still needs to revoke the nation's 1975 decree that integrated East Timor into Indonesia—an action that will revert the province to a UN-administered, non-self-governing territory with Portugal as the administering power until which time it is declared independent. The assembly would find it difficult to reject a ballot that indicated an overwhelming majority of East Timorese opposed the autonomy proposal, but a close vote could provide enough cause for the assembly to abort the process and retain the province without risking international condemnation. Opposition leader Megawati—who has criticized Habibie's East Timor policy—could emerge from the legislative elections in June as the leader of a coalition government and not feel bound by a ballot initiated by Habibie. [REDACTED]

***Partition of East Timor.*** A less likely option for the MPR would be to partition the province with the western districts—where a majority of prointegrationist militias are located—remaining with Jakarta and the eastern portion becoming independent. Proindependence leaders, however, are unlikely to accept such a compromise, and UN officials refused to consider a similar proposal made by prointegrationists in February,

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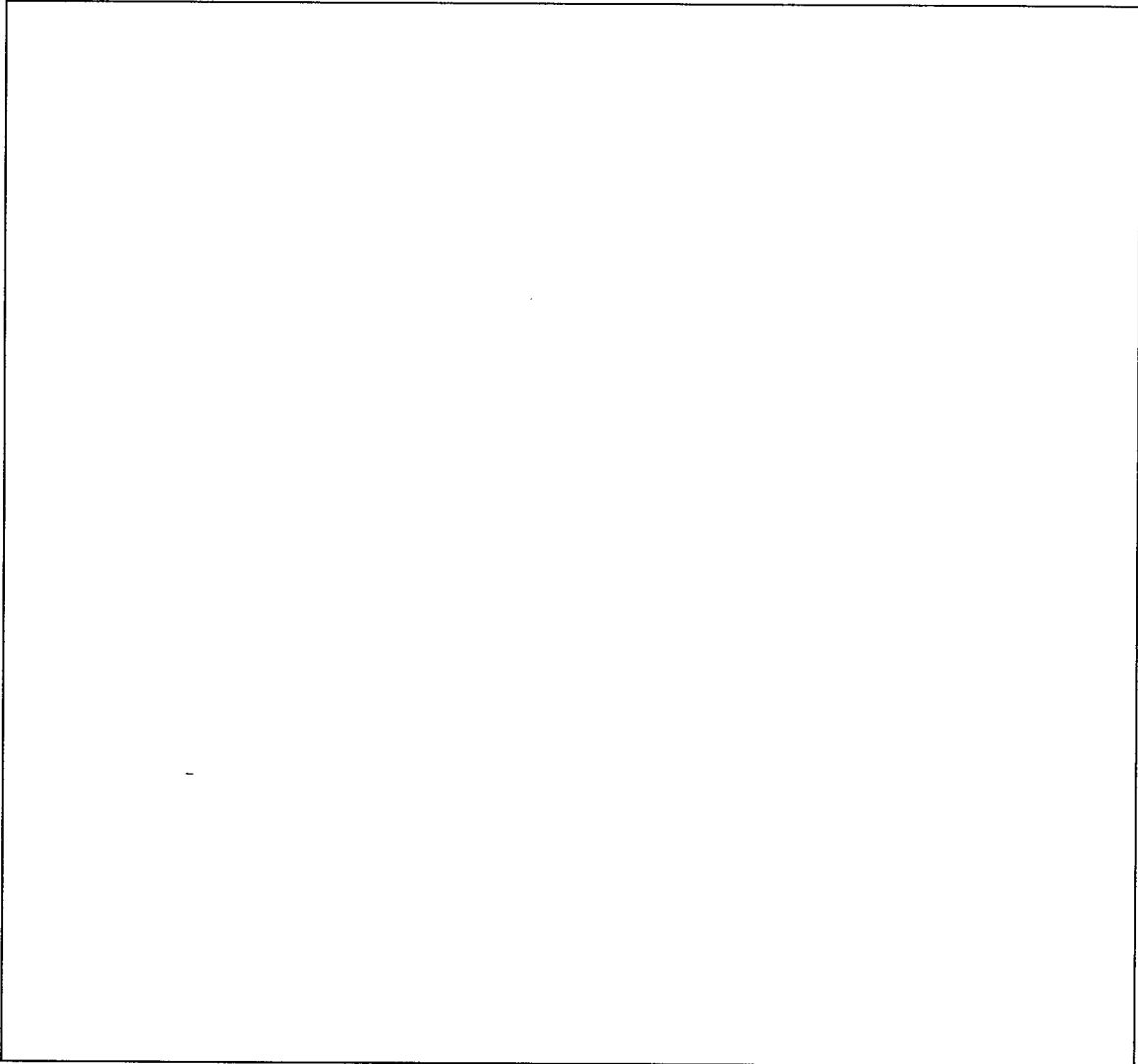


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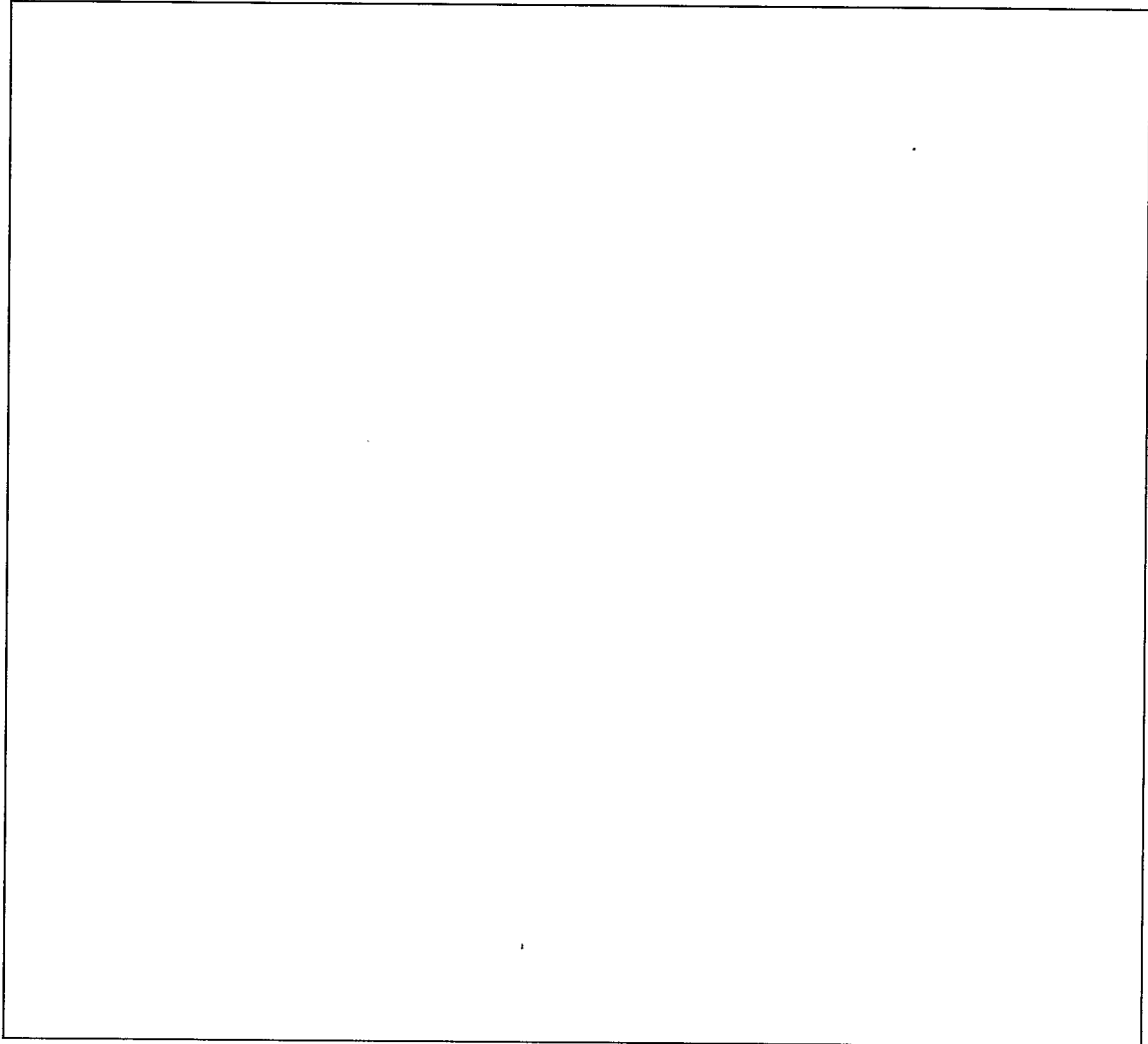
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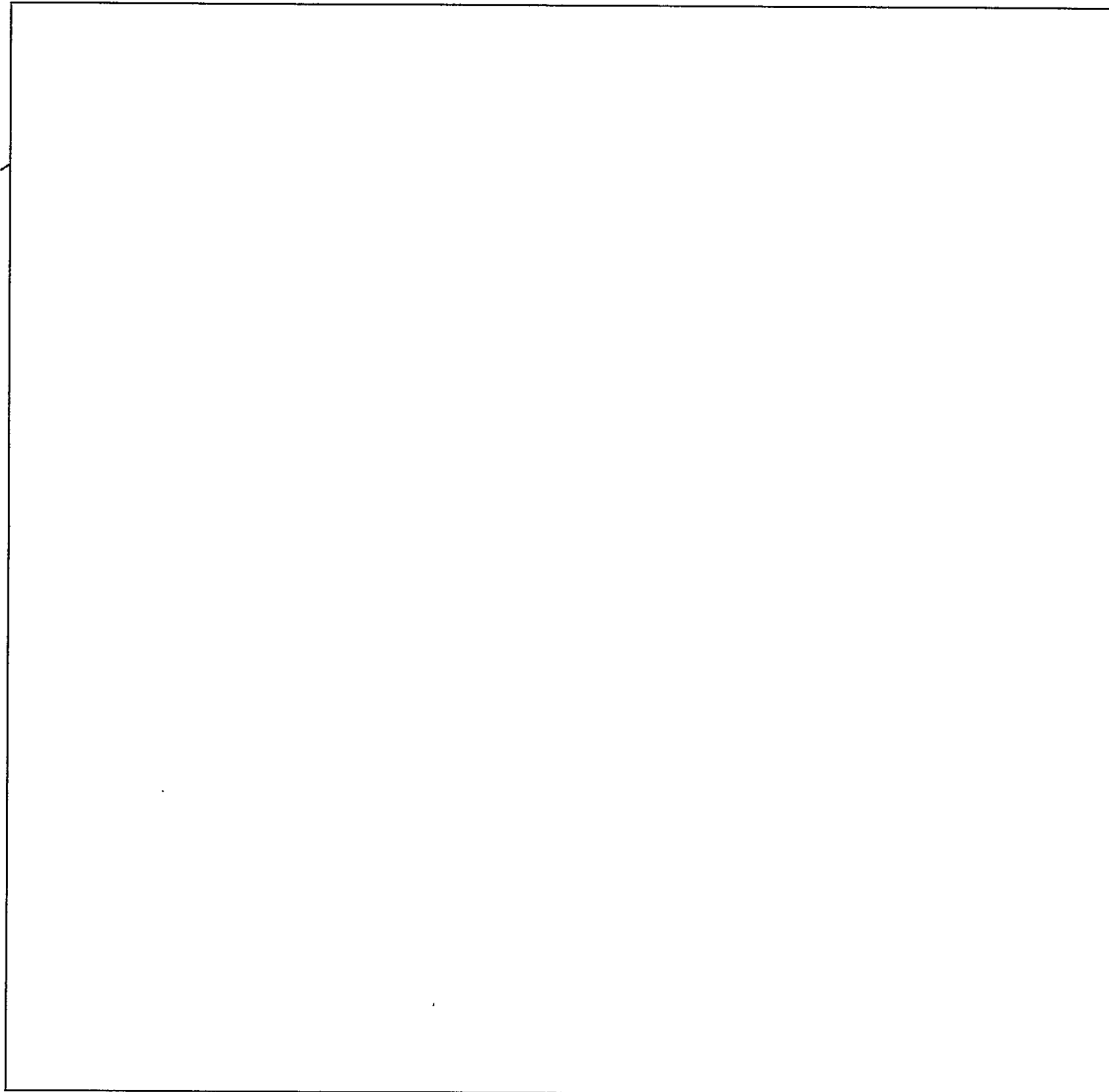
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