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The political economy of cross-border relations
The TNI and East Timor

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Abstract: Within a framework of formally increasingly cordial bilateral relations, the Indonesian military, the TNI, was engaging in and allowing extensive cross-border trade and smuggling while pursuing a policy of limited cross-border destabilization of East Timor. This seemingly contradictory policy, run from the TNI’s ‘strategic command centre’ in Atambua, West Timor, met the TNI’s continuing need to fund its own activities (and those of its proxies) through both legal and illegal means, to provide leverage for the coming talks about the formal demarcation of the border, and to provide a foothold to longer-term irredentist claims to the former occupied province and now independent state.

Keywords: military; military business; smuggling; bilateral relations; militias

There seemed little but lush vegetation along the broken road when, around a sharp ascending corner, appeared green bamboo fences and arches decorated with bright wild flowers. Within a moment the reason became clear, and about 80 or so people, all well dressed and many in regional costume, performed the traditional Bso’ot dance of step-forward-step-sideways to a woman’s quick rhythmic beat of an old brass sene (gong). It was, of course, a wedding. This moving scene was just a short distance from Hatolia, a mountain village that was fulsomely terrorized and ultimately destroyed by the Naga Merah (Red Dragon) militia in 1999, with what little was left being razed by many of East Timor’s other militias retreating inland through it towards the West Timor border. When the first UN ‘Peace Keeping Force’ (PKF) entered East Timor in late September 1999, its first move after securing Dili and the coast road was to form a pincer movement to prevent the realization of the public threat by militia leaders Joao Tavares and Eurico Guterres to partition the two westernmost districts of Bobonaro and

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Cova Lima. The movement, then, was to prevent the continuing loss of civilian life and destruction of property (although the latter was largely complete by this stage), the effective kidnapping of more civilians to West Timor, and the removal of critical documents. The PKF also needed to establish that, if pressed, it would not avoid a fight. The main confrontation occurred near the point of this wedding party, where dozens of militia refused to surrender, and were shot by PKF troops (Anon [a], 2002) along what is now colloquially known as ‘Militia Ridge’. As with much of what happened in East Timor after the introduction of the PKF, this was neither publicly reported nor widely known.

By mid-2003, the widespread belief outside East Timor was that all was fairly quiet along the East Timor–Indonesia border. However, as with the shootings of dozens of militia near Hatolia in late September 1999, there is much that has not been officially reported. In large part this is in an attempt to preserve the appearance of increasingly cordial relations between Indonesia and East Timor, and between Indonesia and Australia, and to calm respective ‘nationalist’ or justice-inspired emotions that have the potential to destabilize the tripartite relationship. In 2003, the main concerns with the Indonesia–East Timor border region revolved around the issues of cross-border trade, smuggling, militia activity, and the role played in this by the Indonesian military, the Tentara Nasional Indonesia (TNI). This paper considers these issues, in particular as an illustration of the confluence of economic considerations with other agendas pursued by the TNI.

The paper is based on primary research supported by secondary sources. A number of interviews cite anonymous sources, such anonymity being a condition of providing information. Field research for this article was undertaken in East and West Timor, primarily in May 2003, but also drawing on previous research visits to both East and West Timor undertaken in 1995, 1999 and twice in 2000. The approach employed relies on identifying consistencies in patterns of behaviour, especially those identified as economic imperatives that reflect or contribute to political decisions. However, it also acknowledges that political outcomes can be driven by a confluence of mutually compatible interests, and that the rationale for particular actions is usually more complex and multifaceted than simple economic interest. The view that is adopted here, then, is that the TNI is driven by a range of mutually coherent interests, ranging from esprit de corps, state creation and maintenance (and, in the case of East Timor, elements of irredentism), the philosophical underpinnings of the form the state takes, the bureaucratic
logic of organizational self-perpetuation, the need to 'supplement' the official online budget and to finance off-line proxies (militias), the institutionalization of corruption and, not least, the private interests of particular officers or groups of officers who directly benefit from the TNI’s extensive legal and illegal (criminal) business activities.

Background

After three months of cross-border forays, in December 1975 Indonesia officially invaded East Timor, annexing the territory the following year (see Pour, 1993, pp 383–403 for a frank Indonesian account). This annexation was not recognized by the United Nations, and was deemed illegal under international law. Various estimates from the period of Indonesia’s occupation claim that between 120,000 and 200,000 of the territory’s population of around 650,000 were killed or died from related causes (ACFOA, 1991, p 3; Kiernan, 2003, suggests 150,000–170,000; DFADTC, 2003, Chapter 5 cites 120,000–200,000). In order to establish itself in East Timor, the TNI appropriated local businesses and homes, began (or continued) direct trading relations with Singapore, and assumed control of the local economy, which had an export value of US$24.5 million in 1996 (Bappeda and BPS, 1998).

Following the resignation of Suharto as Indonesia’s president and under growing international pressure, at the beginning of 1999 his successor, B. J. Habibie, announced that East Timor would be allowed to vote on whether it wished to remain a part of Indonesia, or to separate. On 30 August 1999, following months of growing violence and destruction by TNI proxy militias, 78.5% of registered voters chose to leave Indonesia, precipitating the murder of, officially, more than 1,500 people, and unofficially at least double and perhaps as many as four times that number (Anon [b], 2000; Anon [c], 2002). About 250,000 East Timorese either fled or were herded across the border into West Timor. In response to widespread domestic criticism, the Australian government organized a coalition of interested countries to contribute to a UN-sanctioned International Force in East Timor (Interfet), which quickly became the Peace Keeping Force (PKF) of the UN Transitional Administration in East Timor (UNTAET) and later UN Mission in Support of East Timor (UNMISET). PKF forces flushed militia units from Dili and along the northern coast, circling back between the capital, Dili, and the West Timor border, in the above-mentioned ‘pincer movement’, trapping many militia members in the Hatolia area. Apart from conflict in this area, for several weeks after the PKF
arranged itself along the East–West Timor border, there were ‘militia’ forays into East Timor, few of which were publicly acknowledged. It was clear from the equipment found on some ‘militia’ that they were almost certainly regular TNI personnel, and assumed to be serving or former members of Kopassus (Komando Pasukan Khussus – Special Forces Command). After the loss of two PKF lives in such border contact, three UN personnel were murdered by a militia mob in Atambua, not far from the East Timor border. While most of those East Timorese forced to flee to West Timor returned over the following two years, more than 25,000 chose to stay in West Timor, some fearing instability in East Timor, but most having links with or sympathy for the integrationist/militia movement. It was these people who formed the backbone of local trade across the border.

The brief period of cessation and then the resumption of militia activity were reliant upon the status of the militia’s ‘centre of gravity’ (defined as ‘that characteristic from which a military force derives its freedom of action’), which was the direct support and involvement of the TNI. The cessation of militia activity was not secured by military force as such, but by pressure from the USA on the TNI. Perhaps the clearest expression of US intent was the landing in December 1999 of the fully armed US Marines 11th Expeditionary Unit (Special Operations Capable) in East Timor, with the public role of delivering relief supplies. This was later supported by further aid projects delivered by US Marines. But once the facade of normality had been established, and was largely preserved in the public eye, and the US Marines left in December 2002, despite the common perception that all remained stable, the TNI took advantage of again being free to act (Anon [x], 2003).

The reform agenda

The conventional view of Indonesian politics and the TNI in the period following May 1998 was that the state was undergoing a process of democratic transition and that the military was itself undergoing a process of reform (eg see Singh, 2001). Elaborations of this view held that, after 40 years of authoritarian military-backed government, Indonesia was following the Latin American example of shedding military intervention in civil affairs through military ‘professionalization’ (see eg Stepan, 1976), corresponding to what Huntington referred to as ‘The Third Wave’ (Huntington, 1991). Surrounded by the rhetoric of reformasi (political reform) and the TNI’s paradigm baru (new paradigm) it was
indeed possible to believe that meaningful change in Indonesia was under way. However, fundamental aspects of Indonesia's political and economic history, ethnic and élite composition and its physical geography all contributed to a different context from that of Latin America (and even Thailand; see Crone, 1991), while the TNI itself was compromised by its reliance on private and often illegal business, hence contributing to an outcome different from the successful moves away from military domination in Latin America. Moreover, even in Latin America, the success of bringing the military under civilian control was sometimes limited (Farcau, 1996, Chapter 5). As Philip summarized military change:

The military does not behave in any simple or one-dimensional way which can be deduced a priori. ... contemporary observers have been strikingly wrong in their expectations of military behaviour (Philip, 1985, p 356).

One might have said the same for observers who suggested that the TNI was, after 1998, weakened relative to other state institutions, or successfully reforming.

According to a wide range of sources in Jakarta, Indonesia's process of reformasi was halted around the time elected president Abdurrahman Wahid was deposed from office in a constitutional coup in July 2001, to be replaced by his more conservative vice-president Megawati Sukarnoputri. Senior echelons of the TNI were opposed to Wahid's continuing presidential tenure and, following two meetings of senior officers in early 2001, helped undermine his presidency. Further, since Megawati has been president, the TNI has assumed greater political authority and autonomy in cabinet, in constitutional affairs and in security matters. The TNI's own process of 'professionalization' removed it from presidential control, but at the same time removed it from presidential accountability. Further, the factionalism that damaged the TNI's capacity to act cohesively in the later years of Suharto's New Order government was largely resolved by early 2000, with both key 'Red and White' and 'Green' factions coalescing first around their common opposition to allowing East Timor to achieve independence, and later around efforts by President Wahid to promote reformist-minded generals. While distinctions within the TNI remained, they were largely personality-based and not fundamental to its operation.

Similarly, the period of factionalism, especially from around 1993 until 1999–2000, allowed the TNI to leave unchallenged the view that its operational lines of command were ineffective and that 'rogue ele-
ments’ or oknum (military gangsters, literally ‘involved’) operated outside of the formal structure. In fact, this was a camouflage for conventional TNI lines of control for policies for which it wished to avoid responsibility, such as the organization of East Timor’s militias. Especially given the TNI’s high degree of coherence around opposition to East Timor’s independence and its use of East Timor to justify a regional presence, it is therefore not surprising that after the TNI mended its internal differences elsewhere, this previously agreed policy position remained intact.

**TNI business**

There is a view of Indonesian politics that has it that the TNI’s primary consideration is not the protection of the people, the imposition of ‘stability’ or even the unity of the state. This view has it that the TNI’s primary interest is its own enrichment (see McCulloch, 2000). To this end, the TNI’s territorial function and its engagement in Indonesia’s troubled provinces are primarily aimed at securing and enhancing the TNI’s business interests, both legal and illegal. A competing view of the TNI’s involvement in business is that it has simply been a means to an end; that it would be unable to survive without engaging in extensive business activities; that this has been the TNI’s practice since the days of the Revolution (1945–49); and that this practice, if not formally endorsed, is not actively discouraged by the government. The state recognizes that it cannot afford to sustain the TNI in its current form, providing as little as one-quarter of the TNI’s total income (Widjojo, 2002; Evans, 2001; ICG, 2001).

Of the TNI’s total income, the ‘black’ income was thought by various analysts to be in the order of double its legal off-line income. That is, assuming an online budget of approximately US$ one billion, legal business activities would bring income up to around two billion dollars, while illegal income would add approximately that much again, to a total of US$ four billion or more. Of this, diverted funds were used to top up salaries, which were and continue to be fixed at unsustainably low levels, and for other discretionary purposes (ICG, 2001, p 13; see also McCulloch, 2000, pp 10, 12–14). Illustrating the extent of these activities and the problems in controlling them, in early 2001 the East Kalimantan police chief said that it was difficult to control petrol and diesel smuggling because he thought that only the Department of Religion was not involved (*Gatra*, 2001, p 89). Petrol and diesel fuel
smuggling has since become a significant issue in Indonesia–East Timor border relations.

**Use of off-line income**

The TNI’s off-line or informal income is used for a range of purposes, although because most income is hidden, via the network of largely unaccountable ‘charitable foundations’ (*yayasan*), the exact level of income and its usage are not precisely known. As with its manpower allocation, the TNI’s business activities are spread across the archipelago, although they tend to be concentrated in and around Jakarta and in the wealthier commodity-producing provinces.

The off-line income derived by the branches of the TNI is used in three primary ways. The first is to buy capital goods and equipment for the TNI and its personnel, including the so-called ‘welfare’ function,\(^1\) the second is for reinvestment into the businesses, and the third is by way of cash payments, primarily to senior officers, although to TNI members of all ranks where they have access to differing levels of business activity or through patronage networks. Salaries for junior TNI personnel do not adequately cover their living costs, especially for those with families, so there is a ‘top-up’ function for their income through direct cash payments or, more usually, free or subsidized goods, education, health benefits and housing. Officers receive a slightly better income, but as a consequence of ingrained notions and requirements of patronage, they are expected to display significantly higher levels of wealth as well as to disburse such wealth, and this is well beyond their formal income. So they too receive cash payments from various sources, usually through military *yayasan* (from which profit is skimmed), from their own private businesses (which have TNI and other private business directed towards them and which can place undue pressure on existing competition), and from percentage pay-offs from businesses under their ‘protection’.

The territorial structure is the prime institutional linkage through which wealth is created and distributed within the TNI. Members of the TNI who can manipulate their position, which basically means ranks of non-commissioned officers and above, undertake ‘favours’ for more senior officers, and are in turn ‘looked after’. Such ‘services rendered’ can

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\(^1\) The ‘welfare function’ includes any support services for TNI members, from housing, education and supplementing household necessities, to the provision of bullet-proof vests, spare parts and other equipment.
include quite conventional or mundane day-to-day military duties, as well as special favours. In this sense, there is little distinction between official and non-official military duties, especially in the army. Being 'looked after' frequently means having education provided for a soldier's children, but can also mean cash payment or granting opportunities through which easy money can be earned, such as establishing legal or black businesses, paying commissions on or directing purchases to such businesses, or encouraging non-military businesses in dealing with such military-linked businesses. Rutherford (2001, p 193) also claimed (with considerable evidence) that,

Military officers have a stake in the designation of certain areas as 'unstable'. Former commanders often live out their retirement in East Timor or Irian Jaya so they can reap the harvest of profitable business deals made in the areas under their command.

Being 'looked after' does not necessarily correspond to the performance of particular favours, but is a type of irregular retainer that may increase in response to particularly notable acts.

In what amounts to a patron-client relationship, junior officers may owe allegiance directly to officers several rungs up or outside their own direct command structure. This can then create confusion about where orders actually originate, as opposed to where they are supposed to originate. By way of illustration, a captain who might formally have line responsibility to a district colonel might acknowledge actual allegiance to an officer in a completely different command line. Such patron-client relations may initially be established when junior and senior officers work in the same command and then separate, but retain their mutual obligation. Or they may somewhat less frequently originate through association with officers already established in such a separated patron-client relationship: for example, a captain who owes allegiance to a brigadier-general in a separate line of command might bring in a colleague for a particular purpose, who would then also join that particular patron-client network (though usually at a lower level). Such patron-client relations are, according to a confidential intelligence assessment, 'totally endemic' in the TNI.

As a consequence of the pervasiveness of patron-client relations outside line commands, it can be difficult to know who to deal with in terms of issuing orders. That is, an officer who has formal line command

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2 'Special favours' can include anything from personal services to military, business and criminal activities.
in one area may actually work for another, and may ignore or be unable to follow conventional line command orders. This in part explained why, although President Habibie had issued clear orders for the TNI and police to provide a secure environment for the ballot on independence in East Timor in 1999, the variously issued orders were subverted through the chain of command. What can at best be described as the official ambiguity of commitment to the referendum process by the TNI and police made this subversion that much easier. It also explains why, although one element of the TNI (for example, Kostrad) can claim (perhaps not entirely convincingly) to oppose illegal cross-border activity, such activity can still continue with the support of other military elements.

Income for these purposes is derived from three revenue streams. The first is businesses owned and operated by the branches of the TNI, usually through (still tax-exempt, but now theoretically auditable) yayasan and cooperatives, including businesses in natural resources and agribusiness, finance, transport, real estate, manufacturing and construction. The second is through 'grey' areas such as the leasing out (or imposition) of military services (for example, 'security') and surcharges imposed on purchases, along with mixing private and military business interests. The third and most lucrative source of income is through the black market, in particular smuggling, especially of oil and oil products, and illegal mining and logging.

**History of TNI business in East Timor**

By the early 1990s, the TNI or individuals close to the TNI, such as President Suharto and his family, controlled virtually the entire economy of East Timor. This was one of the interconnected reasons why East Timor was so hard for the TNI to give up, and why it wishes to re-establish economic links, either legal or illegal. By way of illustration, Suharto’s son, the now disgraced Tommy, owned shares in Mobil Oil through the (Perth-based) Genindo Western Petroleum, which explored for oil off East Timor’s south coast, as well as owning local sugar cane plantations. With his brother Bambang Trihadmodjo, he owned most of PT Elnusa, which in turn drilled for oil both on and offshore in East Timor, as well as operating a tanker fleet and air charter service to East Timor. Suharto crony (now jailed) Bob Hasan owned timber plantations; Suharto’s daughter Tutut owned the bottled water company Aquamor as well as coffee production, export and marble-mining com-
panies; and Suharto’s grandson Ari Sigit owned other bottled water ventures, textile manufacturing and, with Garda Paksi\(^3\) organizer Gil Alves, also collected the alcohol sticker tax. Two of the key planners and executors of the East Timor invasion, General Benny Murdani and Colonel Dading Kalbuadi, owned the Batara Indra Group, which in turn ran hotels, cinemas, sandalwood plantations and construction and infrastructure projects. Suharto’s youngest daughter Titiek was in business with Colonel Tono Suratman, who was deeply implicated in the death and destruction around the 1999 ballot, in Kima Surya Lestari Mutiara. Titiek is the wife of Parabowo Subianto, who spent several years as an army officer in East Timor, mostly with the TNI’s special forces, Kopassus. East Timor governor Abilio Soares owned the Anak Limbau Group, while Basilio de Araujo, who headed the pro-integration Forum Perdamaian, Demokrasi dan Keadilan (FPDK) ran the Provincial Investment Board (Davies, in Kingsbury, 2003, p 193). As Time Magazine noted, this wealth, was built over three decades from a skein of companies, monopolies and control over vast sectors of economic activity in Indonesia. The Suharto family on its own or through corporate entities controls some 3.6 million hectares of real estate in Indonesia, an area larger than Belgium. That includes nearly 40% of the entire province of East Timor (Colmey and Liebhold, 1999).

**Legal cross-border trade**

Not surprisingly, a very large proportion of cross-border trade between East Timor and Indonesia is quite legal, at least so far as public recognition of the practice, including the payment of taxes, is concerned. Apart from trade through markets and shipping through the port at Dili, all such cross-border trade arrives through the Technical Coordination Line (TCL) posts of Motaain on the Indonesian side and Batu Gade, Bobonaro district, on the East Timor side of the north coast of the island. The Technical Coordination Line remains the functional border until a more formal arrangement is negotiated. Such trade from Indonesia includes fuel (petrol, diesel and kerosene), manufactured goods, processed foods and, to a lesser extent, motor vehicles. Trade from East Timor primarily includes coffee beans and sandalwood.

\(^3\) Garda Paksi (Garda Muda Penegak Integrasi – Young Guards to Uphold Integration) was a pro-Indonesian paramilitary civilian corps organized by TNI Special Forces (Kopassus) in East Timor.
There were also two markets, established within the TCL, which operated on a 'day pass' (stamp on the wrist) system. One such market, which attracted a few hundred people per day, was based at Batu Gade-Motaain, with the other, attracting a few thousand people per day, was located at Turiskain, on the Lois River between Balibo and Maliana in Bobonaro district. These markets operated on alternate days - Monday, Wednesday and Friday at Motaain, and Tuesday, Thursday and Saturday at Turiskain. The establishment of the markets at these two previously major refugee crossing points was primarily the idea of then Bobonaro District Administrator, Joao Vicente, and was intended to regulate cross-border trade by providing a legitimate and agreed site for trade between people on both sides of the border, and to reduce a demand for goods that was encouraging smuggling. However, after reaching an agreement with UN Military Observers, PKF commanders, the TNI and Indonesian National Police (Polri) to establish the markets, the East Timor government in Dili overrode the agreement and closed the markets. Vicente resigned in protest. Within days the government recognized the value of the markets (and that it did not technically have jurisdiction in that part of East Timor, which was with the UN) and agreed to allow their operation, which resumed almost immediately (although Vicente was not re-appointed).

There had also been four market sites in Cova Lima district: on low-lying land near the southern coast at Selele; to the north in lower mountains near Fatu Maen; at a relatively remote and inaccessible point in the mountains at Fato Lulic; and near the border with Bobonaro district, deep in a remote and largely inaccessible part of the mountains at Lebos. It should be noted that access to the latter three points, for local people, was almost exclusively by foot or pony, which limited them to around 60 kilograms of tradeable goods (for example, coffee beans). The roads in this part of East Timor were generally poor, for the most part not sealed or deeply broken up, and most commonly just potholed and rutted dirt or rock, in places extremely steep, and often little more than narrow tracks running along precipices at altitudes of up to 1,500 metres. The almost complete inability of wheeled transport, apart from more competent four-wheel-drive vehicles, to access this part of East Timor meant that local people had very limited access to the outside world, and it was usually easier to access points across the border in West Timor than to come to towns, further in distance, in East Timor.

While Bobonaro district had implemented a 'day pass' system, such
a system had not been implemented in Cova Lima, which meant that any trade across the border, even for limited purposes, had to be conducted under a conventional visa. Apart from the three-day delay in Dili for obtaining an Indonesian visa (assuming people could get there, which from Cova Lima was often uncertain due to the extremely poor condition of the roads), such a visa cost US$35, and was generally good for only one visit. East Timorese visas were available at the border, but cost US$25. In a region where most people were lucky to earn an average of US$1 per day, the visa system was highly prohibitive, and consequently encouraged illegal border crossing and smuggling. Following a series of problems (discussed below) and a consequent low level of legal use of the border markets in Cova Lima, they were closed in early 2003. This only further encouraged illegal border crossing and smuggling. Meanwhile, local people who had family on both sides of the border, or who in some cases even farmed land across the border, continued to cross illegally to avoid the prohibitive visa costs, and when doing so often undertook a small amount of trade while they were there, avoiding the compulsory 5% tax on the value of goods officially crossing the border. This tax applied to general dutiable goods, but was less than the excise attached to soft drinks (US$0.50 per litre), alcohol (US$1.50 per litre) and tobacco (US$15 per kilogram), electronic goods and motorcycles (10%), or perfume and cars (15%) (UNTAET, 2000).

While the border market system appeared to help regulate local cross-border trade, it was not free from problems, especially from the Indonesian side. At the markets themselves, militia members openly operated stalls (at the front of the market at Turiskain in the best selling spot) and imposed a ‘tax’ or surcharge on Indonesian stallholders. It is worth noting that the militia that was active in 2003 was drawn from the same cadre base as the 13 militias that comprised the anti-independence movement of 1999, but that it had been formed into a single organization, the Pasukan Pejuang Integrasi (Integration Struggle Troops – PPI). The PPI, originally formed as the overarching militia organization in July–August 1999 ahead of the East Timor ballot on independence, was formally headed by Joao Tavares, although it was understood that his second in command, Eurico Guterres, had assumed operational control by 2001. Further, at Motaain and Tursikain, Indonesian police also charged all entrants to the market a ‘fee’ of US$0.10 (or Rp1,000) per person, while at the markets in Cova Lima, when they were open, they imposed a ‘fee’ of US$0.25 (or Rp 2,000) per person. This led to resentment when market-goers were asked to pay tax on the
goods they had bought, their response being they had already ‘paid tax’ (UNMO, 2003a). This was confirmed by Joao Vicente, who had closely monitored the markets (Vicente, 2003).

The TNI, trade and smuggling

Not surprisingly, given its limited revenue base, the militia also imposed a ‘tax’ upon West Timorese market stallholders and, beyond this, was involved in smuggling. In part, the imposition of a ‘tax’ and smuggling directly funded its own activities. However, given the militia’s client relationship with the TNI, a proportion of the money raised by the militia was forwarded to its patrons, who were local TNI officers. The TNI also provided goods directly or through front companies for sale both in the markets and for smuggling across the border.

Both the TNI and Polri (the Indonesian National Police) also profited from the border trade in that they controlled the money exchange in the region. The (illegal) rate for US dollars at the border was Rupiah 8,000, which was close enough to the market value at that time (the US dollar had recently slumped to Rp7,850, but was otherwise generally just above Rp8,000). However, the rate for Rupiah was at Rp10,000 to the US dollar, making a neat 20% profit on all financial transactions. Not only was this exchange rate mechanism highly favourable to making large, rapid profits, it was not in the least bit hidden. Indeed, at the Motaain border police post, uniformed Polri were openly buying and selling money across the police post counter. This engagement in illegal money changing was not unusual for Polri in West Timor, which had an established history of extensive engagement in illegal businesses, such as gambling and prostitution, particularly in the provincial capital of Kupang. Indeed, Polri and the TNI had a history of armed conflict over their attempts to control or monopolize illegal businesses in Kupang, paralleling such sporadic armed conflict in other parts of the country. Polri formally separated from what was then the Armed Forces of the Republic of Indonesia (Angkatan Bersenjata Republik Indonesia – ABRI) on 1 April 1999. However, Polri remained subservient to the TNI (ABRI renamed after the split) and also remained under TNI operational command in conflict areas such as West Timor (Davies, 2001, p 11; see also Kingsbury, 2003, pp 134–136). In the West Timor border district, however, there was little tension between Polri and the TNI, as most TNI here were from Kostrad and on a high rate of rotation, unlike the Territorial army, which was permanently based in West Timor, although
generally away from the immediate border area due to its lack of military competence.

In Cova Lima district, and to some extent in Bobonaro district, smuggling was complicated by the various agendas of the militias and their TNI patrons. Despite the official position of the Indonesian government, ie it recognizes the independence of East Timor and wishes to work with it in a constructive manner (and noting the extent to which East Timorese leaders have tried to accommodate various Indonesian sensitivities and concerns, such as over trials of TNI officers implicated in atrocities in East Timor), many amongst Indonesia's political élite, certainly within the TNI, and not least among the militia, retain irredentist aspirations for East Timor.

Such irredentist claims have found support from no less a figure than Indonesia's then Defence Minister, Juwono Sudarsono, who reiterated the militia allegation that UNAMET 'cheated' in the conduct of East Timor's 1999 ballot and that the East Timorese military resistance organization, Falintil, engaged in armed activities (Tedjasukmana, 2000). Similar claims have been made by a number of other political figures in Indonesia in an attempt to de-legitimize the outcome of the ballot, in turn attempting to re-legitimize irredentist claims. As field coordinator of (and participant in) a large NGO observer group to that ballot, the author confirms that UNAMET conducted an almost entirely unblemished electoral process, while the TNI-supported militias killed, raped, burned homes and intimidated in the pre-ballot period. That is, there were massive irregularities in the ballot process, but they were conducted by the TNI-backed militias. Similarly, with Falintil in voluntary cantonment (confirmed first-hand by the author), there was no military activity by that force during the campaign period (and only one significant incident prior to the campaign period, in retaliation for the TNI murder of two youths in Bobonaro district who chose not to join the local militia).

To this end, the frequent psychological warfare operations ('psyops') being conducted by militia and TNI across the border were intended to, and had the effect of, ensuring that many people in the East Timor border region felt quite insecure (Vicente, 2003; da Carmo, 2003; Adriano, 2003). An example of such 'psyops' was the repeated statement that: 'We plan to bring the Red and White [Indonesian flag] back to East Timor'. This was broadcast on West Timor radio, found on documents circulated across the border, and stated by militia members in interaction with East Timorese, usually while engaging in illegal
trade. Such ‘psyops’ were probably at their most intense in the East Timorese enclave of Oecussi, on the north coast of West Timor, but also quite pronounced in Cova Lima, and somewhat less noticeable in Bobonaro (probably due to the higher profile of the PKF in this area). However, while Bobonaro was spared some of the ‘psyops’, on 4 January 2003 between 20 and 30 armed militia members wearing TNI uniforms (without insignia) and carrying automatic weapons harassed villagers near the town of Atsabe, south-west of Dili, (with a number being captured by villagers). This was followed by an attack involving a smaller group of armed men on a bus on 24 February, with another group attacking a PKF patrol on 27 February 2003. There were also numerous (though unofficial) reports of similar incidents in Bobonaro and Cova Lima districts (UNMO, 2003b; BPU, 2003). While ‘psyops’ were an important part of the incursions, it was also likely that militia incursions into East Timor were designed to gather intelligence on the presence of PKF and Forcas de Defesa Timor L’este (FDTL, or East Timor Defence Force) troops, a detachment of the latter being based at Cova Lima, near the town of Zumalai, some 40 kilometres from the border.

In large part, the extent of militia infiltration and smuggling could not be controlled due to the small size of the RDTL Border Patrol Unit (BPU) – about 165 at the time of writing, expected to rise to around 200 by the end of 2003. This was further complicated by the BPU’s relatively brief training, its lack of basic equipment including guns, water canteens, food and permanent shelter (which at Batu Gade was constructed, as a favour, by the Australian PKF battalion). The BPU had, according to the local BPU instructor, ‘no capacity for pro-active interdiction’, which was critical to securing the border (Shappf, 2003). However, with the introduction of the BPUs, the PKF was intended to scale down its presence in the border areas, and take a less ‘robust’ profile (this term being used to describe the Australian PKF presence by a senior US UNMO in November 2000), meaning that infiltration was increasing rather than decreasing. As a consequence of cross-border infiltration, however, at the end of May 2003 the UN decided to slow down the rate of PKF withdrawal from the border region, extending the commission of the two battalions and international police near the border until the middle of 2004.

In that the militia increased its infiltration activity and engaged in ‘psyops’, this seemed to run counter to its engagement in cross-border trade and smuggling. At one level, these activities do appear to be
irreconcilable. Relations with partner smugglers and border traders were generally positive, and where there remained an element of intimidation it was to indicate the power differential between the two groups, which recalls elements of traditional relationships across different social groups. A number of incursions by militia were also in smuggling parties (this was established when the parties were arrested and the militia members’ identities were confirmed), and indeed such smuggling parties might have been largely composed of militia, although with a number of new members who were not formally identified with the ‘1999 generation’. In that business engagement clashed with political opposition, the need to raise money was of primary importance to the militias, and given the ‘seller’s market’ nature of arrangements, did not strongly conflict with the respective positions in a ‘power relationship’. In this respect, what appeared on the surface to be competing agendas for the militia and their TNI bosses actually worked.

Apart from the difficulty in accessing the main towns of East Timor, the costs of crossing the border, and taxes, according to two Suai lia nain, traditional guardians and mediators of rules and custom (Ospina and Hohe, 2001, p 38; da Carmo, 2003; Adriano, 2003), it was in many cases simply ‘easier’ for many local people to engage in illegal cross-border trade than to trade legally. The lower cost of goods from West Timor, and their greater accessibility, combined to make smuggling an attractive proposition. However, they did recognize that the infiltration of militia members complicated the situation, and indeed noted that most of the local community wanted the border to remain closed in order to limit militia infiltration. Adriano and da Carmo identified the militia members as belonging to Laksaur Merah Putih (LMP), which was responsible for the murder of at least 300 people, whose names are listed on a memorial to ‘Black September’ in Suai, and probably many more throughout Cova Lima in September 1999. They further said that the members of LMP were from West Timor and that they were ‘native Indonesians’ (that is, not East Timorese). Adriano and da Carmo also said that, amongst the smugglers, were men they identified as members of the TNI, although these men wore civilian clothing. They also said that the TNI controlled the exchange between dollars and rupiah.

In terms of goods being smuggled across the border into Cova Lima, da Carmo and Adriano said that this included motor vehicles (especially motorcycles), cigarettes, fuel (petrol, diesel and kerosene), electrical and electronic goods, salt, sugar, rice and clothes. The motorcycles being smuggled across the border included both new and,
more commonly, used vehicles, many of which did not come with any papers, indicating they had been stolen. The motorcycles with papers may have been purchased, but may also have been extorted from their owners. Regarding the prevalence of smuggling in this district, the author actually witnessed a smuggler on the border near Lebos, where the ‘road’ (track) runs very close to West Timor. This smuggler looked as though he was about to pick up a supply of fuel, if the dozen or so plastic containers strapped to his pony’s back were any indication. Upon catching sight of the author’s vehicle, the smuggler dashed down the side of a very steep slope to avoid what he seemed to think might be apprehension. The point at which the smuggler was crossing was directly opposite a post of TNI Kostrad Battalion 721.

A UN official stationed in Cova Lima also confirmed that there was a lucrative trade in smuggling alcohol across the border, saying its appeal was due to the fact that it was cheaper than buying what was often the same alcohol in East Timor. This indicated that no tax was being paid on the alcohol in Indonesia and hence, having come via TNI and militias, it had come through import/export businesses directly connected with the TNI. Apart from vehicles, da Carmo and Adriano described most smuggled goods as comprising basic necessities. Traded or smuggled goods from East to West Timor included coffee, sandalwood, candles, peanuts and oil nuts. The parish priest at Suai, Reverend Manuel Simao Barreto, added that timber, corrugated iron and other building materials were also smuggled from West Timor into East Timor. He said the actual site of the sale of smuggled goods of which he was aware was always just inside the West Timor border.

Rev Barreto also noted Cova Lima’s vulnerability to militia/smuggler infiltration, primarily due to the physical isolation of the district from the rest of East Timor, to its poor roads and its proximity to crossing points into West Timor (Barreto, 2003). The author’s experience of Cova Lima’s roads confirmed the problems of access, with only one being accessible between Suai and the capital, Dili, via Ainaro, and even then being in very poor condition: in many places it was what would be considered a four-wheel-drive track, and was largely closed for the period of the wet season (November–May). The three other ‘roads’ to Cova Lima were generally not traversable by conventional vehicle, and in some cases only by foot or pony. Rev Barreto noted that emergency relief supplies being distributed by the church were airlifted into Suai, although there was also a weekly UN ferry service from Dili.
Rev Barreto said that smuggling across the border used what had previously been conventional trade routes between East and West Timor, and that this was largely driven by necessity on the part of the East Timorese. In particular, he noted that food insecurity often forced people from Cova Lima to buy goods from West Timor. He also noted that LMP members dominated the cross-border smuggling: many of them were on a list he had of 48 militia who had been clearly identified as having committed major crimes, such as murder and rape, on 6 September 1999. Rev Barreto said that the list of 48 did not include people who had committed less serious crimes, such as the burning of homes. Lesser crimes, he said, could be forgiven by the church. However, he said that it was not possible to pardon the perpetrators of the more serious crimes (this interview taking place next to the sites where Fr Hilario Maderia, Fr Tarcisius Dewanto and Fr Francisco Soares had been murdered). ‘There is still a very significant militia threat’, he said. As with militia who had been arrested in Bobonaro district, Rev Barreto said that reports to him about sightings of militia by villagers noted they also wore Indonesian military uniforms without badges, and carried automatic weapons. This conformed to the description of militia members arrested by the Thai battalion stationed in Cova Lima (BPU, 2003) and the Australian battalion in Bobonaro (UNMO, 2003b).

Despite it being three-and-a-half years since the destruction of Suai, the town had still not returned to normal, which was noticeable from the fact that around half the houses in Suai and surrounding districts were still burnt shells as a consequence of the events of 1999. Rev Barreto said that many people had not returned to Suai because of continuing fear of militia raids, because they were sympathetic to militias and hence were still in West Timor, because they were continuing to be forced to stay in West Timor, or because they were dead. He said there were approximately 5–7,000 people from Cova Lima still in West Timor who were not connected with the militia. Militia members in this area continued to extort ‘protection’ payments from refugees in West Timor, especially if they wanted to return to East Timor. As a consequence of militia incursions, ‘psyops’ and smuggling, Rev Barreto said that: ‘Security is most important, and it will become urgent when UNMISET leaves the country’.

Smuggling across the border in Bobonaro district was generally similar to that in Cova Lima district (although there were no reports of motorcycles being smuggled). In particular, the TNI was said to be directly involved in the smuggling of sugar and rice from Belu kabupaten to
Bobonaro district (Anon [a], 2003). Beyond such food staples, the smuggling of fuel was also extensive, if primarily on a small or local scale, and undertaken and controlled by TNI non-commissioned officers (corporals and sergeants). The attraction in smuggling fuel was that in Indonesia it cost about one-fifth of the retail price in East Timor, and even less when purchased wholesale. By way of illustration, kerosene was officially Rp600, or US$0.06 per litre (depending on the exchange rate), although up to Rp1,100 in Atambua; diesel was Rp1,150 per litre and premium petrol Rp1,550 per litre. In East Timor, by comparison, it was around US$0.50 a litre for diesel and premium petrol (circa Rp4–5,000, depending on exchange rates) and around 60 cents (circa Rp5–6,000) for kerosene (Anon [a], 2003). So rampant was the smuggling across the border that at one stage there was actually a fuel shortage in Belu kabupaten (district) in West Timor, which abuts East Timor (ETAN, 2002).

The supply of fuel from West Timor has been a recurring theme in East Timor. In one ironic arrangement, in the early phase of the PKF in 2000, according to senior UNTAET staff, the New Zealand Battalion then stationed in Cova Lima was supplied with petrol from West Timor through the TNI (see Kingsbury, 2000). This petrol, and subsequently most of the legal fuel to East Timor, was supplied by the Indonesian state-owned oil company Pertamina (at US$0.34 a litre wholesale, or nearly triple the retail price in West Timor), through its licensed distributor PT Jagad Adilaut, located at Bima and Kupang. The West Timor branch of PT Jagad Adilaut was run by Purwo Subekti, while PT Jagad Adilaut was headquartered in Jakarta. The Pertamina depot in Dili also housed Indonesia’s diplomatic mission until early 2003, and according to a UN security report was the site of intelligence activities (Dodd, 2001), which meant the involvement of TNI’s Military Strategic Intelligence Organization (Baden ABRI Inteldijen Strategis), which was represented throughout the TNI’s Territorial structure and which had close links with the TNI’s Special Forces (Kopassus). Further cementing this connection, in September 2003, a senior officer from Indonesia’s National Intelligence Agency (Baden Inteldijen Nasional – BIN), Ahmad Bey Sofwan, was appointed ambassador to East Timor. BIN and BAIS retained very close working relations. Former Defence Minister Juwono Sudarsono noted that Pertamina ‘play[ed] a role as a funding channel to the TNI’ (Fabiola, 2003). Regardless of the TNI’s direct link to PT Jagad Adilaut, it could in any case purchase fuel from this distributor at the wholesale price and transport it in TNI fuel tankers, selling it at well above Indonesia’s internally capped retail price.
TNI’s organizational structure in West Timor

The TNI organizational structure in West Timor (see Figure 1) allows perhaps the clearest insight into the focus and purpose of the TNI in that part of Indonesia. Most notable was the promotion of Lieutenant-Colonel Djoko Subandrio from head of kecamatan-level District Military
Command (Komando Distrik Militer – Kodim) 1605 Belu to full Colonel and head of the Strategic Command Centre based at Atambua. In particular, although this move was announced as the creation of a strategic command centre (and at one stage touted as a possible new Kodam), it was formally identified to UNMO officers by the TNI as a ‘satgas’ (satuan tugas), which is a generic term for ‘function unit’, though more commonly understood as a ‘duty unit’. The term ‘satgas’ is used to identify any special-purpose unit, ranging from intelligence to special operations, to militia control. It is also unusual within the TNI for a Kodim head to receive a second tour of duty at a particular post and to be promoted at the same time. It is equally unusual for the TNI to create a strategic command centre, this being outside the TNI’s conventional command structure, especially while at the same time maintaining the original Kodim, in this case Kodim 1605 at Atambua, under Lt-Col Anip. Similarly, it is most unusual to have a colonel appointed to a geographic position located so close to another, seemingly parallel, colonel (Col Moeswarno Moesanip) at the kabupaten-level, battalion strength Military Resort (that is, Garrison) Command (Komando Resort Militer – Korem) 162, at Kupang, in the western part of West Timor. It is worth noting that the TNI’s Military Liaison Officer, Lieutenant Fauzi Nurdin, who was part of Army Strategic Reserve (Komando Strategik Angkatan Daerah – Kostrad) Battalion 321 stationed along the border in Belu kabupaten, said that if the author had particular inquiries about the TNI in West Timor they should initially be directed to Colonel Moeswarno Moesanip at Korem 162 in Kupang, and thence to Major-General Agus Suyitno at brigade strength Military Command Area (Komando Daerah Militer – Kodam) X Udayana at Denpasar, Bali (which is ordinarily headed by a Brigadier-General). This completely bypassed the most senior local officer, Col Djoko, the Border Taskforce Security Commander, which would have otherwise been in accordance with conventional organizational lines of command but which, thereby, located this geographically senior officer outside the nominal command structure. This in turn indicated Col Djoko’s ‘special’ or non-conventional military status and role.

Col Djoko had succeeded Lt-Col Sigit Yuwono as TNI head at Atambua, where the latter had been executive chairman of the committee overseeing the 1999 influx of refugees to West Timor (Ketua Pelaksana Urusan Pengungsii Timtim) (McDonald et al, 2002) and, as such, was one of the key organizers of the forcing of East Timorese into West Timor. Lt-Col Djoko was the regional commander appointed
to head Kodim 1605 when, on 6 September 2000, PPI militia based in and around Atambua attacked the Atambua office of the UN High Commissioner for Refugees (UNHCR), murdering three UNHCR employees. Lt-Col Djoko said that he would crack down on the militias as a consequence of the attack, which saw the UN withdraw from West Timor. However, at a weapons handover by the militia on 26 September, militia members seized back their weapons from Polri, who did not attempt to stop them. Given the pre-existing (and very well documented) links between the TNI, and to a lesser extent Polri, and the militias, it is highly likely that Lt-Col Djoko had direct administrative control over the militias at that time, and indeed that this was a primary focus of his original appointment, having succeeded Lt-Col Sigit in this role. One credible TNI observer said that it 'can probably be assumed that he was involved in training and arming the militias for forays into East Timor' (Anon [d], 2003). The establishment of a satgas at Atambua, and the continued public presence of militia members there and nearby, suggested that Col Djoko's new position was primarily to run the militias and their activities both within West Timor and across the border into East Timor. As late as May 2002, the military commander at Kupang, Col Moeswarno, said that there were up to 20,000 militia still in West Timor (JP, 2002), although this figure almost certainly included families and sympathizers (active PPI militia members were limited to perhaps 3,000, based on various unofficial estimates). In terms of the contemporary presence of militia in TNI areas, one militia member, clearly dressed in TNI boots, camouflage pants and TNI-type sweatshirt (black with yellow writing on the back) calmly walked past the UNMO liaison post at Motaain while the author was there. Indeed, given his stature and bearing, this person would have been indistinguishable from an ordinary (if tall and muscular) Kostrad soldier but for his hair, which fell well past his shoulders. It is possible, of course, that this person was in fact TNI. However, if that was the case, given the length of his hair, it should be noted that the only group in the TNI that has long hair is Group IV of the Special Forces (Kopassus). Group IV is the ‘dirty tricks’ unit of Kopassus, and specializes in covert activities, including intelligence gathering, assassination and the training of militias. Alternatively, he could have been milsus (militer khussus – special military), who are usually former Kopassus personnel who have resigned but come back as freelance agents for particular projects. Such milsus were known to be operating in East Timor in 1999 in the organization of militias. If such milsus were retained to oversee the operational aspects
of the militia in West Timor, they would operate through the Satgas under the command of Col Djoko.

Other militia encountered in Atambua were less physically impressive, being shorter, more unkempt and, in one case at least, less disciplined (although making clear he knew the author's name upon arrival in Atambua, thus employing the type of 'psyops' common in East Timor in 1999). This more unkempt militiaman was almost certainly connected to a Polri Sergeant-Major, Adonis Apollo, whom the author met at the Motaain UNMO post and who was later identified as being a former militia organizer in Maliana in East Timor in 1999 (UNMO, 2003b).

In terms of TNI deployment in the first half of 2003, Kodim 1605 at Atambua comprised TNI Territorial (non-specialist) troops and militia members; Kostrad Battalion 321 of around 700 men was located along the border in Belu kabupaten opposite Bobonari district, physically separate from but within the same command formation as the Territorial troops; Kostrad Battalion 721 (also around 700 men) was located along the border in Boas kabupaten opposite Cova Lima, similarly organized in regard to Territorials; and a 'detachment' of Kostrad battalion (Bn) 407 was located at the border around the enclave of Oecussi on the north coast of West Timor, again linked to the Territorials. There are formally two detachments to a battalion, although a detachment can in practice be up to 500 men out of a 700–800-man battalion, or any group at less than full battalion strength (due to other deployments or staffing issues). Along with Bn 407, absorbed into the Territorial structure, were also members of the since disbanded Bn 745, which was composed largely of East Timorese and was based in Los Palos district at the eastern end of East Timor. This was confirmed by a member of Bn 745 who made himself known to the author at Kefamenanu, near Oecussi. Bn 745 had a reputation for considerable brutality in any case, and in its withdrawal from Los Palos in late September 1999, murdered the people it came across on the road back, including a European journalist in the suburb of Becora in Dili, as well as burning everything not already destroyed. The author had earlier encountered members of Battalion 745 at the Motaain border post, mixed with Kostrad troops stationed there at that time (January 2000).

According to Lt Fauzi, the TNI intended to reduce its forces along the border from mid-2003, corresponding to a similar draw-down by the PKF (the operational function of which was renewed until the end of 2004). According to Fauzi, the existing Kostrad battalions in West
Timor were expected to be deployed to Aceh (where at the time of the interview the TNI was building up its forces in preparation for a major assault against Free Aceh Movement rebels, which came just a few days later). The replacement was intended to reduce the three Kostrad battalions to three detachments, not including Territorial troops. The difference in numbers, Lt Fauzi said, would be made up by police and would be under police command. While on the surface this looked like a ‘civilianizing’ of the border, the effect could have been to reinforce an even more militarized version of the status quo. Indonesia’s National Police (Polri) often function in effect as a part of the army (Davies, 2001, p 24), especially the Mobile Brigade (Brimob) and Polri’s ‘counter-terrorist’ unit, Gegana (which at the time of writing was being used in military operations in Aceh). More critically, in operational terms, nominally police ‘BKO’ units (bawa kendali operasi – under operational control) comprise highly trained soldiers from Kostrad and Kopassus who are seconded to Polri and are formally identified as police, even though they are trained and equipped as soldiers and perform a purely military function (also used at the time of writing in Aceh). The structure was in place for such BKO units to be operational in West Timor, and given demonstrably close links between PPI militia and Polri at the border, it would be possible to move to such an arrangement without disrupting strategic or tactical considerations.

Notably, too, the Polri relationship with the militia was close and active until the ending of Indonesia’s occupation of East Timor, and remains active at the time of writing. Furthermore, Polri’s active engagement in illegal trade, including money changing, and its history of engagement with running illegal businesses in West Timor, mean that the functional positioning of Polri as a state agent parallels that of the TNI in relation to a range of border-related issues, notably where the more permanent Territorial troops did not have a presence.

This potential military imbalance, and the pressure being applied across the border by way of ‘psyops’, was widely expected in East Timor to play a role in negotiations between the government of Indonesia and the government of East Timor over the formalization of the demarcation of the border between the two states and the conditions of passage across it, including access to the enclave of Oecussi. Although there was no formal reason why such negotiations had not already begun, the Indonesian government had continued to defer them to an unspecified future time. This ‘future time’ was thought to be after the UN had formally ended its presence in East Timor, or at least after the
PKF had been formally removed. If this was the case, Indonesia would be well placed to step up pressure, through means that it would be able to deny formally, to achieve an outcome on border issues it regarded as most suiting its various requirements. Indeed, if one were to take the irredentist claim seriously as a medium- to longer-term proposition, negotiations over the border could open the way to a broader claim, including such matters as territorial waters, claims to offshore mineral (oil and gas) rights, and the repatriation of remaining pro-integrationist militia members. Based on the destabilizing activities (political opportunism, public disturbances) and calls for reintegration with Indonesia by the Jakarta-backed (and deceptively named) Committee for the Popular Defence of the Democratic Republic of East Timor – CPD-RDTL (see Kingsbury, 2002, p 164), the repatriation of remaining pro-integration forces would act as a further means of destabilizing East Timor’s already uncertain political environment. In this there was a view that irredentist claims could be achieved without a further formal military incursion, but through holding a future ballot on voluntary re-incorporation into Indonesia. With widespread post-independence aspirations within East Timor not being met (in many cases because they exceed even that which was available under Indonesia), some East Timorese look back on the period of Indonesian occupation with an almost child-like sense of nostalgia. Given the political naivety of many East Timorese (although this quality is far from exclusive to East Timorese), there is considerable scope for gathering political support for simplistic solutions to complex problems, which is the CPD-RDTL’s stock-in-trade (and historically the prime vehicle of populist/fascist movements).

The activities of the TNI and the PPI militia, then, serve a number of interrelated and mutually reinforcing functions, which are consistent with the profile of the TNI both as the former occupier of East Timor and in terms of the complex of agendas that inform both its Territorial presence throughout Indonesia and that of its specialist divisions. The first of these interrelated functions is both legal and illegal business activities, which help fund the TNI, and in this case the otherwise financially marginally supported PPI militia. This accords not just with the contemporary localized practice of the TNI, which as an actor and as a patron benefits from it, but also parallels similar legal and illegal business practices throughout the archipelago and in particular where the TNI has a long-established high-level presence, such as in Aceh and West Papua. Securing an income requires a high level of local political control to ensure that local constituents do not object too vocally
to such practices. In the case of West Timor, this is achieved by PPI militia control of refugee camps, and high levels of intimidation in the wider region. Thus once secured, the PPI militia and its TNI patrons can engage in their (nominal) core function, which is ‘defence’, in this case understood as intelligence gathering and psychological and destabilization operations aimed at the ‘enemy’. This in turn strengthens the PPI militia/TNI position that continues to inform issues of border relations, in particular the timing and scope for negotiations over the shape and character of the still-to-be-formalized border between East Timor and Indonesia. In the final sense, all of this establishes a proactive position from which to facilitate the possible re-integration of East Timor into Indonesia, through un­subtle ‘encouragement’. This in turn rationalizes the core function of the TNI, and addresses that sense of legitimacy that the TNI, and even the PPI militia, feels about itself. Such ‘legitimacy’, however, papers over a range of self-serving interests, not least that of economic benefit. However, this locally reconstructed sense of ‘legitimacy’ further strengthens the TNI’s claim to participation in the political process around what it regards as the core issues of the state, and in which it has demonstrated that it intends to take a long-term leading role. This in turn rationalizes the TNI’s high profile in Indonesian political society and further helps protect its self-serving economic interests.

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