

COMMENTARY & ANALYSIS ON INDONESIAN POLITICS AND ECONOMICS

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The East Timor Negotiations: A Final Solution, or Debacle? 4

President B.J. Habibie stunned the international diplomatic community when he announced that the government might grant independence to the troubled island of East Timor if a special autonomy proposal is rejected. Unfortunately, Habibie's change in policy creates more problems than it solves. As negotiations under the auspices of the United Nations begin to reach a conclusion, there is a huge risk of wide-scale violence breaking out in the province. Our risk assessment of what can go wrong, or right in the coming months.

The East Timor Interviews 7

Three interviews with a government official responsible for formulating East Timor policy, and two leading players in the history of East Timor: Ministry of Foreign Affairs official Dino Djajil, former East Timor Governor Mario Carrascalao, and the jailed freedom fighter Xanana Gusmao.

Key Battleground of the Transition: the General Election Commission .. 18

A critical milestone of the upcoming elections will be the ability of the General Election Commission to act in a fair and impartial manner in carrying out the election. The Commission must also be capable of quickly and credibly settling any conflicts that erupt. Otherwise the post-election climate in Indonesia could turn into a battleground. So far, the signs don't look very good.

The Habibie Tape: More Than Mere Muckraking..... 22

A scandalous conversation between the president and attorney general was supposedly recorded on tape, and transcripts are now selling like hotcakes. But despite appearances, this is more than mere mud-slinging: whether or not the tape is real, the incident has major political ramifications.

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“PDI Perjuangan Will Get the Largest Share of the Vote”

As a former bank executive, Laksamana's familiarity with Western business circles contributes depth to Megawati's advisory team. As a key component of that team, Laksamana provides insights into the strategic planning of what appears to be Indonesia's most formidable opposition party.

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