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HUMAN RIGHTS AT CROSSROADS: NORTH AMERICAN TRADE POLICIES AND THEIR IMPACT ON HUMAN RIGHTS IN INDONESIA



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Nowadays, trade is the engine running the world. Commercial relations drag a plethora of issues that make them more relevant: today, trade is not an isolated interaction, but instead it is connected to issues like environmental matters, political conditions, ethical dilemmas, and human rights concerns that put international trade relations at their most complex state.

In such levels of complexity, should The United States and Canada as two of the economic leaders of modern times, become more involved in the internal affairs of their partners or should they play fools in favor of trade relations? Furthermore, as the world's economies turn towards Asia, should they interfere with human rights issues on these countries or should they just look away? Business is not just business, but more likely countries will put trade first and human rights second. The U.S and Canada have done something similar in their past relations with Indonesia, a country in Southeast Asia with a very interesting history, a tumultuous record of political stability, and a stained record on human rights.

Indonesia is one of the biggest economies in Asia, and along with neighbors like Thailand, Malaysia, and the Philippines, have all set an important growth trend for the economies in the region, plus, these countries founded ASEAN¹, and are all very important for Canada's international trade in Asia –they are behind the Big Three, the Asian Tigers, and Australia², both as exports and imports markets. The four aforementioned countries are also very relevant for The United States'

diversified economy. Although the trade levels of the U.S with China or Japan are much bigger, currently Malaysia, Thailand, Philippines and Indonesia rank as the 19th, 28th, 30th, and 32th largest exports destinations, respectively; and as the 16th, 19th, 36th and 24th³ imports suppliers to the U.S.

Even if both the U.S and these Asian economies have more important partners, there is an immense room for deeper commercial ties, as well as for more profound human rights understanding, especially in the midst of new chapter of bilateral relations. Indonesia's record on human rights is disappointing: The PTS⁴ has given Indonesia an average of four out of five, which means that since 1976 Indonesia has experienced civil rights violations, torture, disappearances and murders of activists and minorities which were still common just years ago (Kingsbury, 2007). Indonesia maintains a fragile environment for human rights even after internal reforms and the adoption of international measures, but some of these seemed to be crafted to avoid U.N condemnation of abuses such as the Dili Massacre in East Timor, (Cardenas, 2004) knowing that "*International actors made it costly for states not to create human rights institutions*" (Cardenas, 2004: p.54). As an Indonesian Minister once expressed: "*there is a heavy economic cost to impunity or negligence in addressing human rights*" (Munro, 2009: p. 24).

The formation of human rights regimes in Southeast Asia is new, but slowed by perceptions that human rights are "*an intrusion of the international community to the domestic arena*" (Munro, 2009: p.1). Regardless of the creation of the AICHR⁵ in the region, ASEAN has taken a very relaxed approach towards human rights and that position has reflected onto its member states. The creation of regimes is defined by Moravscik (in Munro, 2009: p. 7) as a "*tactic to serve the political self-interest of governments*", perhaps meaning that countries comply just so that other countries maintain a beneficial foreign policy towards them. Cardenas, (2004: p. 9) argued that the proliferation of these Institutions has been possible in the past due to the "*support of a wide range of transnational actors, including the United Nations, as well as foreign governments like Canada and Australia*". All of this shows the importance of human rights issues in Indonesia, so it is only appropriate to take this opportunity to analyze how they have historically affected the relations with the United States and Canada, especially at the commercial level.

Historically, the U.S has seen trade as a propeller of democracy (Stirling, 1996), which defines its position on trade and human rights in countries like Indonesia. This played a significant role in its foreign policy as far back as the 1970s when the Foreign Assistance Act was passed to stop all security assistance "*to any government which engages in human rights violations*"

1 Association of Southeast Asian Nations. It was founded by the Four countries along with Singapore, one of the Four Asian Tigers.

2 Data Obtained from: Trade Data Online. Industry Canada. <http://www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/home> Available In: <http://www.asiapacific.ca/statistics/trade/bilateral-trade-asia-aggregate/canadas-bilateral-trade-asia-pacific> (Last Retrieved: October 20, 2011)

3 Data obtained from the United States Trade Representative Website. All figures are dated 2010. Available in: www.ustr.gov/countries-regions/southeast-asia-pacific/ (Last Retrieved: October 20, 2011).

4 Political Terror Scale, is measure on the levels of violence using data from the U.S State Department and Amnesty International Indonesia. Available on: politicalterror scale.org/countries.php?region=Eurasia&country=Indonesia (Last Retrieved: October 17, 2011).

5 ASEAN Intergovernmental Commission on Human Rights.

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(Stirling, 1996: p. 28). The U.S human rights position has been ambiguous because it is very intertwined with trade and domestic politics. Cultrone and Fordham (2010: p. 634) reinforce this stating that the domestic human rights position is partially molded by economic interests: *“human rights conditions abroad are highlighted if the economic conditions of the other country threatened the national or state economy”*.

Human rights abuses have long been a major roadblock in U.S.-Indonesia relations (Denmark, et al., 2010), but if a country serves a strategic purpose to the U.S, the latter is usually very forgiving in that area. The Indonesia of Suharto's regime was used by the U.S as a model *“of market-oriented development for the developing world”* (Murphy, 2010: p. 365), and an evidence against communism during the seventies at the expense of supporting the regime's actions in East Timor. Effectively, U.S support to the regime diminished after the need to contain communism ended. In the Clinton years, the policy towards Indonesia changed drastically after the military's attacks in Dili, East Timor, prompting the cut of assistance under the Leahy Amendment, which froze military cooperation and changed the relations between both countries even after it was lifted in 2005 (Komer, 2010). Later, during the Bush Administration both countries agreed to work to expand bilateral trade, showing commitment to help a lagging economy: Indonesia's exports and imports to the U.S were lower than those of neighboring countries, (NCUSIR, 2003). The U.S still seems interested in promoting Indonesia's improvement, recognizing that a strong Indonesia *“can contribute in the solution of regional and global problems, and will improve the lives of millions within a stable and strategically important democracy”* (Denmark, et al., 2010: p. 31).

Currently, Indonesia is a country of high importance, especially with President Barack Obama Indonesian ties. During the current administration there has been a desire to foster relations as Indonesia becomes a regional powerhouse, and even after the U.S State Department has signaled in its Human Rights Report (2011) that some Human Rights problems in the country still occur in the Papua and West Papua provinces, as well as impunity, limitations on freedom of speech and religion, human trafficking, and child labor. The armed forces were known perpetrators of brutal human rights abuses particularly towards pro-independence movements in Aceh and East Timor (Komer, 2010). Fear not, human rights had not been left to a second place in favor of economic issues, but instead, *“human rights abuses in Indonesia in the last decade have been left aside by the need to protect the interests on security and counter-terrorism in the region and the country”* (Mauzy, et al, 2007: p. 637). That focus on counter-terrorism has created some resentment among Indonesians who feel that the new regional approach was unfair (NCUSIR, 2003).

Regarding Canada's involvement in human rights issues in Indonesia, the trends are surprisingly, similar to those of the U.S.. Relations between Asia and Canada in modern times can be traced to the Trudeau years. As Webster (2010: p. 742) points out, *“the Trudeau government highlighted Suharto's Indonesia as “a nascent power among the non-communist nations because of its position and population, and the development potential of its natural resources”*. In those times, Canada's official assistance grew immensely, but never with a completely altruistic purpose: *“the financial support would facilitate Indonesia's transformation from aid recipient to trading partner.”* Canada's official assistance has had a big impact on Canada's relations with other

countries: Assistance –from humanitarian to military matters, has the ultimate purpose of promoting development, which has direct repercussions over the economy and the creation of a stable international system (Sengupta, 2002).

By that time, Indonesia was third among Canada's developing partners. In the following years, both Canada and US foreign policy to Indonesia and East Timor were framed to be focused around other issues, and not East Timor itself. Nevertheless, the human rights speech of Canada was never abandoned, and they kept defending human rights (Webster, 2010). Then, in the Mulroney era both countries grew closer to Suharto's regime, and they even defined his regime "*a stabilizing factor in oft-chaotic southeast Asia*" (Webster, 2010: p. 744). Politicians in both countries believed that "soft-authoritarians" were no human rights respecters but provided an "*economic miracle that would eventually lead to democratization*" (Webster, 2010: p.744). Canadian leaders during the years of East Timor occupation, "*failed to live up to their high-minded words on human rights, choosing instead complicity with Indonesian policies*". (Webster, 2010: p. 739) For example, the abuses perpetuated by the Military in that province are said to have been supported by both Canadian and American foreign policy leaders during those years (Lalbiharie, 2000). Not only these assertions show the relevance given to commerce and political ideology until the nineties, but also indicate that both countries have played a two-faced diplomacy when it comes to human rights.

After the Cold war, the government's position around East Timor was hardened, whilst trade relations remained intact. Canada's position towards Indonesia's human right violations of "*disapproval through careful targeting of sanctions in such a way that the core of trade and investment ties would not be harmed*". (Webster, 2010: p.745) changed a bit only because of public outcry around the situation in East Timor. In the process of independence, the United States helped to establish the framework for a referendum in East Timor but in the wake of potential chaos, "*The United States, Australia and Canada, mindful of its bilateral trade arrangements with Indonesia, informed the UN that they would not deploy forces to East Timor, unless Indonesia asked for it*" even after the the UN took action on the issue (Lalbiharie, 2000: p. 2). Later on as Jean Chrétien took office, trade easily overcame human rights as the important issue in Canada-Indonesia Relations. To this day, even with a conservative Prime Minister in office, the Canadian position has been that of asserting that "trade advances rights" (Webster, 2010 p. 747), making use of mere rhetoric, which once again dominates the Canadian government's international human rights policy.

As it has been explained, in the last four decades, the foreign policy of both the U.S and Canada has been ambivalent towards Indonesia: In one side, the two countries have tried to take positions on human rights, but on the other side, those positions almost never had any relevant repercussions as trade relations remained positive even throughout the most worrisome times of the Regime. Not just for these two countries, but today the human rights discourse is intermittent and lacks focus, and that obviously needs to change. In any case, human rights will still be important in the way a country defines its relations with others, but only because through history they have been used as a powerful tool to advance selfish economic interests disguised as universal values. There is certainly a link between trade and rights; trade, after all has been defined as "*the most effective mechanism for the enforcement of human rights*" (Stirling. 1996: p.3), but for the most part that aspect has been

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overlooked especially in the context of trade relations between developed and developing economies such as those in Asia, where human rights concerns exist left and right.

In the case of Indonesia, as the country is hailed as the next economic miracle, its trade partners should definitely be more proactive in promoting good human rights conditions. There is a natural course for the advancement of protection, which should be extended to labor conditions, minority rights, environmental protection, and so on. Often, these matters transcend national borders, which perhaps explain why other countries should respectfully take actions around those issues. Traditionally, Investment has been seen to be at odds with human rights (Blanton, 2007), and that should not be the case, because states need to understand that in order to have permanent access to resources, labor and markets; protecting people's right ought to come first even at the expense of greater benefits. In this scenario, the pursuit of trade relations is still a selfish act, and that is alright, but at least trade is balanced with conditions that protect everyone's rights and that assure a more-than-required stability to maintain commercial relations with other countries. Neither the U.S nor Canada should turn their heads on Human Rights issues in Indonesia, nor Asia, nor any place in the world, and their trade agendas -or any other country's agenda for that matter, should be pursued according to human rights compliance everywhere else.

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