

## Chapitre 12/Chapter 12

### **Entre terre et empire : la lutte de la Papouasie de l'ouest contre la domination de l'Etat et des grandes entreprises/Between Earth and Empire: The West Papuan Struggle Against State and Corporate Domination**

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#### **Introduction**

Recently, major American and German corporations were embarrassed by ads placed in newspapers by former slave laborers in factories operated by these companies under the Nazi regime. The corporations were attacked for their "genocidal partnership" with the Nazis. Survivors are quoted as saying that they "were treated like animals" at the Ford Werke AG factory, while Bayer pharmaceutical corporation was cited for haggling over the price of women used in the testing of sleeping medications.<sup>1</sup> Today the public finds such corporate practices to be shocking and morally abhorrent, a relic of the barbarism of the Nazi era. But if we look carefully at corporate practices today, we will find certain striking continuities: Today, major corporations are still willing to do business with dictatorships. They are still willing to profit from oppression and persecution. They are still willing enter into "genocidal partnerships."

I would like to present the example of the alliance between the Suharto dictatorship and the Freeport McMoRan corporation in West Papua between 1967 and 1997 as a case study in such a genocidal partnership. I will discuss briefly some historical background on the Freeport-Suharto partnership, comment on the clash between corporate and indigenous worldviews, summarize the social and environmental impact of Freeport on Papuan society, touch on the larger global context of the Freeport case, and finally, say a few words about the movement for justice for West Papua.

My interest in the Freeport began in 1990, when Freeport CEO James "Jim Bob" Moffett bitterly attacked local environmentalists in Louisiana for opposing the company's proposal to dump radioactive gypsum waste into the Mississippi River. While the company was prevented from carrying out its plans, it soon launched a massive public-relations campaign to convince the community of its deep concern for the earth. It began to endow professorships at area universities in "environmental" fields, hired the major "environmental reporters" away from the local media to do public relations for the company, and began heavily advertising its newfound environmental awareness. While such actions in Louisiana raised important ethical and political issues, I was unprepared for the shocking level of injustice and exploitation I discovered when I began to study Freeport's operations in West Papua.

#### **Neo-Colonialism in West Papua.**

Though Indonesia had gained independence in 1949, the Dutch retained control of West Papua into the 1960's, promising the Papuans their own independence by 1970. However in response to pressure from Western powers and from pro-Indonesian factions in the Netherlands, it instead transferred control to Indonesia in 1963. To complete the legitimation process, manipulated elections were held in 1969, in which 1025 handpicked representatives of the 800,000 West Papuans were allowed to vote, under the pressure of Indonesian military occupation in a so-called "Act of Free Choice." Occupied West Papua was renamed "Irian Jaya."

From the outset, an independence movement, led by the OPM (Free Papua Movement) armed resistance, has been active. In turn, Indonesia quickly instituted and has continued for over three decades a program of military and police repression, including widespread torture, intimidation, destruction of property, and killing.<sup>2</sup> Estimates of the total number of Papuan casualties under Indonesian domination have ranged from 45,000 to 300,000 with 100,000 most frequently mentioned by human rights groups.<sup>3</sup> Since 1969 Indonesia has sponsored a massive program of transmigration from Java and other densely populated islands in the archipelago. Its aims are to reduce population pressures in these areas, and to secure Indonesian political and social dominance in an economically crucial region. The result is the political and social marginalization of the Papuans within their own country, and ultimately, a process of cultural genocide. In 1985 the Indonesian Minister of Transmigration said ominously that the goal is to "integrate all ethnic groups into one nation," so that "different ethnic groups will in the long run disappear" and "there will be one kind of man"<sup>4</sup> in Irian Jaya.

### **The Indonesia-Freeport Partnership in Exploitation of West Papua.**

Suharto's coup in 1965 and the establishment of a repressive right-wing dictatorship were a turning point in Indonesian history, and turned out to be a boon to Western corporations. Over the next three decades Suharto was to develop an oligarchical system in which the Suharto family, Indonesian political and military elites and foreign corporations were to play central roles. Freeport was the first foreign company to receive a permit to operate in Indonesia after the coup. For three decades the relationship between Freeport and Suharto was to be a close and mutually profitable one. Freeport has been rewarded with the right to exploit what turned out to be the third largest copper mine and the largest gold mine in the world, with up to \$2 billion per year gross income, and up to \$200 million per year in profits. Freeport has in turn been Indonesia's largest corporate taxpayer and has (in partnership with Rio Tinto, the world's largest mining corporation) provided the crucial expertise and capital needed to exploit the mineral resources seized from the Papuans.

In 1984 Jim Bob Moffett took over as CEO of Freeport. It is reported that former Secretary of State Henry Kissinger introduced Moffett to Suharto. Kissinger was to become a member of Freeport's Board of Directors, for which he would be paid \$500,000 a year, and his law firm would receive an additional \$200,000 a year. Moffett was to become close friend and ally of Suharto, going so far as to call the genocidal dictator Suharto "a compassionate man."

### **Cowboy Capitalism Confronts Indigenous Ethics And Spirituality.**

Freeport CEO Jim Bob Moffett does not hide his fanatical dedication to his company and its power and glory. He has said of his mining operation, "This is not a job for us, it's a religion." With more truth than he was capable of comprehending, Moffett once stated of the Freeport mining operations that "[w]e are thrusting a spearhead of development into the heartland of Irian Jaya."<sup>5</sup> And he described Freeport's assault on a sacred mountain of the Amungme in these terms: "We have a volcano that's been decapitated by nature, and we're mining the esophagus, if you will." It is instructive to compare Moffett's religion of progress, power and profit with the spiritual values of the Amungme people, the traditional landholders dispossessed by Freeport.

In 1994 the Indonesian regime escalated its repression in West Papua. One of the victims was Mama Yosepha Alomang, the most prominent woman leader of the Amungme tribe, a tireless human rights, ecological, and community development activist, and a recent recipient of the Goldman Environmental Prize. She was accused of giving aid to anti-government insurgents, and tortured and imprisoned for over a month, suffering a week of confinement in a small, dark, flooded closet reeking of human feces. Under interrogation by the military, she affirmed the fact that she had given food and supplies to people in need who had come to her asking for help. She explained that: "Our custom

teaches us that if you have more than enough, you have to share. So if I have it, I give it not to support them, but because if we live with other people, how can we not give if we have it, and people ask for it."**6** Mama Yosepha acts out of a living tradition of care that extends not only to other human beings, but to the earth itself.

Thom Beanal, head of the Amungme tribal council, recounts an Amungme story of origins that tells of an original mother (the personification of the island of Papua) who is the source of life. He notes that the narrative "tells us that if the mountains and nature are harmed, our mother is hurt as well."**7** Each tribal group has a place of origin that has a symbolic location in relation to the body of the mother. The Amungme "live on the land thought to reach from the mother's neck to her navel. This is the place closest to her."**8**

This mountainous area is the site of Freeport's mining operations: what Moffett ironically calls "mining the esophagus" and which he compares to "thrusting a spear through the heart" of the land. While for the Amungme, "the mountain we see as our mother is sacred,"**9** for Freeport it is a resource to be exploited in the most economically profitable manner possible. As Beanal states it, "these companies have taken over and occupied our land. Even the sacred mountains we think of as our mother have been arbitrarily torn up by them, and they have not felt the least bit guilty.... Gold and copper have been taken by Freeport for the past thirty years, but what have we gotten in return? Only insults, torture, arrests, killings, forced evictions from our land, impoverishment and alienation from our own culture. We have become strangers in our own land and this has been going on for the past thirty years!"**10**

### **Social Injustices Against the Papuan People.**

We might look at some of the details of this tragic history. In April 1977 the OPM began a series of attacks on Indonesian military posts and later the Freeport mine itself, destroying the mine's slurry pipe. The Indonesian military responded by strafing and bombing Papuan villages using OV-10 Bronco counter-insurgency planes supplied by the United States.**11** This ruthless military operation, called "Operasi Tumpas" ("Operation Annihilation"), was supported by a Freeport contribution of \$1 million.**12** BBC reporter George Monbiot reports of the rape, torture and murder of girls from the villages, and of Indonesian soldiers taking photographs of one another with their feet on the heads of murdered villagers. He claims that "American employees at the [Freeport] mine were well aware of what was happening, and seemed to regard it as entertainment."**13** It is estimated that thousands of Papuans were killed in this one operation, and intermittent murder and state terror have continued to today.

After years of minimal scrutiny except by a small groups of dedicated critics, Freeport's role finally came under widespread public scrutiny in 1995 after the appearance of shocking atrocity reports from the Australian Council for Overseas Aid, the Catholic Church of Jayapura and the National Human Rights Commission. The reports revealed numerous cases of murder, violence and torture by the Indonesian military in and around the Freeport mining area, often with the use of Freeport equipment, facilities, and the cooperation of employees. In May 1998 three other Papuan church groups issued a report on human rights abuses in the area over the proceeding two years, including "eyewitness accounts of the horrific brutality of the Indonesian army."**14**

In response to 1996 rioting directed against the company, Freeport set up a "one percent plan," in which 1% of its gross revenues goes into social services and development programs for the local indigenous people. This has meant about \$15 million per year in recent years, of which roughly \$4 million has gone to health care programs for people in areas around the mine. Although Freeport has lavishly congratulated itself in PR campaigns for these programs, the funds dedicated to the plan are minuscule in comparison to the mineral wealth that has been extracted and stolen from West Papua. The irony of Freeport's boasts concerning "giving something back" becomes evident when one considers that Papuan tribal people were offered \$14 million in 1996 as

compensation for the expropriation and brutal exploitation of their land, while Jim Bob Moffett personally made over \$41 million that year as CEO of Freeport.

Beneath the ongoing human rights atrocities over the past decades are the structural conditions of oppression and immiseration that have been imposed on the Papuan people by Indonesian neo-colonialism and global economic imperialism. It is these structural conditions that produce for the Papuan people continuing poverty, poor health conditions, poor housing, lack of education, political powerlessness, and cultural marginalization. In June 1980, for example, an epidemic killed 216 Papuan children in a resettlement area, due to poverty and inadequate medical care.<sup>15</sup> Recently, after several years of drought, mortality rates for Papuans soared because of a lack of fresh water in villages. It was recently reported that the rate of HIV/AIDS in West Papua is thirty times higher than the national rate, while prevention programs and medical treatment remain minimal.<sup>16</sup> It can truly be said that the misery and oppression of the Papuans is in direct proportion to the enormous wealth that is extracted from their land.

### **Environmental Destruction Caused By the Freeport Mining Operation.**

Freeport's environmental record is as disturbing as is its history of human rights abuses. Massive dumping of tailings into rivers has caused them to flood surrounding areas and destroy 50 square kilometers of forest and farmland. The mine's 260,000 tons of tailings per day "have turned a 230-square-kilometer lowland delta into a gray desert of dead trees."<sup>17</sup> Critics claim that tailings have introduced such pollutants as sulfuric acid, copper, mercury and arsenic into the rivers. Sediments on the Ajkwa River have been found to contain copper concentrations 38 times the minimum level for an area to be considered contaminated.<sup>18</sup> Freeport also plans to deposit three billion tons of overburden or waste rock over the next forty years. Such enormous deposits pose serious threats, including landslides and leaching of acid.<sup>19</sup>

In October of 1995, Freeport faced a significant crisis when OPIC (the Overseas Private Investment Corporation), a federal agency that insures American companies doing business overseas, cancelled Freeport's \$100 million political risk insurance policy on the basis of environmental abuses. At home, this resulted in a massive local PR campaign to control public opinion. Freeport called for support from organizations and individuals who had been recipients of its largesse. Heads of the area's major charities and the presidents of local universities took out a full-page newspaper ad, lauding Freeport as a model "corporate citizen," while the New Orleans City Council unanimously passed a resolution citing Freeport's exemplary record.

At the national level, Freeport and its political allies exerted heavy pressure on the Clinton administration to have the decision reversed. Influential politicians such as Democratic Senator John Breaux rushed to the aid of Freeport, attacking OPIC for supposedly taking a dangerous anti-business stance. In the end, OPIC temporarily reinstated Freeport's insurance, pending future investigations of supposed progress at the mine. These investigations never occurred, however, since Freeport later canceled its policy with OPIC and another insuring agency to avoid such oversight.<sup>20</sup>

### **Recent Developments.**

In 1998 the hated Suharto dictatorship fell after three decades of corruption, neo-colonialism, oppression and genocide. This was followed by East Timor's successful referendum on independence in 1999. Later, former President Wahid proposed changing the Indonesian name for West Papua (Irian Jaya), granted the Papuans the right to fly their long-banned flag, and allowed them to hold large meetings of Papuan organizations.

The movement for independence, which is supported by the overwhelming majority of West Papuans, has rapidly gained strength. Papuans have begun to reassert the case that the declaration of independence of 1961 should be recognized by Indonesia and the United Nations. Their case was given strong support when retired UN Undersecretary-

General, Chakravarthy Narasimhan, who was "the senior UN official who ran the ballot" in the so-called "Act of Free Choice," recognized that the process was actually "a sham."**21**

Freeport's actions have come under closer scrutiny since the fall of Suharto. For example, there have been calls for the US Department of Justice to investigate under the Foreign Corrupt Practices Act illegalities committed during Freeport's collaboration with the Suharto regime.**22**

Relations between Freeport and its Papuan neighbors have improved for the time being, as the company has made certain concessions. In August of 2000 Freeport and several Papuan organizations announced the signing of a "Memorandum of Understanding" in which Papuans would gain employment opportunities, new economic development projects would be set up, and buildings would be constructed for tribal organizations and elders. These organizations agreed to mediate disputes between indigenous people and Freeport.**23**

The immediate future of developments in West Papua has been put in doubt by the assassination of Papuan Presidium Council chairman Theys Hiyo Eluay on November 10. Eluay was kidnapped and apparently tortured and strangled. His death was followed by rioting and several large demonstrations, including a march of seven thousand to the provincial legislature. There is widespread suspicion of involvement by the Indonesian military and the situation remains volatile.

### **Freeport, Indonesia & the World System.**

I would like to comment briefly on certain contradictions that emerge in West Papua as a result of its complex role as first, a neo-colonial territory, secondly, a partially-integrated province in a semi-peripheral state, and third, a peripheral (extractive industrial) region in the global system of economic imperialism.

Hopkins and Wallerstein note that "however much they may reinforce one another in certain times and in certain places," the two "broad organizing tendencies—that of integrating production on a world-scale and that of forming strong national states—are in principle deeply contradictory."**24** Under the Suharto dictatorship the two tendencies could coexist in relative harmony, since companies such as Freeport and its partner Rio Tinto could bring to Indonesia experience, technical capabilities and capital that was needed in extractive industry, while at the same time offering avenues for increased wealth and power for the oligarchy (the crony capitalist regime) and also pouring large amounts of tax money into the national treasury.

After Suharto, certain contradictions have emerged more clearly. Post-Suharto Indonesia imagines itself, however ideologically, as less an empire and more a mass-democratic nation state. Overt militaristic repression of colonized areas remains in force, and may indeed escalate dramatically because of increased separatist activity and the generalized militarization legitimated by alleged terrorist threats. On the other hand, the Indonesian state desires a transition to less coercive, more normalized political means of control. Its goal of social integration of West Papua requires greater concern for the attitudes, aspirations and living conditions of Papuans.

Thus, we see seemingly progressive trends such as an offers of greater political autonomy, demands for a larger share of corporate profits for public programs, and greater governmental concern—though primarily rhetorical at present—for increased environmental protection. However, the renegotiation of the role of companies such as Freeport in the post-Suharto Indonesian power regime is more likely to result in greater financial concessions to the state and to regional and local communities than in any stronger environmental protections that would significantly affect the production and profit that are crucial to the national economy.

## **Freeport & Its Critics.**

I would like to conclude with a few comments on the struggle between Freeport and its critics. Over the past decade or so, one has often seen a struggle between strategic management and tactical protest. Considering its vast resources, Freeport has often been tactically inept and has responded to criticism in heavy-headed and self-defeating ways. On the other hand, it has promoted its interest in long-term, strategically effective ways: in Indonesia, by exploiting its crucial place in the national economy and by negotiating an effective political partnership with political and economic elites; and in the United States, by exploiting its regional economic importance, by making use of political alliances and contributions to political campaigns, by sponsorship of educational, charitable and public service programs, and through media campaigns.

Freeport's strategic success can sometimes be a liability, as exemplified by the downfall of the Suharto regime, with which it so closely tied its fortunes. Nevertheless, its pragmatic strategy of alliance with de facto power has certainly been an economically rational approach. Furthermore, a crucial strength of a major transnational corporation such as Freeport is its ability to support a large corporate ideological infrastructure; that is, a staff of technical intelligentsia charged with the gathering and interpretation of information, with planning corporate information and communication strategy, and with shaping opinion in the media, the general public, and the relevant political and social elites.

Many of Freeport's critics tend to be loosely organized and focused on flagrant abuses that gain periodic media attention. There are notable exceptions, such as Project Underground, which has followed Freeport closely, published important analyses of corporate history and behavior, and worked with local activist groups. Highly capable and dedicated journalists such as Robert Bryce and Pratap Chatterjee, and activist academicians such as anthropologist Steven Feld have also played a very important role. And several West Papuan support groups in Australia and elsewhere have continuously placed criticism of Freeport within the context of a deeper analysis of West Papuan issues.

Nevertheless, there is a need for more highly developed institutional structures for analysis, critique, policy formulation, and coordination of action. Successful struggle for justice in West Papua is tied to the general struggle for global organization capable of confronting the dominant world system, with its alliance between expansionist global capital and the global nation-state system. My own efforts and hopes in this struggle have been channeled through the international green and anti-corporate globalization movements. Yet, in comparison to the highly institutionalized and integrated nature of the nation-state and corporate systems, these movements remain in a nascent state. It is clear that the struggle for justice, peace and ecology needs international organization and communication systems capable of mobilizing citizens and coordinating efforts much more effectively on a global scale. All efforts in this direction should be welcomed.

However, the ultimate challenge is one that goes beyond the bounds of this presentation. It is, I think, the project of creating a growing, vibrant, engaged culture of ecology, community, democracy, freedom and justice at the most basic, grassroots level. For it is only within the concrete reality of such a culture that the material, ideological and imaginary preconditions for effective global action will emerge.

## **Notes**

**1** Pauline Jelinek, "Holocaust Reckoning for Ford: Survivors Want Money from U.S. Firms Active in War," The Associated Press, Oct. 5, 1999. See also "Ford and the Führer: New

Documents Reveal the Close Ties Between Dearborn and the Nazis" in *The Nation*, January 24, 2000.

**2** As Human Rights Watch reports, "for many years, the province was categorized as a military combat zone (Daerah Operasi Militer or DOM; literally, Military Operations Area)" and remained "under an effective state of martial law." Human Rights Watch, Vol. 12, No. 2 (C), May 2000, "Human Rights and Pro-Independence Actions in Papua, 1999-2000."

**3** Julian Evans in *The New Statesman* recently suggested that "at least 45,000 have been killed, including 3500 in 1967 alone." See Julian Evans "Indonesia's next East Timor?" in *New Statesman*, July 10, 2000. The First International West Papua Solidarity Conference, and the Second Papua Congress (May-June, 2000) both asserted that "some 100,000 people have died due to Indonesian repression in West Papua since 1963." See IAWP Web Site, October 22, 2000. The Australia West Papua Association cites estimates from 70,000 to 200,000. TAPOL, the Indonesian Human Rights Campaign, cites estimates of 100,000 to 150,000 as of the late 1980's. Carmel Budiardjo and Liem Soei Liong, *West Papua: The Obliteration of a People* (Surrey, UK: TAPOL, 1988), p., viii. See also the "West Papua Information Kit" at <"<http://www.cs.utexas.edu/users/cline/papua/>">

<<http://www.cs.utexas.edu/users/cline/papua/>> International Aid for West Papua has claimed that almost 300,000 Papuans, which would constitute almost a third of the current total indigenous population, "have been killed or 'disappeared' so far in the hands of the Indonesian military." See "West Papua a quagmire of divergent interests," August 10, 2000, IAWP Web Site at <"<http://www.koteka.net/quagmire.htm>">

**4** Cited in "Arrows Against The Wind" (Oley, PA: Bullfrog Films. 1992).

**5** IWGIA (International Work Group for Indigenous Affairs) Newsletter (April-June 1992).

**6** Catholic Church of Jayapura, "Violations of Human Rights in the Timika Area of Irian Jaya, Indonesia" (August 1995).

**7** Speech by Tom Beanal at Loyola University, May 23, 1996 in *Freeport Watch Bulletin* (Summer 1996).

**8** *Ibid.*

**9** *Ibid.*

**10** *Ibid.*

**11** Budiardjo and Liong, *West Papua: The Obliteration of a People*, p. 68.

**12** IWGIA Newsletter, April-June 1992.

**13** Rainforest Action Network Action Alert, Nov. 1990.

**14** See Survival International, "Indonesia, New Human Rights Report" (press release), May 25, 1998. The Church groups that issued reports were the Catholic Church of Jayapura, the Indonesian Evangelical Church of Mimika, the Three Kings Catholic Parish Church of Timika, and the Christian Evangelical Church of Mimika. Although the mining area is a continuing hot spot, atrocities abound throughout West Papua. Papuan groups claim that a "peaceful demonstration of the Papuan people in Biak during July 1st up to 6th [1998] was suppressed by the Indonesian army," which killed "hundreds of people." While the Indonesian government claimed that only one person died, Papuans contend that eyewitnesses saw "one hundred thirty nine people" loaded onto boats and then "dropped into the sea." Komite Solidaritas Rakyat Irian Kosorairi, in its fourth appeal to the Secretary General of the United Nations, August 7, 1998.

**15** Budiardjo and Liong, *West Papua: The Obliteration of a People*, p. 36.

**16** Fitri Wulandari, *The Jakarta Post*, December 4, 2001.

**17** Michael Shari with Sheri Prasso, "Freeport-McMoRan: A Pit of Trouble" in *Business Week*, July 31, 2000. Tailings production is scheduled to reach 300,000 tons per day.

**18** Danny Kennedy, Pratap Chatterjee and Roger Moody, *Risky Business: An Independent Annual Report on P.T. Freeport Indonesia, 1998* (Berkeley, CA: Project Underground, 1998) p. 15 and Julian Evans "Indonesia's next East Timor?" in *New Statesman*, July 10, 2000.

**19** *Risky Business*, p. 14.

**20** MIGA, the Multilateral Investment Guarantee Agency, is an agency of the World Bank Group. It was founded in 1988 to provide to corporations insurance covering risks

related to currency transfer, expropriation, war and civil disturbance, and breach of contract. MIGA underwrote Freeport's mining operation in West Papua for \$50 million.

**21** Editorial in the Sydney Morning Herald, November 26, 2001.

**22** It has been noted that according to Freeport's own disclosures it guaranteed \$254 million in loans for a Suharto controlled company to buy a 4.8% interest in the Freeport Indonesia from a third party and agreed lend the company funds. Suharto, his crony Bob Hasan and Suharto's son were given "an asset worth a quarter-billion dollars," with Freeport taking all risks. Freeport has so far lent the company \$43.7 million for loan payments. See Robert Bryce, "Inside Job" in the Austin Chronicle (August 18, 2000).

**23** The "Memorandum" addressed "socioeconomic resources, human rights, land rights and environmental rights." The agreement established a company employing local Papuans in levee maintenance and related projects, an "integrated agriculture, aquaculture and animal husbandry project to be located in and around [Freeport's] tailings deposition area," sponsored by Freeport and including a "substantial share ownership" by Papuan organizations, and, finally, the construction of a LEMASA office building and for the tribal elders. Papuan leaders had hoped to achieve some of these goals in their unsuccessful suits against Freeport. Freeport committed itself to "striving to uphold and improve human rights; providing expanded funding, technical assistance and other materials necessary to implement programs to be agreed upon in the future; and working to finalize an agreement for voluntary additional recognition for the Amungme and Kamoro peoples' land rights. . . ." The Papuan organizations agreed to cooperate in the programs, and to "mediate any disagreements between PT-FI and the local community." Freeport press release (Aug. 18, 2000).

**24** Terence K. Hopkins, Immanuel Wallerstein and Associates, "Patterns of Development of the Modern World-state," in Terence K. Hopkins and Immanuel Wallerstein, *World-Systems Analysis: Theory and Methodology* (Beverly Hills: Sage, 1982) p. 43.