

communities and people are thinking and balance this with the goals of the leadership and elite supporters within the independence movements. Canada's support for Indonesia's territorial integrity has in some cases, such as East Timor, lead to problems in the past. West Papua is viewed by some as a special situation as both a cultural and racial issue. Those closer to West Papua community leaders have heard clearly that people in West Papua want independence. The December independence declaration in West Papua, which Canada provided some support to (through NGOs), is unique. It was suggested Canada review it's current policy of recognizing Indonesia as a nation and adopt a clearer policy as the current Canadian messages are mixed.

**Regional Security:**

The ASEAN Secretariat and ASEAN Regional Forum (based in Jakarta) are relatively new and untested, due somewhat in part to the Forum's structure. So far, the ASEAN Regional Forum hasn't taken a leading role in the region. Many feel ASEAN is the future and needs to be supported financially (perhaps from Singapore) with a strengthened leadership role. An encouraging development is that human rights issues have been raised in ASEAN for the first time in six years. A question for Canada is if Canada now helped West Papua after East Timor, then what message is this giving to Indonesia's neighbours in the region?

**Human Security:**

Ethnic and religious clashes are a major challenge to human security and democratic development in Indonesia. Refugee settlement and rights need to be addressed by the country.

**Current Economic Situation:**

The unemployment levels in Indonesia have doubled in recent years. Because the rules of decentralization are still unclear, foreign investment is cautiously looking at Indonesia. Decentralization has created some competing and unresolved issues. For example, a business or corporation may be paying taxes to the central government and the provincial government wants this source. Some revenues such as mining are shared with the provinces whereas oil and gas are not. Integrating local people into these discussions is important. Critical issues around land use and ownership are unresolved at this point.

**WHAT CAN CANADA DO?**

Canada should support the current change process taking place in Indonesia. Roundtable participants identified elements of the change process to support and possible niches for Canada. They included:

**1. Economic Reform:**

This discussion focused on the role of Canadian corporations in Indonesia. The role of Canadian corporations exercising their influence in environmental stewardship was raised in the discussion. Canadian standards are higher than anywhere in the world and this often leaves Canadian companies in unclear situations. Several