

Habibie's Foreign Policy

HABIBIE'S WORLDVIEW

Habibie's foray into international affairs did not commence with his assumption of the Presidency in May 1998. Formally, when he was elected as the country's Vice-President in March 1998, President Suharto, in naming him as the first 'executive' Vice-President, gave him, among others, responsibilities in developing and enhancing the country's external economic relations as well as forging ties abroad to upgrade the country's science and technological capabilities. Habibie was also expected to develop closer ties with the Islamic world.

Against this backdrop, President Habibie believes that there were three main factors that were uppermost for his country's approach to international affairs, especially as it prepares to enter the next Millennium.¹ First, there was the need to understand that the 'awakening of nations' have already taken

place. Second, there was no escape from the fact that there was great interest in human rights and values, and where these were considered as integral responsibilities of both the people and state. Third, was the fact that for the first time, the human race was in a position to control and develop both the physical and non-physical aspects of power. In this context, Indonesia's foreign relations have to be conducted with the limits of these parameters.

The Indonesian President also has a particular 'theory of threat' as far as the behaviour of states in the international system is concerned. Habibie argued that the prime mover of any human progress was the issue of threat, or more specifically, competition. He argued that countries behaved in a particular manner, just as did the human race, because there was a perception that it was being threatened in one manner or another, or in an area or another that it considered to be important to itself. In the past, when all else failed, countries had to be prepared to face the threat of actual physical punishment. Habibie argued that even though this was still relevant and important, on the whole, this has receded some what, and instead, new kinds of threats and dangers have surfaced. This is all the more as the cost of an all-out physical war and destruction has become so great that countries are generally loathe to resort to this means. In general, there will be no real winners in such a contest. In view of this, there has been a need to look more and more into the non-physical aspects of power, partly as there has also been a rise of non-physical threats. This is primarily driven by the growing supremacy of Science and Technology and as such, the key contest emerging in international relations in the coming years will be for the supremacy in this arena. For any country to make any headway in this area, there would be the need to develop one's human resources and economy and this in turn, would affect the potential of a country, be it in the area of politics, economics and even the military arena. Hence, for any country to be suc-

cessful in the coming years, the political leadership must structure itself in such a way that it can enjoy 'positive synergy' among its people and beyond so as to optimise its national development and growth.

President Habibie argued that for his country of more than 200 million to be able to meet these challenges, there was first the need to ensure that the basic needs of the people are catered for. Habibie sees the key threat facing his country being its ability to achieve the status of becoming a centre of high excellence in Science and Technology. He argued that for Indonesia to have a role in world politics in the coming years, it must produce products of the highest quality but at the lowest cost. This was the challenge which Indonesia faced and the only answer to the challenge was mastery of Science and Technology.

As far as the structure of the international power system is concerned, President Habibie also had a unique way of looking at it. While he argued that it is true that the United States has emerged as the 'sole Superpower' following the demise of the Cold War and the implosion of the USSR, yet if one looks a little more carefully, the actual power structure is far more complex and complicated. While the US may be the 'sole Superpower' militarily, yet, in reality, this does not mean much. When the non-military dimension is borne in mind, and which is increasingly becoming more and more important, then the notion of the United States as the 'sole Superpower' does not mean much. In actuality, President Habibie argued that it was better to talk of the 'United States Dollar Power', the 'Euro Power' and the 'Yen Power'. In time to come, there was also likely to be the 'Yuan Power' and the 'Rupee Power'. Presently, the American dollar, the Japanese Yen and what is emerging as the European Euro are likely to 'call the shots' and this is far more important than military power per se. In the same vein, Habibie argued that it was not apt to talk of one Superpower as when Indonesia confronts the world, espe-

cially in the light of the present economic crisis, it had to 'confront' the dollar, yen and euro world and these 'powers' could make or break Indonesia. It is these powers that mattered and hence for him, the real bottom line for Indonesia was what he called the 'economic *real politik*' .

In view of this worldview, President Habibie argued that for Indonesia to be effective and to make its mark on world politics while safeguarding the country's political, economic and strategic interests, Indonesia had no choice but to integrate with the 'real world', especially the countries with which Indonesia has close political, economic and strategic interests. He stated that he was not in favour of closing his country to the outside world and would not undertake isolationist political or economic policies, say such as the one adopted by Dr Mahathir Muhammad in Malaysia. Even though President Habibie admitted that he was not a trained economist, he professed to have read enough and may be more than most university professors as far as 'practical economics' was concerned. Hence, his basic goal as far as the national economy was concerned is to positively synergise with the key countries with which Indonesia had a trading relationship, especially since what Indonesia needs is just to pay for its trade.

In this connection, he viewed ASEAN as being particularly important for Indonesia. In his vision for ASEAN, he would like to see the bilateral trading ties among the member-states to be enhanced and where this should be undertaken in the national currency. Not only would this strengthen the national currency, but it would also allow positive synergies to take place between countries in the region. For this to be optimised, he saw the need for countries in the region to develop their respective micro and macro economic sphere. If this was successfully undertaken, President Habibie saw the possibility of a single ASEAN currency in the coming years. He also foresaw the possibility of an ASEAN Parliament but unlike in

Europe, the representation in the Southeast Asian counterpart would be on the basis of the national parliaments rather than political parties directly elected by the ASEAN-wide electorate. The Indonesian President foresaw these integrative efforts coming to fruition by 2025 and when these are actualised, ASEAN would be a major power of world standing.

While Habibie's worldview represented what can be regarded as a 'wish list', in reality, the Indonesian President was confronted with a different, far more challenging, even hostile world than what may have been anticipated. This was best evident from Habibie's foreign policy, even though by most counts, this was an area where very little was happening as all his energies were consumed by his necessity to attend to the pressing needs of domestic politics. In fact, between 21 May, from the time he took over the Presidency, right up to the early November 1998, the Indonesian President was yet to undertake a single visit overseas. Just as Habibie failed to attend the Non-Aligned Movement Summit in South Africa, he also cancelled his one-day trip to Malaysia which had been earlier scheduled. The Indonesia Foreign Minister, Ali Alatas, stated that it was difficult for President Habibie to make an overseas trip as there was no Vice-President in the country to take over state duties in his absence, indicating clearly the problems, and indirectly, the lack of priority foreign policy was given in the early months of the Habibie Presidency.² What little there was in this area was focused on the immediate environment, with Indonesia's immediate neighbours, Malaysia and Singapore receiving some attention and Jakarta having to respond to the growing criticisms of its policies from China.

Habibie's Foreign Policy in Operation

On assuming power, Habibie made a number of breakthroughs as far the country's foreign policy was concerned. In order to

improve the country's much maligned international image on human rights, President Habibie ratified a number of United Nations' conventions on human rights on 25 June 1998, including the UN Convention Against Torture and other Cruel, Inhumane or Degrading Treatment or Punishment.³

In September, President Habibie signed the United Nations' Ocean Charter, committing itself to protecting the seas and using the maritime resources at its disposal in a sustainable way. The Charter was signed on a warship in Manado Bay, North Sulawesi on 26 September 1998. President Habibie also read the 'Bunaken Declaration' outlining Indonesia's commitment to manage and preserve its marine resources in line with the guidelines drawn up by the United Nations' Intergovernmental Oceanographic Commission.⁴

Another major breakthrough in foreign policy was with regard to the East Timor issue. President Habibie announced that even though he considered East Timor to be an integral part of Indonesia, he was, however, prepared to grant a special autonomous status to the province. The President also said that he was prepared to release jailed East Timorese leader Xanana Gusmao in return for international recognition of Indonesia's sovereignty over the territory. Also, he promised to reduce the number of soldiers present in the province with initial 1,000 combat troops withdrawal beginning on 28 July.⁵

Habibie's proposals were, however, dismissed by Portugal, the former colonial power that abandoned the territory in August 1975. The Portuguese Foreign Ministry argued that 'if Indonesia wants to move towards democracy, its principal aim must be to ensure the East Timorese have the right to choose how they want to live'.⁶ Initially, Xanana also dismissed Habibie's proposals, arguing that only referendum on self-determination would settle the issue. Later, however, he relented somewhat arguing that he was ready to undertake some compromise as President Habibie's policies had 'already changed the direction' of the wind. He argued that he was pre-

pared to accept Habibie's offer of 'special status' for East Timor as a transition for a period of 5–10 years before undertaking a referendum on the future of the province.⁷ ABRI, whose image has been badly hurt by its military operations in the province since 1975, however, opposed moves by certain groups in East Timor for a referendum. The Army Chief, General Subaygo, for instance, argued that 'all the people of the youngest province of Indonesia continue to want integration' with Indonesia.⁸

In the meantime, while the debate within East Timor has continued as to whether the issue should be settled through a referendum or autonomy,⁹ at the same time, the United Nations have been busy in working out an autonomy plan following President Habibie's initiative on the matter. On 7 October 1998, such a plan was for the first time discussed by the UN Secretary-General's personal representative for East Timor, Mr Jamsheed Marker with the foreign ministers of Portugal and Indonesia.¹⁰ As part of the wider peace package, both Indonesia and Portugal are also expected to open 'interest sections', the lowest form of diplomatic recognition in each other's capital by January 1999.

Equally significant was Habibie's foreign policy towards his two immediate neighbours, Malaysia and Singapore. Habibie came to office, carrying with him a 'historical baggage' that was to affect, in the first instance, his relations with the two countries. As far as Malaysia was concerned, he had established close personal ties with the Malaysian leadership, especially Deputy Prime Minister Anwar Ibrahim. An important factor in this happy state of affairs was the generally positive inter-relationship between Habibie and the Malaysian leaders, especially as far as co-operation involving various strategic industries which were under Habibie's purview. Additionally, Habibie's warm ties with Malaysia, especially Anwar Ibrahim, were underpinned by the close ties between ICMI and IKD, the two Islamic-oriented think tanks in Indo-

nesia and Malaysia respectively, whose co-operation had grown markedly in the last seven years and which were also directly being overseen by both leaders. This provided the necessary attraction and basis upon which post-Suharto Indonesia and Malaysia could develop warm ties. This was further assisted by the fact that Malaysia's distance from Indonesia was largely due to the estranged personal ties between Mahathir and Suharto and the resignation of Suharto removed the personal irritant in bilateral ties between the two countries. The fact that Malaysia was prepared to assist Indonesia in overcoming its difficulties rather than just talking about it also helped in drawing both countries closer together.

Thus, even though Indonesia was the largest country in the region and Mahathir now the 'elder statesman' of the region, being the longest serving elected head of government, both Jakarta and Kuala Lumpur were able to move quickly and establish warm ties, in part, due to the dire straits Indonesia found itself following the economic and political crisis. This warmth, and Habibie's preparedness to articulate it was made transparent in his first major foreign policy speech in early July 1998. In an interview with Malaysia's *New Straits Times* on 8 July 1998, President Habibie described Indonesia's ties with Malaysia as 'one breath, one racial group', arguing that people of both countries were very close and even looked similar. He said that 'I myself have never faced any problem with anyone in Malaysia. So I am confident that, from Malaysia, there is no problem. Even if there is, it is a misunderstanding'. President Habibie said that he was very appreciative of Malaysia's support for Indonesian efforts towards economic and political revival. In view of this, he said that 'In times of difficulty, I know who my friends are. I know that a friend in need is a friend indeed', with Malaysia's Prime Minister, Mahathir Mohamad and Deputy Prime Minister Anwar Ibrahim, named as friends of this category.¹¹ In the same interview, when asked whether there were neighbouring countries

not comfortable with his appointment as President of Indonesia, Habibie replied that 'I don't know and I do not want to analyse, but may be they don't understand'. This was an oblique reference to Singapore, with whom President Habibie's relations started very much in frosty conditions.

Yet, at the same time, despite Habibie's positive outlook towards Malaysia, by September 1998, political developments within Malaysia led to some cooling of ties between Jakarta and Kuala Lumpur. This was brought about by Dr Mahathir's sacking and later, arrest of his deputy, Anwar Ibrahim. Anwar's arrest on 20 September 1998 led a number of prominent human right activists in Indonesia to launch a public campaign, criticising the Malaysian government for its anti-democracy and anti-human rights policies. Lawyer Adnan Buyong Nasution, for instance, launched a Committee of Indonesian Solidarity for Anwar Ibrahim on grounds that the struggle for democracy was everyone's concern.¹²

The situation was worsened when Tun Ghafar Baba, the former Deputy Prime Minister of Malaysia and a close confidant of Dr Mahathir, visited Indonesia 'in his personal capacity' to explain the 'Anwar Affair' to the increasingly hostile Indonesian press. Wittingly or unwittingly, he mismanaged his endeavour and succeeded only in further provoking the Indonesians, leading many senior politicians and parliamentarians in Indonesia to condemn Ghafar Baba and his statements in Jakarta. For instance, Ghafar appeared upset with the growing support Anwar was getting in Indonesia and in one of his now characteristic outburst is reported to have said that 'if you think Anwar Ibrahim is so important, you can take him and make him your leader. May be he is more fitting to be a leader in Indonesia because I heard that it is okay to be homosexual here, but in Malaysia it is against the law'.¹³ Ghafar's statements were described as 'arrogant', 'unethical' and 'insulting' and a leading Islamic group, KISDI argued that 'considering the statements by Baba, it is clear that he has shown contempt for

the government, people and press' and hence, Kuala Lumpur should 'recall Tun Ghafar Baba'.¹⁴

The Head of GOLKAR's Art and Culture Department, Ais Ananta Said even suggested that 'if necessary, he should just be declared *persona non grata*'.¹⁵ A prominent legislator, Sofyan Lubis, who also heads the Indonesian Journalists Association argued that Ghafar, as a senior Malaysian politician should have displayed greater understanding of the Indonesian press before attacking it. He argued that 'what's on the news was not Anwar as an individual but democracy that is growing recently, including in Malaysia'. He also took offense at Ghafar's statement that Indonesia could have Anwar as its leader as the country was receptive to homosexuals. Sofyan said that 'this is definitely not true. He should retract that statement and apologise to the Indonesian press'.¹⁶ The editorial in *The Indonesian Observer* made the country's feelings towards Ghafar transparent when it argued:

We cannot remember a time that a foreigner who has said he came here in a private capacity had the temerity to say insulting things to our face. We must therefore have patience with the likes of Mr Baba who comes from a country which, despite its modern appearance, is actually a feudal Society, which received its independence on a golden platter. This puts us in a different category from Malaysia because we are Revolutionaries who fought and died to achieve our independence. It is now the beginning of the end for feudalistic establishments which will be swept away by the new wave of reform initiated by Anwar Ibrahim.¹⁷

The situation took for the worst when Anwar Ibrahim appeared in a Kuala Lumpur court and where there was evidence that he had been beaten and tortured by the Malaysian police. This provoked outrage in Indonesia, as elsewhere in

the world, especially against Malaysia and in particular Dr Mahathir, who is also Malaysia's Home Affairs Minister, for the manner he brutally treated a political opponent, *albeit* one who was respected the world over. The immediate fallout of this was the growing cool ties between Jakarta and Kuala Lumpur. This was made evident by Dr Dewi Fortuna, the Presidential Spokesperson and Habibie's foreign policy adviser, who argued the 'Anwar Affair' is likely to 'cloud relations' between Malaysia and Indonesia as there were very close ties between Anwar and Habibie, especially the national think tanks that both individuals headed. She argued that 'there are personal implications' as 'Anwar is close with the leadership here'.¹⁸ What Dr Dewi hinted became a reality when President Habibie publicly expressed concern about the personal well-being of Anwar Ibrahim. In an interview with the Thai daily, *The Nation*, he stated that 'I am concerned because people should not forget that Anwar Ibrahim had contributed a lot for the benefit of his country. I am very sad to see that happen. I think it is not good. You should not introduce bad things. It's bad if you just forgot and deleted his contributions'. President Habibie also expressed unhappiness about the manner Anwar was being treated. He argued that 'you cannot just forget the Constitution of a man or a woman in this society. Because of human rights involved – and I think it is universal – people should be given the chance to defend themselves. People should not be tortured. There is a United Nations Convention'.¹⁹

Habibie's public response on the Anwar affair immediately raised doubts about his first official visit to Malaysia scheduled for October, as the Indonesian State Secretary, Akbar Tanjung indicated that the President was reconsidering the trip. More specifically, when asked by the *The Nation* whether he would attend the APEC Summit in Kuala Lumpur, to be held from 17–18 November 1998, President Habibie remained evasive. He argued that 'it's difficult for me. I am not coming

personally but coming as the President of 211 million people of Indonesia. I have to consult parliament'.²⁰ On 6 October, Akbar Tanjung announced that President Habibie had cancelled his planned trip to Malaysia for October on grounds of his busy schedule and that a decision was yet to be made on whether the President would attend APEC or not. Ali Alatas, the Indonesian Foreign Minister, however, dismissed the allegations that President Habibie's was cancelled due to his disdain over Anwar's arrest and treatment by the Malaysian police. Rather, he argued that the one-day visit was cancelled due to the tight state duties which required the President to remain in the country and that it was difficult for Habibie to leave for overseas as there was no Vice-President to take over state duties in his absence.²¹ Following this, Dr Mahathir also announced that he had cancelled a planned visit to Indonesia where he was scheduled to address the Indonesia Forum. The organisers of the Indonesia Forum later announced that Dr Mahathir's decision had resolved a 'potentially sensitive issue' as Mahathir's presence in Jakarta could well be a liability, rather than an asset. As was stated by Bondan Winarno, the Forum Chairman, 'the bigger issue is on Anwar Ibrahim, our bigger doubts would be whether Dr Mahathir's presence in Indonesia would be an asset or liability to us'.²² Later, even though President Habibie did attend the APEC meeting, he did not stay in Malaysia, preferring to return to Jakarta daily following the completion of the sessions, demonstrating the growing divide between the two countries.

Habibie had long experience with Singapore, especially in two main areas, the development of Batam and the aerospace industry. In both areas, there was essentially a competitive relations and where Habibie was not endeared by the Singapore side and vice-versa. More specifically, Habibie's Presidency started off rather badly for Singapore as the Singapore Senior Minister was reported to have said in early February 1998 that the 'market' did not favour Habibie as the country's Vice-

President. The blunt-talking Lee was quoted as saying that the financial markets were disturbed by President Suharto's criteria for selection of a Vice-President. President Suharto had stated that his deputy should have knowledge of science and technology, which most interpreted as a reference to Habibie. Mr Lee argued that the market believed that the criteria 'pointed to a minister whom they associated with Indonesia's high spending projects. If the market is uncomfortable with whoever is the eventual Vice-President, the rupiah will weaken again'. Yet, not only did Habibie become the country's Vice-President, but within 72 days, he took over the Presidency. On Lee Kuan Yew's part, not only were his unwelcome remarks regarded as internal interference in Indonesia's domestic politics, worst still, the Republic had to live with a leader which Mr Lee considered unfit to become Indonesia's Vice-President, even though in a typical Javanese fashion, in January 1999, Gus Dur even proposed that Mr Lee could be considered as an 'International Adviser' to the National Commission for Truth Seeking and Reconciliation which the Islamic leader was setting up to 'cool down the political climate in the country.'²³

This set the stage for cool Indonesia-Singapore relations even though from 1989 to late 1997, Singapore-Indonesian relations were excellent, due largely to the cordiality and rapport of the top leaders, especially Lee Kuan Yew and Suharto as well as Goh Chok Tong and Suharto. Many in the Habibie government viewed Singapore's close relations with Indonesia as a function of close personal ties between Singapore's top leaders with Suharto and with the resignation of the former President, a new paradigm emerged and one that was lacking in cordiality.

The first indication that not all was well in Indonesia's relations with Singapore could be gleaned from the interview Tanri Abeng gave to *The Straits Times* on 26 June 1998. While attending the Business Week 8th Annual Asia Leadership Forum in Singapore, the Indonesia State Minister for

State-Owned Enterprises stated the following of Indonesia-Singapore relations:

We need to move quicker on the trade financing agreement. That's one expectation. Second, there is a need to clear the perception on both sides of what Indonesia needs and what Singapore can do, particularly in restoring confidence. I think Singapore can play an important role. If Singapore can help promote Indonesia, it will be useful. There has to be a more pro-active, open and sincere discussion. I think there is a gap in understanding. This kind of relationship is very important, because if Indonesia progresses, Singapore will also benefit.²⁴

Tanri Abeng was even more critical of Singapore in his interview with the *Business Times* another daily in Singapore. There, he pointedly expressed his government's unhappiness with Singapore's promise to make US\$5 million available to guarantee Indonesian trade as a prime example of this state of affairs. He argued that 'a specific example is the initial pledge for assistance in trade financing. Because, if relationship is at the best, that would have been resolved'. As Indonesian companies had difficulties in obtaining letters of credit to oil the wheels of trade due to the country's economic crisis and credit rating, Singapore announced that it wanted other countries to join the guarantee scheme but other countries preferred to do so bilaterally. Singapore's Deputy Prime Minister, Lee Hsien Loong announced in parliament in early June 1998 that Indonesia wanted more time to study the guarantee scheme. Tanri Abeng, however, felt that Singapore should be doing more to boost market confidence in Indonesia. 'Singapore', he argued, 'can help restore market confidence by giving a positive assessment of Jakarta's post-Suharto government and its policies where this was appropriate'.²⁵ The divide between Indonesia and Singapore became more obvious when President

Habibie announced plans to visit various countries in the near future but left Singapore out of his planned itinerary even though in the time honoured ASEAN tradition, visiting one's neighbours had been given priority.

Following this, the Singapore Government announced that it would be sending humanitarian aid to Indonesia, first a S\$5 million assistance programme through the Singapore Red Cross and the second, a S\$12 million assistance programme of rice and medicine from the government itself.²⁶ On 13 July, Singapore and Indonesia signed a US\$8 billion gas sales agreement and where the first delivery of gas to Singapore from Indonesia's West Natuna Sea was expected to begin in 2001 and continue for another 22 years.²⁷ Despite this, the Habibie government continued to express its disdain for the Singapore leadership. Three days before Singapore officially handed over the \$12 million humanitarian aid to Indonesia on 6 August, coinciding with the visit of Admiral Teo Chee Hean, Singapore's Education Minister and Second Minister for Defence, the highest Singapore official to visit the country since President Suharto resigned, President Habibie lashed out at Singapore in an interview with the *Asian Wall Street Journal*.

The interview published on 4 August referred to three main reasons why President Habibie was upset with Singapore: First, Singapore had not shown a spirit of friendship. Habibie argued that 'a friend in need is a friend indeed, and I don't have that feeling from Singapore, and many Indonesians did not have. It is different with the United States, and the United States is so far. Japan, Malaysia, who are so close, they are pro-active. And yet Singapore doesn't have that. They are pro-active in the negative direction, and that, I feel so sorry for'. Second, Singapore was accused of sending late its congratulations when Habibie took over as President on 21 May. The President argued that he received congratulations from many countries the day he took office or the next day

but Singapore did not send its note until 'almost June, very late' even though Prime Minister Goh was said to have offered his 'warmest congratulations and sincere good wishes that under your leadership, Indonesia will restore social and political stability and start on the path of reform and recovery' on 25 May. Third, President Habibie was very upset with Senior Minister's Lee negative remarks in February 1998 about the criteria for selecting the country's Vice-President. With regard to the remarks, President Habibie said that 'I would never character-assassinate my friend...and even my enemy, I would never character-assassinate. It's against my honour and culture'.²⁸ While President Habibie tried to balance his unhappy perception of Singapore and its leaders by arguing that 'I have a lot of Singaporean friends. The Singaporean people are hardworking people, OK, and real good friends. I have no, no, no negative attitude, neither plan to have any. But I have to be pragmatic, to see it as it is...'. He also, indirectly cautioned Singapore by reminding the republic of the bottom line: 'It is OK with me but there are 211 million people in Indonesia.... Look at that map. All the green area is Indonesia. And that red dot is Singapore. Look at that'.²⁹

Against this backdrop, Admiral Teo visited Indonesia as a personal guest of the Indonesian Defence and Security Minister, who is also ABRI Commander, General Wiranto. The visit was also an exercise in 'defence diplomacy' between the Armed Forces of the two countries. In a symbolic gesture, Admiral Teo handed packages of rice and medicine to General Wiranto at Halim airbase in Jakarta on 6 August. General Wiranto described Singapore's humanitarian aid to Indonesia as a 'milestone in bilateral ties. It is an important moment that strengthens the ties of friendship between the two nations. It urges us therefore to further maintain and develop such co-operation in the years ahead for our mutual benefit'.³⁰ The aid would be distributed to the needy jointly by ABRI and the SAF, an exercise that was also meant to boost bilateral mili-

tary ties. In reply, Admiral Teo stated that 'relations between our countries are friendly and strong during good and difficult times. We have consistently tried to assist Indonesia within our limited means since the economic crisis started. Singapore will work with the Indonesian government to bring confidence and economic recovery back to Indonesia and the region'. At the same time, 'the close co-ordination and co-operation between ABRI and the SAF in carrying out this mission reflects the strong institutional links that Indonesia and Singapore have built over many years of co-operation'.³¹

In general, Admiral Teo's visit and the 'aid diplomacy' indicated that military to military ties between Singapore and Indonesia were still good. This was clearly made evident by Lieutenant-General Soeyono, the Secretary-General of the Indonesian Defence Ministry who argued that the aid was 'a reflection of very good relations between both countries. Singapore is our very close neighbour. In good or bad times, we are still best of friends'. He went on to say that 'despite Dr Habibie's comments [in the *Asian Wall Street Journal*], we feel that co-operation between the two countries has been strong and getting stronger'.³² Lieutenant-General Soeyono also announced that his country was prepared to give the SAF greater access to various sites for land training exercises. He argued that 'Indonesia is very big. We have lots of space that can be used for the training needs of the SAF', signalling clearly that military to military ties were largely unaffected by the resignation of Suharto and Habibie's unhappiness with Singapore.

However, when Admiral Teo paid a 75 minutes courtesy call on the Indonesian President, the welcome was rather different. Admiral Teo, recounting his meeting with Habibie told the press that he impressed upon the Indonesian leader that 'Indonesia and Singapore are close neighbours and he looks forward to building good relations and strong ties and strengthening those ties'. Admiral Teo also conveyed Prime Minister Goh's best wishes, stating among others that President Habibie

had probably one of the most difficult jobs to 'build a national consensus for political reform due to the economic, social crisis as well as restore growth to Indonesia'. Mr Goh also stated that 'the stability and prosperity of Indonesia is critical not only to ASEAN but also Singapore' and President Habibie was 'most welcome to visit Singapore at any time and at his convenience'.³³ Publicly, Admiral Teo stated that notwithstanding Habibie's negative remarks in the past, the Indonesian President 'indicated that he has a vested interest in building good relations with Singapore'.³⁴

If that was all that Habibie could say about Indonesia's relations with Singapore, it was indicative of something amiss. And indeed it was. A Singapore official was later to describe Admiral Teo's courtesy call on the Indonesian President as a '75 minute monologue' with Habibie telling the Singapore visitor of all the wrongs that had been done to his country by Singapore, with General Wiranto, who was also present, 'feeling extremely uncomfortable and embarrassed'.³⁵ While the Singapore side did not say much about the matter, two of Habibie's close advisers were more to the point.

Dr Umar Juoro, a senior researcher at the Centre for Information and Development Studies, and an adviser on economic matters to the President stated that 'the core of the [Indonesia-Singapore] problem is a need to redefine our relationship, which for so long has been based on close ties between Suharto and Lee Kuan Yew and military ties. Giving aid is a start, but more needs to be done to improve relations'.

Dr Dewi Fortuna Anwar, Habibie's spokesperson and foreign policy adviser stated the Indonesian President was deeply hurt due to the 'inattention from Singapore to Indonesia's plight since he has taken over'. Unlike other countries which had sent senior emissaries since Habibie succeeded former President Suharto in May, Singapore had sent none until the Admiral Teo's visit, that is, 77 days after Habibie had become President. This, to Habibie, was very insulting. Dr Dewi

argued that 'Singapore is one of our closest neighbours...we expected more from it than from any other country. When that was not forthcoming, the disappointment was bigger. It is because of the higher expectations that the disappointment is higher'. Dr Dewi argued that while Singapore and its leaders are fond of pointing to long-term mutual relations, the Habibie government also placed premium on symbolic gestures. In this connection, she hoped that Admiral Teo's visit will lay to rest 'President Habibie's perception that Singapore is aloof' and hoped that 'bilateral relations will continue to be as warm as it has always been'.³⁶

That the state of Indonesia-Singapore political relations have remained largely cool was best evident from an interview given by Singapore Deputy Prime Minister, Brigadier-General Lee Hsien Loong, to a number of American journalists in early October 1998. According to the Singapore leader, it would take time for Singapore and Indonesia to re-establish the close ties and mutual respect they used to enjoy and this was because Indonesia was preoccupied with internal problems. The Singapore deputy premier argued that 'there is a new government, a new environment. Indonesia has many preoccupations of its own, so it will take some time to re-establish a similar basis for long-term sustainable relations'. The Singapore leader also expressed concern that developments in Indonesian could have a spillover effect, especially if there was continuing instability in Indonesia, as had happened in the 1960s before President Suharto took over. General Lee opined that Singapore was likely to face problems with illegal immigrants and piracy and there would also be a climate of uncertainty and unease affecting the region. However, he ruled out a military threat arguing that 'it is not that sort of a situation'.³⁷

In the following month, early November, in an interview with Indonesian journalists, Brigadier-General Lee stated that Singapore hoped that Indonesia would be able to resume its

full role in ASEAN once its economy stabilises and recovers in the next few years. He argued that former President, Suharto played a key leadership role in ASEAN during his tenure in office. He praised Indonesia's role in ASEAN and said that as the largest country in ASEAN, it had given its smaller neighbours room to grow and prosper by having a 'relaxed' relationship with them. It was his expressed hope that Indonesia would resume its full role in ASEAN, as it had been during the Suharto years.³⁸

Following the above-mentioned interview, an old bilateral issue between Singapore and Indonesia resurfaced when Singapore was accused of deliberately suppressing trade statistics between the two countries. In the interview, Brigadier-General Lee Hsien Loong, stated that there were differences between the two countries in the way trade statistics were arrived at and for that reason, both countries had agreed not to publish the trade statistics as this could lead to a misunderstanding. However, the Singapore Deputy Prime Minister stated that "on a regular basis, we have prepared statistics for your [Indonesian] government".³⁹ However, the Director-General of External Trade, Djoko Moeljono maintained that the Indonesian Government has requested for such data but the Singapore side was unco-operative. This led the First Secretary of the Singapore Embassy in Jakarta that "Singapore has on many occasions provided bilateral trade statistics to the Indonesian Government and that this would be continued".⁴⁰ The Indonesian side, however, remained unsatisfied with this, with a new issue being added to the now growing litany of cool Indonesian-Singapore relations.

In late December 1998, in an interview with *The Straits Times*, Adi Sasono announced that he would want his government to quickly sign an extradition treaty with Singapore in order to "bring back to Indonesia economic criminals seeking refuge there".⁴¹ On 29 December 1998, the Justice Minister, Muladi argued that an extradition treaty between Singapore

and Indonesia was necessary as he suspected that a large number of white collar criminals have escaped from the law and transferred their wealth to Singapore, with many of them having become permanent residents in Singapore.⁴² The Indonesian leaders, especially Muladi also noted that the high priority given to economic development and issues by Singapore "could well explain the country's lack of interest in signing an extradition agreement with Indonesia",⁴³ sign-posting clearly that this is likely to emerge as another bilateral issue between the two neighbours.

Between 6 and 8 January 1999, the Singapore Government undertook a major *volteface* in its policy towards Indonesia and this could be seen in its first ever assistance programme given to the two leading Islamic groups in the country. On 6 and 8 January, the Singapore Ambassador to Indonesia, on behalf of the Singapore Government, handed over food assistance to the Nahdatul Ulama and the Muhammadiyah and this was dubbed as 'humanitarian assistance' to a neighbour undergoing difficulties. Yet, in reality, according to a senior ICMi official, it was also clear that this assistance was the first clear admission by leaders in the Republic that a new political paradigm had emerged in Indonesia since May 1998 and which the Republic had no choice but to adjust and adapt quickly.⁴⁴ This new political paradigm was the rise of Political Islam to a new privileged status and where political power was likely to be in the hands of political forces that are essentially Islamic in character, and something which 'Chinese Singapore' would have learn to live with. The 'humanitarian assistance' to the Nahdatul Ulama and Muhamamdiyah was, in many ways, the first real admission by the Singapore Government that it had no choice but as a small state, living in an increasingly perilous environment, to adjust and accept the rise of Political Islam on its door steps.

Despite this political distance, the military to military ties between the two countries continued to grow and this was

best testified by the introductory visit of the Chief of the Indonesian Army, General Subagyo Hadisiswoyo, who called on the top military brass of Singapore, including Dr Tony Tan, the Deputy Prime Minister and Minister for Defence on 10 October 1998. A statement released following the visit stated that interactions between the two Armed Forces 'have continued despite the economic situation' and that both forces were working closely to distribute rice and medicines that were donated by Singapore to Indonesia.⁴⁵

Another major foreign policy issue which preoccupied the Habibie government was the growing, almost coordinated 'concert' among the Chinese communities overseas, especially in China, Taiwan, Hong Kong and Singapore in their condemnation of the Indonesian government for failing to provide protection to the Indonesian Chinese during the May riots, in which not only were Chinese businesses attacked but where Chinese women were also believed to have been raped in an 'organised fashion'. While the initial criticisms came from Taiwan and Hong Kong, with leaders from both territories threatening to halt investments in Indonesia, by July 1998, Beijing also joined in the chorus in criticising Jakarta. On 3 August, China's Foreign Minister, Tang Jiaxuan, after meeting his Indonesian counterpart, 'demanded that Indonesia take strong and effective measures as soon as possible to ensure that the safety and proper and legal rights of overseas Chinese are protected and to take measures to ensure that such incidents will never occur again'.⁴⁶ In the same vein, in a reception to mark China's National Day on 1 October, the Chinese Vice-Premier, Qian Qichen expressed Beijing's concern about violence against Indonesian Chinese and expressed the hope that 'the Indonesian side would handle the incident properly as soon as possible and prevent such things from happening again'.⁴⁷ While not responding directly to the Chinese allegations and charge, Jakarta in general has maintained that it is looking into the matter even though it has continued

to maintained that no real evidence on the matter has surfaced thus far.

NOTES

- 1 Author's interview with President B. J. Habibie on 3 October 1998, Jakarta Indonesia.
- 2 'Alatas Clears Air Over Habibie's Cancelled Visit', *The Straits Times*, 9 October 1998.
- 3 'Indonesia to ratify human rights pacts', *The Jakarta Post*, 10 June 1998.
- 4 See *Jakarta Post*, 19 September 1998.
- 5 *Ibid*, 29 July 1998.
- 6 *The Straits Times*, 22 June 1998.
- 7 See *The New Paper*, 27 June 1998.
- 8 Cited in *The Straits Times*, 17 June 1998.
- 9 See Salvador J. Ximenes Soares, 'E. Timor Settlement: Referendum or Autonomy?', *The Jakarta Post*, 18 September 1998.
- 10 'UN Tables Autonomy Plan for E. Timor', *The Straits Times*, 10 October 1998.
- 11 See 'We are like Malaysia: Habibie', *The Straits Times*, 9 July 1998.
- 12 *The Jakarta Post*, 24 September 1998.
- 13 Cited in *The Straits Times*, 28 September 1998.
- 14 *The Jakarta Post*, 29 September 1998.
- 15 *The Straits Times*, 29 September 1998.
- 16 *Ibid*, 30 September 1998.

- 17 Cited in *Ibid.*
- 18 'KL-Jakarta ties may be affected', *Ibid*, 4 October 1998.
- 19 *Ibid*, 5 October 1998.
- 20 *Ibid.*
- 21 *Ibid*, 9 October 1998.
- 22 *Ibid*, 13 October 1998.
- 23 "Indonesian group wants SM as adviser", *The Straits Times*, 8 January 1999.
- 24 *The Straits Times*, 26 June 1998.
- 25 Cited in *Ibid* 'Jakarta Unhappy with its ties with Singapore', 27 June 1998.
- 26 *The Jakarta Post*, 7 July 1998.
- 27 'S'pore, Jakarta sign US\$8 b deal', *The Straits Times*, 14 July 1998.
- 28 'Singapore Strain Relations with Indonesia's President', *The Asian Wall Street Journal*, 4 August 1998.
- 29 *Ibid.*
- 30 *The Straits Times*, August 1998.
- 31 *Ibid.*
- 32 *Ibid.*
- 33 *Ibid.*
- 34 *Ibid.*
- 35 Anonymously, this was stated in confidence to the author by a senior Singapore official.
- 36 'Jakarta felt abandoned by close ally', *The Straits Times*, 7 August 1998.

- 37 Cited in *Kompas*, 7 October 1998.
- 38 Cited in *The Straits Times*, 3 November 1998.
- 39 See "Ucapan BG Lee", in *Gatra*, 5 December 1998, p. 7.
- 40 *Ibid*, p. 9.
- 41 See *The Jakarta Post*, 26 December 1998.
- 42 See *The Indonesian Observer*, 30 December 1998.
- 43 *Ibid*.
- 44 Interview with a Senior ICMI official in Jakarta on 10 January 1999.
- 45 *The Straits Times*, 11 October 1998.
- 46 *Ibid*, 4 August 1998.
- 47 *Ibid*, 2 October 1998.