

8
Draft only

Data and technicalities to follow

Contrasting Pictures of EU-Indonesia Relations: a perspective from Indonesia¹

by
hermawan sulisty²

I. Introduction

The relations between EU and Indonesia are like some contrasting pictures. Before independence, the most intense relations between Europe and Indonesia—it should be remember, however, that as “an imagined community” Indonesia did not exist until early twentieth century—was during the era of “high colonialism,” spanned roughly between 1755 and 1945. In economic terms, high colonialism means an extortion of the East Indies. Yet, political, social, and later intellectual, discourses were established between the Dutch, as representation of Europe, and the East Indies, in an increasing intensity, despite later fact that especially the intellectual discourse between the two communities produced a backlash in various forms of nationalist movements. The Ethical Policy was a clear example of this.

By contrast, today's the relations between the two are probably at the lowest tide. For Europe, and even for the Netherlands that had so long been “present” in the East Indies, Indonesia is now a remote place (despite the availability of better communication means), economically a not-too-rewarding area. What is left then only an exotic

¹A draft presented for a seminar on “The Relations Between the European Union and Indonesia in the Context of the Asian Crisis,” held by the Institute of International Relations Clingendael (Netherlands) and the Institute for Strategic and International Studies (IEEI, Portugal) and other European Institutes, The Hague, October 26-27, 1998. This draft is to be revised for a final version later.

²Dr Hermawan Sulisty^o is a researcher with the Center for Political and Area Studies, the Indonesian Institute of Sciences; he is currently a research fellow with the Institute of Southeast Asian Studies (ISEAS), Singapore. This paper does not represent the two institutions he works for.

picture of a backwater area. Indonesia is Bali, batik, spicy culinary and so on. Under this typical exotic picture that a picture of Indonesia comes out not only as a backwater area but a society full of human rights abuses.

On the Indonesian side, the picture is almost similar. Europe is a representation of western evils (although not as devilish as the U.S.), located somewhere in another planet, too rich but too thrifty to share its wealth to Indonesia. The only good thing left then is a representation of Europe as an intellectual source. B.J. Habibie is a clear example of this—it's been common among the middle-lower class to say that a good person is to have "a heart from Mecca and a brain from Germany." He is jealously seen as an intellectual brainchild of Europe.

What factors contributed to these representations, and what prospects do we can expect to build a better, if not stronger, relationships between Europe and Indonesia for the near future, or for a longer time frame? These two are among many more questions that we hardly thought; mostly we thought about relationships between two larger regional entities, EU and Southeast Asia (or, more specifically, ASEAN). The following notes are some highlights on the present and future pictures of the relationships, seen from an Indonesian perspective.

II. Contributing factors to the existing representations.

There is absolutely no single factor playing a role in blurring the pictures or representations. The factors are multifaceted and multidimensional, ranging from structural to cultural, from political to societal. Indeed, it is almost impossible to uncover and even just to list all of them. Some, however, can be referred as being more apparent than others.

1. Historical detachment.

For most Indonesians, the Dutch, as Europe's representation, was not only a colonial power; it is still a colonial evil. Official history, as written in school textbooks, has strengthened collective memory of the Indonesians that the Dutch occupied Indonesia for three and a half

centuries—If I were an Acehnese, I would have made a protest, for the Dutch could never really conquer Aceh. More than this, the state also shaped a single, monolithic public memory, that Dutch colonialism was working alone and never joined hand-in-hand with local power centers. A clear example is the banning of the movie Max Havelaar for almost a decade. The film is considered to blame the indigenous ruler for the devilish face of colonialism.

Everything bad can be attributed easily as being inherited from the Dutch colonialism. Recent debates on Indonesia's political format, for instance, are focusing on the two extremes of statehood: unitary versus federal states. At least one official argument from those who are defending Indonesia as a unitary state is that the conception of federal states Indonesia once applied is a Dutch legacy; and everything "Dutch" is always bad. There is no separation between the notions of a "unitary state" and "state unity," making the debate lost its essence.

This psychology is in part being responsible for the waning and even vanishing skill to use the "colonial language," especially among the younger generations. Only within less than a generation the language is barely heard and/or written, regardless the fact that the eminence of English is of course clear in "helping" the disappearance the Dutch. Now, almost no other cultural contents left by the Dutch. Thus, in general, there is a process of historical detachment through what is known as victimization. The Dutch, being a "victim" after the war, is now to become a defenseless victim; it becomes victim twice.

2. Geographical distance

Some may believe that geography plays an important role in psychologically distancing Indonesia from Europe. The facts, indeed, do not support this; yet, as a western representation, Australia seems closer to Indonesia now. Fortunately, or unfortunately (depending on how you look into the matter), Germany is presenting Europe through some people such as Habibie. Germany is a good example how Europe's representation is associated with political ties, and a denial of geographical distance. A politically-based "geographical proximity" like this case is actually very fragile and a dangerous game to play.

3. Unbalanced economic relations.

Economically, by any standard, as compared to Europe, Indonesia is an “underdeveloped country”—a derogatory term, but unfortunately, is the right one to refer to the situation. Using a dependency framework, Indonesia is a periphery; its core “capitalism”—garment and textile industry—is in a periphery of the core European capitalism. They replaced sugar that served similar functions in the old days. Also, believing in the victimization scheme, it is the Dutch colonialism that severely drained natural resources from Indonesia, making it an everlasting misery. Another good scapegoat, but not in the category of victimization, is Japan. Japanese investment in Indonesia is the highest compared to any other country, and in terms of foreign investments and aid, Indonesia ranks first for Japan.

3. Political factors

The existence of the Inter-Governmental Group on Indonesia (IGGI) was of some importance for Indonesia. But since the “Prank Incident,” its following Consultative Group on Indonesia (CGI) is politically playing a lesser role. Many political players in Indonesia see human rights issues as an inherent agenda in every foreign aid—officially and G-to-G or unofficially through various funding agencies and NGOs—coming from Europe. This is in turn to become one of the most sensitive issues used both by the government and political activists (mostly NGOs) to attack each other. The government defend itself by stating it clearly that conception of human rights is culturally bounded and that those who use human rights issues have no sense of nationalism. A “generic fear,” indeed, that present in many other, if not most, Asian countries.

III. Prospects for future relationships: an Indonesian perspective.

Considering the imbalance representations of Europe and Indonesia, there seems unlikely that prospects in the future relationships between the two are built on relatively equal stances. Europe is by any measure stronger than Indonesia. With this “given” situation, it is important to search “safer” venues for both sides. This is not to say that some critical issues such as human rights, East Timor, or even reconstruction aid are

in a secondary for future agenda, but the fact is that Indonesia now has changes. The country is in its most fragile condition; even seemingly trivial but wrong decision could spark deep and serious implications.

1. Economy.

Economic "aid" is definitely what Indonesia needs. However, both government loans and private debts will only delay the problems caused by today's crises. More debts mean more burden for future generations. With an imbalance between dwindling income per capita—probably now less than \$200—and "offshore loan per capita" now to reach almost \$1000, it will take years before the country even can "breathe." Rescheduling is a much better way as compared to acquiring new loans; alas, the Jakarta Initiative and Indra schemes do not show any positive result yet.

While most Indonesians understand that investments always take into account the so-called country risk, there are still some ways available for an "outside actor" to help the economic reconstruction. Investment in agriculture is a good example. Indonesia badly needs food, but it has no capital and expertise. Entering the new era, old common practices to acquire some pieces of land through the hands of the authorities, for instance, should be abandoned. Future investments in agriculture can make use and take advantage more of local sources.

Scholars and academics have long preferred the application of regional rather than sectoral development approach. In this scheme, regions—provinces and down to regencies and village levels—should control most of their own resources. One of the most devastating effects emerging from the imbalanced structure of center-periphery relations under the Suharto era is this control over local financial resources. Central government in Jakarta applied a "deconcentration" concept of authority: Jakarta held (political and economic) power while regions retained (administrative) authority.

Finance is a crucial issue within this format of authority. Technically speaking, all local resources go to Jakarta first. The central government designated some of the so-called "affairs" that regional administrations could retain. With certain measures, the central government decided which "affairs" they will hold and which ones they leave them to the regional administration. In addition to this, central

government also control local resources that economically strategic, such as mines.

On paper, those resources that Jakarta collects would go to other regions (provinces, regencies, subdistricts, and villages). In reality, some research have shown that the best a provincial administration could get from local natural resources is less than one percent—gold and copper from Freeport in Irian Jaya and various oil resources in Aceh are only two clearest examples. In terms of other local financial resources—most apparent is tax—the highest percentage a regency (secondary regional administration, placed under provincial administration) can get is 37 percent; most regencies receives less than 20 percent and some even get only 13 percent.

Concerning fund that comes from the central government, the policy is that central planning leaves only a small room for regional and local administration to control. Central government is the party who decides, for instance, which road to build first and how much fund is needed to build the road. Proponents of “regionalism” have long believed that “block grant” system is better for a distributive and balanced development between the center and “periphery.”

Understanding this regional and local political economy will provide a better anticipation—in its most positive notion—the subsequent problems such Freeport in Irian Jaya has always been facing. Political ally with some power holders in the center could one day be a backlash. A better and fairer play of economic game would definitely help local human resources to heal and cure a rotten system.

2. Domestic politics, social and cultural lessons. Indonesia's crisis poses some problems but also ample opportunities to adopt other options in the statecraft. As a modern state, Indonesia has experimented and adopted various systems and practices of government, from federal to unitary states, from parliamentary to presidential systems of governance. In this process, Indonesia has benefited from political-cultural borrowings from Europe--republic format of statecraft, territorial-based nationhood, division of power, etc. Today's crisis provides an opportunity to learn and even adopt what Europe has experienced. This to include lessons of electoral systems and representations in general, which is badly needed in the reform agenda Indonesia is experiencing now.

3. Technology and human resources. Indonesia has learned high-tech and other knowledge from Europe. The crisis proves what critics have long said that a frog-jump in technology--airplane industry is the most apparent example--would cause a serious problem. What Indonesia needs in short-term is, among other things, expertise on middle-scale, applied technology. In a broader context, crisis opens an opportunity to increase the quality of human resources, particularly through education. E.U. could explore this possibility to its most extent.

4. Regional context. Although Indonesia is the largest country in Southeast Asia, the vastness and resources of its neighboring countries should not be underestimated. A company operating in Indonesia also means opening up all potentials in the surrounding. This awareness should be put an emphasis if private sectors in Europe are expected to play a more important role to overcome Indonesia's crisis in the near future.