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Building bridges across friendly straits

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JAKARTA, Sun: "We learnt that the world is not a very friendly place," Prime Minister Datuk Seri Dr Mahathir Mohamad said in reply to a question on what lessons Malaysia could learn from Indonesia's experience.

The world is also not very sympathetic and helpful towards the poor. On the other hand, the rich and powerful demand and extract as much as they want from the helpless. All this exploitation is done in the name and under the guise of assistance and aid that come with very stringent, and at times, life-threatening conditions.

Indonesia learnt the harsh realities and suffers from the damage caused by the modern day "helpers". Coordinating Minister for Economy, Industry and Finance Kwik Kian Gie said that compared to other Asian countries, Indonesia had been the worst affected by the crisis.

The country had to turn to the International Monetary Fund (IMF) for assistance, which in turn stipulated stringent requirements for reform in the economic and political sectors as a condition.

Indonesian President Abdurrahman Wahid, who went out of his way to welcome Dr Mahathir, expressed a desire to learn from Malaysia and its independent policies in dealing with the financial crisis.

Malaysia was condemned by many, but today the tide is turning in favour of selective capital controls and Malaysia's unorthodox policies which are not accompanied by the social cost and hardships as is evident in Indonesia, Thailand and South Korea.

Abdurrahman, popularly known as Gus Dur, stressed the need and importance of unity. It has been pointed out that individually, countries in the region do not have the muscle nor can they ensure that their voices are heard, but as a united group they are a force to be reckoned with.

Gus Dur had in fact told the United Nations Conference on Trade and Development (Unctad) meeting in Bangkok that Indonesia was unable to stand up to the developed countries as it was under the direction of the IMF.

However, he was hopeful that one day his country would be stronger, but in the meantime even as Indonesia took orders from the multilateral organisation the country and its people would maintain their dignity.

Gus Dur is looking to Malaysia for help in moving forward upright and with confidence. The two leaders recognised the need to learn from the recent crisis, which proved that unity, close cooperation and self-help are necessary.

The stability of Indonesia is important to the region. It is in fact the lynchpin of peace and stability for the region. This point was stressed by Dr Mahathir during the bilateral discussions, as was the need for economic reconstruction and development in Indonesia following the crisis.

Dr Mahathir's first official visit to Indonesia since Abdurrahman took office set the stage for greater cooperation between the two neighbouring countries.

The two countries have much in common and an exchange of information and experience will benefit not only the two countries but the region as well.

Malaysia is "willing to open its books" to Indonesia regarding investment laws, the New Economic Policy (NEP) and to explain the functioning and operations of Permodalan Nasional Bhd (PNB) as a means towards equitable distribution of wealth.

Much of the social fabric of Indonesia was damaged by the crisis and made worse by the stringent conditions imposed by the IMF for its funds.

Some estimate that a whole generation would be affected by the poor education as a result of the austerity and belt-tightening measures.

As the Gus Dur administration picks up the pieces to rebuild the country, Malaysia, as a good neighbour, has offered a helping hand. Finance Minister Tun Daim Zainuddin has invited his Indonesian counterpart to visit Malaysia to see for himself the workings and implementation of various policies and plans and how these can be adapted for Indonesia.

Understandably, the domestic economic situation in the two countries is vastly different, but there are numerous areas in which the two can cooperate and learn from each other. There are also numerous similarities. In fact, the two countries can send joint cultural troupes abroad. This move will show the world "that we are from the same stock" and that "we are one".

Not only is the peace and stability of Indonesia the lynchpin of Malaysia's foreign policy, Malaysia's willingness to assist Indonesia is also in keeping with the "prosper thy neighbour policy" which Dr Mahathir has stressed often enough. This policy was relevant before the crisis and is even more relevant today.

Thus, the interest shown by Malaysian entrepreneurs and businessmen in doing business in Indonesia and investing in projects should be seen as a mutual help which will yield benefits for both Malaysians and Indonesians.

But it is important, as the Malaysian Ambassador to Jakarta Datuk Rastam Mohd Isa pointed out, that one needs to be mindful of the "new environment". New contacts will have to be established and perhaps even new rules and regulations must be dealt with.

But that is to be expected, as Gus Dur's government also has to deal with a new situation and environment in his own country under the IMF.

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