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Indonesia-Singapore Relations: The Next 50 Years

By Keoni Marzuki

Synopsis

Indonesia-Singapore relations, after initial uncertainties and suspicions, have matured in the past 50 years. What lessons can be derived for relations for the next five decades?

Commentary

INDONESIA-SINGAPORE bilateral relations have come a long way from their uncertain beginnings in the mid-1960s to their present state in 2017. They officially began in 1967 with the end of Confrontation against the backdrop of the 30 September abortive coup in 1965 that resulted in the replacement of President Sukarno by General Suharto.

The establishment of diplomatic relations in 1967, signified by the official opening of the Singapore Embassy in Jakarta, was marred by suspicions and tensions arising from the aftermath of *Konfrontasi*. The uneasy beginning is exemplified by the trial and hanging of two Indonesian marines in October 1968 convicted for the bombing of MacDonald House in 1965, which led to the ransacking of the Singapore Embassy in Jakarta. Tension remained until Prime Minister Lee Kuan Yew's visit to Indonesia in 1973, during which he scattered flowers over the graves of the marines, bringing a symbolic closure to the *Konfrontasi* chapter.

Enter the New Era

Post-Confrontation, Indonesia-Singapore relations flourished. Indonesia and Singapore's participation, together with Malaysia, Philippines and Thailand, in the

founding of the Association of Southeast Asian Nations (ASEAN) in 1967 marked the departure from the turbulent relations.

More significantly, PM Lee and President Suharto established a personal rapport that underpinned the close and friendly relations that bloomed over the next three decades, despite occasional tensions over security issues. Among them was Indonesia's occupation of East Timor in 1975, on which Singapore abstained from the UN resolution that condemned Indonesia's occupation while other ASEAN member states voted against.

Notwithstanding the occasional strain in relations, Indonesia and Singapore developed robust cooperation in defence and security matters and conducted joint military training exercises, thus enhancing mutual confidence and trust. Both countries had a mutual interest in seeking to forge "regional resilience" through their respective national resilience, to withstand the various challenges arising from global geopolitics. Bilateral economic cooperation expanded, particularly in trade and investments, as Indonesia's economy developed and invited Singapore to invest in industrial parks in Riau Islands and Sumatra.

Indonesia-Singapore Relations Post-Suharto

The abrupt collapse of the New Order and the downfall of Suharto against the backdrop of the Asian financial crisis in 1998 ushered the dawn of Reformasi, another challenging chapter in Indonesia-Singapore ties.

The changed political landscape with the emergence of pro-democracy forces meant that Singapore could no longer rely on the rapport between Suharto and Lee Kuan Yew as well as networks forged under the New Order government. Thus Singapore had to forge new linkages with emerging Indonesian elites to maintain mutual understanding and rebuild partnerships.

The rise of regional and local leaders accompanying decentralisation in post-Suharto Indonesia generated new political dynamics which Singapore had to contend with. Nevertheless, Indonesia-Singapore ties remained robust, exemplified by the many sectors in which the countries have cooperated in, from trade, communications, tourism, community and cultural exchanges to defence and security as well as ASEAN integration.

The positive development of post-Suharto bilateral ties is best illustrated on the economic front. Bilateral trade in 2015 amounted to US\$58.7 billion, compared to US\$10.4 billion in 2000, making Indonesia Singapore's fourth largest trading partner in that period.

Singapore has consistently been Indonesia's gateway for foreign direct investment in recent years. Official Indonesian figures show FDI into Indonesia from Singapore in 2016 totalled US\$9.1 billion with more than 5,800 projects, whereas investment from Japan and China amounted to US\$5.4 billion and US\$ 2.6 billion respectively. Both countries recently launched the joint development of an industrial park in Semarang (Central Java), inaugurated by President Joko Widodo and PM Lee Hsien Loong.

Defence and security ties have remained strong as exemplified by regular joint military exercises, the trilateral coordinated maritime patrols in the Malacca Strait to counter piracy, and security cooperation against transnational terrorism. Singapore was also involved in humanitarian assistance and disaster relief in Indonesia, namely in the tsunami-hit Aceh in 2004, Yogyakarta in 2006, and in search-and-rescue efforts for the ill-fated Air Asia QZ 8501 in 2014. Above all, the Indonesian and Singaporean leadership remain committed to cordial ties.

Persistent Undercurrents and Common Challenges

Certain undercurrents persist in Indonesia-Singapore relations such as the trans-boundary haze from Indonesia, issues surrounding the status of Indonesian assets parked in Singapore, and demand by certain Indonesian quarters for control of the airspace over the Riau and Natuna Islands. These aside, the formative history of Indonesia-Singapore relations, such as *Konfrontasi* and the PRRI/Permesta rebellion in the late 1950s when foreign economic and military assistance was funnelled through British Singapore, had shaped Indonesia's perception of Singapore. This might re-emerge and incite tensions.

The brouhaha surrounding the Usman-Harun ship-naming incident (after the two hanged commandos) is a testament to how residual grievances from the past persist. There may be other unexpected undercurrents that could affect relations. An example is the recent limitation of Singapore Airlines flights to Indonesia due to runway improvements at Jakarta's international airport. Domestic elements within both countries and deeply entrenched negative perceptions of one another may further impinge on bilateral relations.

Both countries also face common challenges from the regional strategic environment and the growing assertiveness of extra-regional powers. China's claim over most of the South China Sea, for example, potentially affects the freedom of navigation and overflights of the international waterway which both countries rely on.

Moreover, the ensuing great power rivalry in the Asia-Pacific has driven a wedge in ASEAN and undermined its hard-earned cohesion. That said, China's 21st Century Maritime Silk Road initiative offers avenue for both countries to pursue new economic opportunities. Singapore has a common interest in Indonesia's vision to play its role as a "Maritime Fulcrum" along the revived Maritime Silk Road connecting the western Pacific with the Indian Ocean.

Towards the Next 50 Years

The past 50 years of Indonesia-Singapore relations have shown that despite the episodic instances of discord and tensions, the two countries have a strong interest in maintaining harmonious bilateral relations for their mutual benefit.

Despite the close and warm ties overall, discord could still flare up to mar Indonesia-Singapore relations in the future given the persistence of undercurrents in ties, domestic perceptions of one another and new dynamics in their common strategic environment.

Nevertheless, going forward, both Indonesia and Singapore should not let discord and tension define their relations. On the contrary, both countries need to maintain their close cooperation as good neighbours and good partners in ASEAN. They need to build new initiatives while cultivating existing channels of communication to enhance mutual understanding.

How Indonesia-Singapore relations will develop in the next 50 years will be determined chiefly by the domestic politics of both countries; the changes in the Southeast Asian region; as well as the progress of ASEAN Community, which will involve their economic relations with the rest of ASEAN.

Notwithstanding their contrasting sizes, populations, resources and economies, Indonesia and Singapore share a common geopolitical destiny and a shared geostrategic future; they are both at the crossroads of the Indo-Pacific region astride the fulcrum of Southeast Asia.

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