

# Indonesia and Russia Make 'New Beginning'

by Gail G. Billington

After bruising battles in the United Nations, in both the Security Council and the General Assembly, followed by the "shock and awe" campaign waged predominantly by British and U.S. military forces in Iraq, nations great and small are testing the resilience of institutions and relations, and seeking to regain, or, to create anew, ties of mutual cooperation and support. Such is the character of the bold "new beginning," launched between Russia and Indonesia, during the historic state visit of Indonesian President Megawati Sukarnoputri to Russia from April 20-24, preceded by her separate two-day trips to both Romania and Poland.

The trip to Russia is the first in 23 years by the head of state of the world's largest Muslim nation. On April 21, in the Kremlin, Russian President Vladimir Putin greeted Megawati: "We are happy to welcome you in Russia as the President and the daughter of your great father who is commemorated in this country," referring to President Sukarno, Indonesia's first head of state. Megawati also met with Federation Council Chairman Sergei M. Mironov and Prime Minister Mikhail Kazyanov.

The two leaders signed the "Declaration on Basic Principles of Russian-Indonesian Cooperation in the 21st Century," which, Putin underscored, is "directed towards consolidation of the policy of peace and the development of the Non-Aligned Movement," founded in the Cold War 1950s, by President Sukarno and other leaders who eschewed unilateralism in favor of multilateral cooperation among nations for the general welfare of all.

"This document," President Putin declared, "will provide a new impetus to the development of comprehensive relations between our countries," for which, the two leaders promise "to promote development of bilateral economic, trade, technological and military-economic relations, including the defense industry."

With the disaster of the U.S. unilateral war on Iraq clearly on their minds, Moscow and Jakarta pledged cooperation in promotion of international peace and security, "strictly following the Charter of the United Nations and basic principles of international law," in prevention and peaceful resolution of military conflicts.

Furthermore, the two nations pledged cooperation in the framework of international institutions, primarily the United Nations, in eradication of terrorism and relevant "threats to international peace and security, expressed in separatism, extremism, international organized crime, illegal turnover of

drugs and psychotropic substances.”

Russia and Indonesia pledged to “contribute in establishing control over armaments, in nuclear disarmament, and elimination of weapons of mass destruction,” as well as agreeing “to stand against any forms of intervention into domestic affairs of countries, in order to prevent attempts of undermining their territorial integrity and internationalization under pretexts related to domestic problems of states.”

## U.S. Unilateralism Rejected

The impact of Megawati’s reception in Russia should reverberate throughout Eurasia. In Jakarta, Foreign Minister Hassan Wirayuda said, point blank, that the visit to forge bilateral ties between the two countries is an attempt to counterbalance the dominating role of the United States. He reported that the two Presidents discussed Iraq, especially the role of nations in reconstruction under UN auspices. He suggested that the opposition of Russia, France, and Germany to the war could signal the beginning of moves to counter the power of the United States, with Russia taking the lead. He also said that Jakarta had realized the importance of looking to Russia even before the Iraq crisis erupted.

The sentiment expressed by Indonesia’s Foreign Minister is echoing through Indonesian institutions, with senior analysts, including Dewi Fortuna Anwar, former senior policy advisor to President B.J. Habibie, now based at the Habibie Center, and Indria Samego, of the Indonesian Institute of Social Sciences (LIPI), saying that Megawati’s foreign policy could reduce Indonesia’s dependence on the United States, and offers an alternative in its international relations.

In the same vein, Jusuf Wanandi, senior analyst at the prestigious Centre for Strategic and International Studies (CSIS) in Jakarta, and highly respected Muslim scholar Nurcholish Madjid, former rector of Gadjah Mada University, both on stated April 26 that the post-Iraq War period would lead to U.S. domination in international politics, and that concerted efforts are needed to counterbalance it.

The warning is all the more important, as Nurcholish Madjid announced April 29 that he will vie for Indonesia’s Presidency in the 2004 elections. In his remarks at a seminar, marking the anniversary of *Pelita* daily, Madjid suggested that Indonesia work together with Asian countries, European countries, and other regional organizations to form a balancing power.

The idea of an “alternative” becomes even more important in the eyes of economists, who, like American citizens, are becoming increasingly alarmed at the meltdown of the U.S. economy and the dollar. The *Jakarta Post* cited two Jakarta-based economists, who pointed to the massive U.S. budget deficit, underscoring that Washington’s borrowing to cover the government deficit is “not intended to finance anything productive or positively beneficial to the United States. . . . The U.S. economy is the pillar on which the strength of the dollar rests. Without the economy, the dollar will be of little value. Therefore, it is quite prudent for the Indonesian govern-

ment to re-examine the wisdom of its reliance on the dollar.”

Recognition of the weakness of the U.S. economy is fueling discussion in Jakarta, that Indonesia should seriously consider its options for breaking out of the International Monetary Fund (IMF) straitjacket, and Vice President Hamzah Haz even called for Indonesia’s oil company to consider trading in currencies other than the dollar—for economic, not political, reasons.

## In Defense of the State

President Megawati’s trip to Russia also opened the door for Indonesia to break from the constraints imposed by the U.S. ban on weapons sales to the Indonesian military. In 1991, the U.S. Congress imposed the ban after Indonesian troops fired on civilians at a cemetery in East Timor. Further restrictions were imposed after the referendum in August 1999 on the status of East Timor. The United States has relented only on reinstating a limited officer training program for Indonesian officers.

From the outset, President Megawati’s trip to Russia was meant to fill this vacuum. Indonesia’s first civilian Defense Minister, Juwono Sudarsono, said on April 15, “I think the Indonesian military has finally decided that restrictions and conditionalities from Washington are just not worth it.” Juwono elaborated that Indonesia now uses Rapier missiles, bought 30 years ago, to protect Indonesia’s oil and gas fields in Sumatra, Borneo and Papua from air attacks, but he added “replenishing them has been a big problem.”

Ahead of Megawati’s arrival in Jakarta, Foreign Ministry officials indicated that seven out of eight Memoranda of Understanding to be signed in Moscow dealt with military procurement, in return for which it was expected Megawati would propose possible oil and gas projects for Russia, in a field where U.S. and British firms dominate Indonesia’s oil and gas sector.

Prior to Megawati’s trip, Indonesia had purchased 10,000 Kalashnikov assault rifles, a squadron of naval Mil-2 helicopters and a dozen BTR-80A amphibious carriers. In the course of official talks, Indonesia ordered two Sukhoi SU-27s, two SU-30s, and two combat MI-35 helicopters, a contract worth \$197 million, of which 12.5% would be paid in cash, and the balance paid through counter-purchase of commodities, including rubber, palm oil, tea, coffee, cocoa, textiles, and bauxite. In addition, Russia offered to construct a rocket and satellite launch pad in Biak, Papua, and held out the possibility of a floating nuclear reactor, which could help prevent electricity shortages in the next decade.

During Megawati’s two-day visit to Warsaw, Deputy Defense Minister Janusz Zemke told the Polish state news agency PAP that several Polish companies would be negotiating contracts on the sale of Skytruck planes and radar systems to Indonesia, to be concluded possibly in May or June. Sokol helicopters were also offered. Polish officials indicated talks were under way for a \$135 million credit to facilitate these deals.