

INDONESIAN PERSPECTIVES ON MANAGING THE ASEAN HAZE

Helena Muhamad Varkkey¹

Abstract

This article examines Indonesia's reactions towards regional haze management efforts between October 2006 and September 2007. Two significant developments occurred during this time, drawing attention to Indonesia's sovereignty sensitivities. Firstly, while Indonesia at first seemed to be moving towards ratification of the ASEAN Agreement on Transboundary Haze Pollution, it abruptly decided to set up a special committee to study the treaty, effectively halting the parliamentary ratification process. Secondly, after asking for regional help by inviting ASEAN member countries to assist areas of their choosing, Indonesia later refused to approve their proposals. The article argues that Indonesia is reluctant to give up control over its sovereignty due to the shadow of a bloody colonial history, bitter foreign interventionist experiences, territorial disputes with its neighbours, and ongoing internal conflicts. External non-intervention is especially important to Indonesia now, in the process of decentralizing and dealing with the arising internal complications, especially those involving forest resources. The paper concludes that these developments could be part of a bigger attempt by Indonesia to regain its past glory as the de facto leader of ASEAN, enabling it to use its influence to strengthen the non-interference principle to protect its sovereignty during the delicate decentralization process.

Keywords: Haze, Indonesia, sovereignty, pollution, ASEAN

INTRODUCTION

There exists significant literature on the Southeast Asian haze from perspectives both within and outside the region. Very little however has been written on Indonesia's thinking and response towards the regional haze problem. Marinova (1999) and Mayer (2006) provide a good overview of the haze crisis, with Marinova discussing causal factors, and Mayer detailing responses of both ASEAN and individual states. Cotton (1999), Funston (1999, 1998) and Ramcharan (2000) focus on ASEAN's patterns of regional engagement, in particular non-intervention, and how this might have affected haze management. Chang and Rajan (2001) in turn compare regional and multilateral approaches. Florano has written several pieces on ASEAN haze agreements. In 2004, he examined the contents of the 1997 ASEAN Regional Haze Action Plan (RHAP). His 2003 content-analytical study compared and contrasted the texts of the ATHP and Europe's Convention for Long-Range Transboundary Air Pollution using Pamela Chasek's 'Strength Index'. Here he concludes that the ATHP appears, in theory, to be stronger than the CLRTAP but is weak in compliance and punishment mechanisms.

¹ Helena Muhamad Varkkey is a lecturer at the Department of International and Strategic Studies in the University of Malaya and presently a Ph.D candidate at the University of Sydney.

This article aims to contribute to the literature by concentrating on the Indonesian response to ASEAN's various attempts at managing the regional haze. The article attempts to explain Indonesia's reactions through analysis of its present and past domestic issues, while taking to account Indonesia's unique position within the association. As the major source of the pollution, a better understanding of Indonesia's place in the regional haze equation would be a useful contribution towards the larger picture of regional pollution management.

Cause and Effect

Extensive forest and grass fires, mostly in Indonesia, leading to smoke pollution have become regular events in the Southeast Asian region. With particular atmospheric conditions, this 'haze' has persisted for long periods. Previous episodes were in 1982-83, 1987, 1991, and 1994, but that of 1997-98 and 2006 was more extreme, costly, and in some localities; life-threatening (Cotton 1999). In 1997-1998, about 10 million hectares were burned (Mayer 2006). The El Niño Seasonal Oscillation (ENSO) produces the dry conditions which make fires in normally moist rainforest terrain possible (Cotton 1999). However, El Niño does not start fires (Marinova 1999). For some time, the major cause of these fires were ascribed to the practice of small-scale agriculture, which in dry years have led to deliberately set small fires spreading out of control. However, recent evidence has shifted the blame from forest-dwelling populations mainly to the activities of large commercial operations (Cotton 1999).

Firstly, the granting of excessive timber 'concessions' and the poor policing of mandatory selective logging and reforestation regulations give little incentive to adhere to fire prevention policies. The resulting disrupted forest canopy exaggerates the drying of the forest in dry seasons. Secondly, logged areas are often converted into timber or oil palm plantations, a program which has received government support in Indonesia. Burning is the cheapest and easiest method to clear the land needed. Thirdly, the clearing of land has also been linked to transmigration programs that require deforested areas for settlement (Cotton 1999). Fourth is the draining of peat swamps (a good form of carbon sinks) for rice cultivation. Dried peat burns easily, and as the fires sometimes extend to deposits deep underground, rainfall does not always put them out (Cotton 1999). The smoke produced contains the highest concentration of pollutants, though Indonesia did not acknowledge this contribution during the 1997-98 crisis. In all, Indonesia's commitment to an obviously an unsustainable exploitation of its timber resources is a major factor in this environmental crisis (Cotton 1999).

The haze caused repeated emergencies in Singapore, Malaysia, Brunei, Indonesia itself, and to some extent Thailand and the Philippines (see Figure 1) (Mayer 2006). A reading of above 100 PSI (Pollutants Standard Index) is 'unhealthy' and in excess of 300, 'hazardous'. While reliable data is not available from Indonesia, Singapore and Peninsula Malaysia recorded a PSI of 140 in September 1997. In East Malaysia, a PSI of 849 was recorded in Kuching in October 1997, bringing most outdoor activities to a halt. It is estimated that readings of over 1000 must have been common in parts of Indonesia close to the source (Cotton 1999).

The 1997-98 haze affected the health of some 75 million people, and the economies of six ASEAN (Association of Southeast Asian Nations) members (Mayer 2006). According to

the World Wide Fund for Nature (WWF), the forest fires in 1997 cost the region US\$494 million in timber losses, US\$470 million in agriculture, US\$1.8 billion in direct and indirect forest benefits, US\$30 million in capturable biodiversity, US\$25 million for fire-fighting, and US\$272 million in carbon releases. It also caused US\$ 941 million in short-term damage to health. It damaged industrial production by US\$157 million and fisheries by US\$16 million. It set back tourism by US\$256 million and inflicted US\$24.7 million in losses on airports and airlines, and also caused several airline crash tragedies (Severino 1999).

ASEAN Response

As the haze wrought dramatic damage, many looked to ASEAN to respond (Severino 1999). Regional initiatives began with the 1992 Bandung Conference, and workshops in Indonesia and Malaysia in 1992-95. At the Sixth ASEAN Senior Officials of the Environment Meeting in 1995, a Haze Technical Task Force (HTTF) was established. While the objective of the HTTF was to operationalize and implement the measures stated in the 1995 ASEAN Cooperation Plan on Transboundary Pollution, no substantive action was taken (Chang & Rajan 2001). It was only in the aftermath of the severe 1997 haze that regional policymakers seem to awaken to the need for regional cooperation. The Regional Haze Action Plan (RHAP) was the result of this renewed effort (Chang & Rajan 2001). It was a soft-law, non-binding international instrument, approved for implementation by the ASEAN Ministerial Meeting on Haze without going through the tedious process of national ratification required by the 1969 Vienna Convention on the Law of Treaties. It stood on three pillars: the spirit of voluntarism, the no-fault-finding rule, and the offer of assistance based on expertise and capability (Florano 2004).

The RHAP generated a massive amount of information on the haze (Severino 1999) but not much else. In 2002 the ASEAN Agreement on Transboundary Haze Pollution (ATHP) was proposed. This was a legally-binding regional treaty, providing for legal support to the RHAP upon ratification by at least six countries (Florano 2003). In 2003, it became the first legally binding ASEAN regional environmental agreement to be entered into force (ASEAN 2007). Today, Indonesia and the Philippines are the only member countries that have not yet ratified the treaty (*Morning Star Online* 8 October 2006). The treaty enshrines sovereignty over natural resources, neighbourliness, international cooperation, the precautionary principle, and sustainable development. It relies on the cooperation of its parties through self-regulation and decentralized operations (Florano 2003).

NON-INTERFERENCE IN ASEAN AND INDONESIA

The concept of non-interference is one of the fundamental principles which guide the relations of ASEAN member nations with each other. This concept was formalized within the signing of its Treaty of Amity and Cooperation in Southeast Asia (TAC) in 1976. Article 2 of the treaty binds members to practice 'non-interference in the internal affairs of one another' and recognizes 'the right of every state to lead its national existence free from external interference' (ASEAN 2008). Other ASEAN documents that enshrine this principle include the Bangkok Declaration and the Zone of Peace, Freedom and Neutrality Declaration (Katanyuu 2006). The non-interference principle firstly discourages member states from criticizing or intervening in members' internal affairs. Second, it commits members to deny sanctuary and support to groups seeking to subvert or overthrow the

governments of member states. Third, it discouraged members from providing external powers with any form of support deemed subversive to other members (Katanyuu 2006).

The non-interference policy owed much of its origin to conflicts involving Indonesia, Malaysia and the Philippines in the early 1960s, before the establishment of ASEAN. Indonesia and the Philippines had opposed the creation of an independent Malaysia that would include Sabah, Sarawak and Brunei, due to their own territorial, sovereignty and great-power concerns. This so-called 'confrontation' involved Indonesia's aggressive acts against Malaysia, by sponsoring low-level military incursions and providing training and support to subversive groups. Adding towards the distrust between neighbours was the role of powers such as Britain, the Soviet Union, the United States (US) and the Netherlands. Jakarta feared that Malaysia would cooperate with Britain to subvert Indonesia and that Washington would use the Philippines as a base to aid its old conquerors, the Dutch (Katanyuu 2006).

As direct offshoots of the Indonesian-Malaysian normalization talks concluding the confrontation period in 1966, the countries agreed that closer regional cooperation was necessary to prevent the recurrence of future confrontations. Indonesia was in fact the initiator of the idea for a new regional organization (Anwar 1994). Jakarta developed a draft proposal that included the principles of non-interference, non-alignment and zero great-power competition, to avoid any future repeat of confrontational activities (Smith 1999). In 1966-67, Indonesian diplomats toured several Southeast Asian countries to promote this idea, which successfully culminated with the establishment of ASEAN in 1967. Finally, a decade after the establishment of ASEAN, the formalization of the TAC and its enshrinement of non-interference effectively froze national boundaries of ASEAN countries as of 1976 (Anwar 1994).

This new association's adherence to non-interference thus stems from its members' histories of interstate disputes, internal subversion, and moves to secede. Neighbours suspect each other of bolstering domestic ethnic groups to foment secession. In principle, criticism or interference provides avenues to aid insurgencies. Therefore, ASEAN's founders believed that cooperation must stem from the 'absence of external interference' (Katanyuu 2006). Indonesia had an important additional reason for promoting non-intervention. Indonesia's positive participation in ASEAN was designed to undo the damage that confrontational phase had done to its reputation. The levels of violence of Indonesia's confrontation in Malaysia had over-reached its earlier more acceptable concerns of national sovereignty and territorial integrity. As a result, it earned worldwide condemnation, leaving it internationally isolated (Anwar 1994).

Non-Interference versus Flexible Engagement

Recently, however, some members have tried to distance themselves from this policy. The Thai proposal for 'flexible engagement' in 1998 is a case in point, which promotes discussions of members' domestic policies. The then-Thai Foreign Minister Surin Pitsuwan held that issues affecting each other might be brought up and discussed by members, without being perceived as interference. The proposal itself was not initially supported by other members, except the Philippines (with Indonesia and Malaysia being the most

vocal opponents), but debate over the interpretation of the principle of non-interference has continued (Katsumata 2004).

When Bangkok put forward its proposal, Indonesia's then-Foreign Minister Ali Alatas voiced his disagreement as such: 'non-interference is a very basic principle. We can talk about certain problems like transnational crimes, but if you start talking about how a country must run affairs like human rights or democratization, then you are getting into trouble' (Katsumata 2004, pp. 250-251). He also warned that without this principle, Southeast Asia would regress to the pre-ASEAN confrontation days (Ramcharan 2000). This should not be surprising; the Philippines and Thailand (notwithstanding periodic military coups) have relatively fewer domestic issues. This is shown in *Freedom in the World*, an annual assessment of political rights (PR) and civil liberties (CL). According to the assessment in 1998, the year in which the flexible engagement was put forward, both the Philippines and Thailand were graded 2 (PR) and 3 (CL) out of 7, the lowest possible score. Indonesia's scores were 6 (PR) and 4 (CL). It can be concluded that ASEAN countries that are considered authoritarian are concerned about the security of their regime, therefore they are opposed to a flexible interpretation of non-interference (Katsumata 2004). Indonesia is still politically 'weak' and in the process of nation-building. Thus, Indonesia would certainly find it difficult to accept any proposal for modifying the non-intervention principle (Katsumata 2003).

Non-Interference in Practice

The 1998 political turmoil in Indonesia provided a test-case for the sanctity of the non-intervention principle in ASEAN. The reactions of the association's members individually and collectively to the events that eventually led to Suharto's ousting showed that the principle of non-interference was scrupulously adhered to by ASEAN members (Ramcharan 2000). However as time went on, despite flexible engagement not being officially recognized in ASEAN, some member countries have taken liberties. Indonesia never took kindly towards these occurrences. It responded coldly in 1998 when Singapore Mentor Minister Lee Kuan Yew criticized then-Indonesian President Suharto's choice of Jusuf Habibie for vice-president (this being the first direct criticism of Indonesia by the leader of another ASEAN country), and in 1999 when Singapore Prime Minister Goh Chook Tong called on Jakarta to hold elections that would be accepted as fair and legitimate by the Indonesian people (Katsumata 2004).

The Megawati government gave Singapore a taste of its own medicine when it responded to Singapore's demand for stronger action against terrorist suspects taking shelter in Indonesia by citing Indonesia's 'democratic political system', which does not permit arbitrary arrests of the kind that Singapore's International Security Act facilitates (Acharya 2003). Also in 2001, the then-President Abdurrahman Wahid warned ASEAN that dealing with the violence in Maluku, which between 1998 and 2001 left about 5000 people dead and displaced up to half a million, should be left to Jakarta. Perhaps as a result of this, ASEAN as an association withheld from interfering in the East Timor issue, and instead participated in the United Nations (UN) backed intervention force only as individual states (Haacke 2003). ASEAN also practiced a hands-off approach with the Aceh separatist movements (Solingen 2005).

However, what was perceived by Indonesia as being 'interference' continued to come from ASEAN states over the haze issue, which Indonesia principally considered a domestic problem. Simon Tay, a member of the Singapore Parliament, laid the blame for the fires on the failure of the Indonesian system to enforce its laws (Ramcharan 2000). Also, Malaysia's Environment Minister Azmi Khalid also called on Indonesia to impose the most severe penalties under the law on any plantation companies or farmers found responsible for the fires, and urged Indonesia to quickly ratify the ATHP (*Morning Star Online* 8 October 2006).

A SPECIAL CONCERN FOR SOVEREIGNTY

In June 2007, positive spirits within ASEAN were sullied when Jakarta indefinitely delayed the approval of Singapore and Malaysia's proposed plans of assistance for Jambi and Riau respectively, citing that it 'will receive foreign assistance only on advice' as it was concerned that 'foreign aid could disturb its sovereignty' (The Jakarta Post 18 June 2007). As of September 2007, both countries' proposals are still up in the air (Tan & Mulchand 21 August 2007).

The defining characteristic of sovereignty is the state's capacity to make authoritative decisions on the people and resources within its territory. The principle of sovereign equality is enshrined in Article 2, Section 1, of the United Nations (UN) Charter, and the corresponding norm of non-intervention in Article 2, Section 7: a sovereign state is empowered by international law to exercise exclusive and total jurisdiction within its territorial borders, and other states have the corresponding duty not to intervene in its internal affairs (Evans & Sahnoun 2002).

Colonial History and Independence

Indonesia, like most other ASEAN countries, had been under colonial rule until the middle of the twentieth century, with colonial powers using the country's population and resources for their own means for many years. Due to this fact, the countries of Southeast Asia have always considered state sovereignty as an essential element of national security and stability. Even after independence, many of the ASEAN countries' national security problems arose out of intervention or interference by outside powers in its affairs; for example the war in Indochina and the subsequent division of Southeast Asia between the communist bloc and the capitalist world. These interventions internalized and worsened local conflict in these formative years. Moreover, Communist China has repeatedly attempted to 'export' the communist revolution to Southeast Asia by supporting insurgencies in the 1950s and 1960s (Katsumata 2003).

Departing from this common historical background, Indonesia's take on independence and sovereignty was different from its neighbours', due to the legacy of the country's long national struggle for independence, particularly through the revolutionary period of 1945-49, when the fledgling republic fought a bloody war against the returning Dutch colonial power after the Japanese occupation. In contrast, Indonesia's nearest neighbours, Malaysia and Singapore achieved their independence through formal agreements with the British and relatively little bloodshed. This fueled suspicion among Indonesian nationalists that these countries were risking their sovereignty and falling into a neo-colonial trap, which led to the hostile confrontation period between Malaysia and

Indonesia in 1963-66. This nationalism, distrust of major powers, and a strong belief in itself have produced a tendency towards self reliance (Anwar 1994).

The IMF Experience

Indonesia's experience with international assistance has also made it weary of losing control over its internal affairs. Socialized by institutions like the International Monetary Fund (IMF) into believing that foreign capital is the strategic factor in development, most ASEAN countries liberalized their capital accounts and financial sectors in the 1990s. With little regulation, foreign capital gravitated not to productive sectors like agriculture and manufacturing, but rather to the stock market, consumer financing, and in particular, real estate. As a glut in real estate developed, borrowers became overloaded with non-performing loans. By 1997, it was time to get out, and the liberalization of the capital account left no mechanism to slow down the exit of foreign capital, resulting in currency crashes across the region (Bello 1999).

Early in the crisis the Indonesian government attempted to defend its currency, using Central Bank reserves, and loosen its control on the exchange rate. However, declining reserves and collapsing financial institutions forced it to accept an amazingly detailed and interventionist set of IMF conditions linked to a \$43 billion bailout loan (Bullard, Bello & Mallhotra et al 1998). Thus, Indonesia lost its last shred of economic sovereignty (Bello 1999).

Rather than restoring confidence, the IMF directives caused a bank run, massive unemployment, soaring food prices, and social unrest (Bullard, Bello & Mallhotra 1998). In 1998, Indonesia's economy contracted by 25%. People living in poverty increased from 11.2% of the population to 60.6% (Bello 1999). In response, the Indonesian government went against IMF rules by putting the army in charge of food distribution in an attempt to regain control over its economy. However, top-level IMF officials immediately flew in to bully Indonesia into reaffirming its commitment to the IMF deal (Bullard, Bello & Mallhotra 1998). While other countries' experience with the crisis varied, Indonesia, along with Thailand, were the most badly scarred in the region (Bello 1999). The IMF experience was a neo-colonial reminder that larger powers can take control of a desperate country's sovereign activities through coercion, even in these modern times.

Territorial Tensions with Malaysia and Singapore

Indonesia has also had several experiences grappling with control over territorial sovereignty with both Malaysia and Singapore in recent times. In 2002, sovereignty over the Borneo Islands of Ligitan and Sipadan was decided by the International Court of Justice. The court found that sovereignty resided in Malaysia, not Indonesia. The dispute over these islands emerged in 1969, when both countries were in the initial stages of offshore petroleum exploration in the area and had begun to negotiate their continental shelf boundaries. Indonesia lost the case based on historical evidence that in 1962, after Indonesia's independence, British colonial authorities in Malaysia established light towers on both Sipadan and Ligitan without objections from the Indonesian government. Despite this loss, maritime boundaries between Indonesia and Malaysia still remain unresolved at court. A similar earlier case was the legal battle between the Philippines and Indonesia

for the Island of Palmas off the Philippine border in 1928, which Indonesia narrowly won (Colson 2003).

With Singapore, sovereignty issues over the Riau islands of Batam and Bintan have not been so clear-cut. In the 1960s, Indonesia's plans to enter into the high technology sectors gelled with Singapore's desire to offset its increasingly high cost economy, and industrialization of the islands, which are located close to Singapore, began with the involvement of Singapore government-linked companies and capital. Now, the islands are a peculiar hybrid of Indonesian-Singaporean social order, and an anti-model for what it implies for the maintenance of a unitary Indonesian state. The Singapore government's role in these islands have been raised as an election issue in Indonesia, and the islands stand to be set further apart from Jakarta by their inclusion in a Singapore-US free trade agreement in 2002, made possible by the lack of clear-cut rules on the limits of the Singaporean government's involvement (Phelps 2004). Due to its archipelagic nature, Indonesia is especially open to legal territorial disputes, with every loss further whittling away its sovereign territory.

Heterogeneity and Internal Conflict

Indonesian leaders are also very much aware of the country's inherent weakness, which can limit the government's control over its territory and population. Indonesia is still an industrially backward country with limited infrastructure and financial means to effectively link its entire people spread out over some 13,000 islands. Furthermore, because of the heterogeneity of the population, one can never take Indonesia's national unity for granted, as shown by the various rebellions against the central government in the years following independence. These rebellions included an attempted communist coup in September 1948, a protracted military struggle to set up a separate Islamic state in the 1950s to the 1960s, early separatist movements such as the South Moluccan area, regional rebellions to show dissatisfaction with the central government in Sumatra and Sulawesi, and another attempted communist coup in 1965 (Anwar 1994).

Of late, more separatist movements have gained ground in outlying provinces. In 1999, East Timorese voted overwhelmingly for separation from Indonesia in a UN supervised balloting, and Jakarta ratified this bloody divorce. Indonesians who opposed giving up East Timor feared a 'domino effect' in which other provinces would follow East Timor out the door (Emmerson 2000). Indeed, Jakarta had had to make special deals to soothe the two other most independence-minded provinces of Aceh and Papua, granting them exceptions with the devolution of power to the provincial level (Smith 2004). Faced with various separatist attempts, full control over all activities within Indonesia's borders become even more important to the central government. Many question whether the central government can hold Indonesia together and are worried that Indonesia is heading down a path towards disintegration (Smith 2004).

Riau is an especially sensitive case, which can explain Indonesia's reluctance to approve either country's proposal. The Riau province is also on the lengthening list of potential defectors (Emmerson 2000). Singapore is already very economically involved in the Riau islands, and even includes them in its bilateral free trade agreements. Involvement by Malaysia in the province would further dilute the center's control.

DEALING WITH DECENTRALIZATION

With the ATHP still pending Indonesian ratification, ASEAN was open to alternative solutions. This much needed alternative was seemingly provided in November 2006 by Indonesia itself. Instead of the top-down ATHP with action initiated from ASEAN, Indonesia proposed a bottom-up approach, presenting its own National PoA to be adopted by ASEAN (Asmarani 22 November 2006). This PoA was formalized by ASEAN in March 2007 (Channel NewsAsia 6 March 2007). Even though the plan was dubbed 'adopt-a-district', countries could choose to assist provinces, regencies, or districts (Asmarani 22 November 2006). As it happened, Singapore and Malaysia offered assistance on the province level and in June 2007, both countries' proposals of assistance for Jambi and Riau respectively were presented to Jakarta (Ghani 20 June 2007), both of which are still pending approval (Tan & Mulchand 21 August 2007).

Tensions in all administrative levels in response to this policy can be seen affecting Jakarta. In July 2007, President Yudhoyono angrily demanded that governors of fire-prone provinces treat anti-haze efforts more seriously (Ghani 19 June 2007). However, in July 2007, a new law was passed in Riau that permits land under two hectares to be cleared by fire, which directly contradicts Jakarta's goals of ending the slash-and-burn culture (Agence France Presse 3 July 2007). With the decentralization process already under much strain, it is understandable that any further devolvement of power to its lower hierarchies would make Jakarta nervous.

Politicians across Indonesia worked to loosen Jakarta's influence over them since Suharto's fall in 1998. In addition to more administrative powers, they also sought either greater control over their economies or larger transfers of resources from Jakarta, depending on the kind of resources within their borders. In response to these pressures, as well as the fear of national disintegration, the incoming President Habibie's government passed a pair of landmark laws in April 1999 to decentralize political authority and fiscal resources to district governments (ISAS 2001).

The first law grants district-level governments a broad range of rights, excluding only defense, foreign affairs, justice, religion, and monetary policy. The second law revamps the fiscal relationship between the central and regional governments to give the latter greater autonomy over their own finances. For the first time, the central government committed itself to share revenues derived from natural resource production with the regions in which the resources are produced. For instance, the regional government will be entitled to 80 percent of after-tax revenues from forestry resources (ISAS 2001).

Decentralization has been a major theme worldwide in recent years (Devas 1997), and a daunting task for any government. However, the unanticipated demise of the Suharto regime in 'one of the most centralized countries in the world' and the radical decentralization laws advanced Indonesia's district government process extremely rapidly (Silver 2003). Thus, Jakarta is still in the process of ironing out the wrinkles of its increasingly problematic policy.

District versus Provinces

The official reason for a district focus was that this level is 'closest to the people'. However, it can be argued that the smaller hamlet, village, and traditional multi-village organizations are even 'closer' to them. Also, considerations of scale provide strong arguments for more provincial autonomy (for example, education and healthcare). The motivation for bypassing the province is likely to be that secessionist forces are more easily generated in the provinces. This was rarely acknowledged in public, but Bung Hatta, a founder of the republic, did express this worry (Ferrazzi 2000).

Singapore and Malaysia's proposals to help out in selected provinces do not coincide with Indonesia's carefully crafted plan. Although the factors for this choice may seem merely functional (Jambi fires blow haze to Singapore, and Riau similarly affects Malaysia) (Mulchand 5 July 2007) this can be disruptive to Jakarta. Whether Jakarta's decision to offer the choice between the different levels was an administrative mistake or a strategy for delay is unclear, but the significance of Malaysia and Singapore picking provinces instead of districts, and Indonesia's aversion to this, is not lost.

As previously discussed, Singapore is already very economically involved in the Riau Islands, even including them in its trade agreements (Phelps 2004). In what can be seen as a defensive move, the Riau Islands, once part of the Riau province, was given provincial status in 2003 (The Jakarta Post 14 August 2003), effectively bringing control back to the center. This follows the logic of Indonesia's decentralization strategy; to maintain control over provinces, while devolving power to its districts (Ferrazzi 2000). Now, Malaysia is proposing to assist the larger Riau province (Ghani 20 June 2007), the approval of which would further add to the vulnerability of this particular area to outside influences.

It is noted that provincial power is limited as part of Indonesia's decentralization strategy. Therefore, Indonesia technically should not have to worry about either country's involvement on the provincial level. However, there have been continued political outcries across the archipelago for devolvement of power to the provincial level. Through sheer intransigence, provinces introduced uncertainty in decentralization initiatives, forcing the center to respond and adjust to their wants and circumstances. A good example would be the law was blatantly passed in Riau that permits land under two hectares to be cleared by fire in July 2007, which directly contradicts Jakarta's goals of ending the slash-and-burn culture (Agence France Presse 3 July 2007).

Jakarta has already been pressured into giving special autonomy packages to several provinces. Aceh now claims 75 percent of natural resource revenues, and other provinces, including Riau, are eyeing similar deals; some threatening secession otherwise (Ferrazzi 2000). Should Jakarta fall to these pressures and extend administrative and financial autonomy, there will be very real danger of outside influences gaining foothold in the already unstable Riau area.

Decentralizing the Forests

It is commonplace for governments to prioritize their internal issues first, before international or regional ones. For instance, Indonesia largely withdrew from regional activities beginning from the 1997 financial crisis to concentrate on rebuilding its economy,

at the expense of its ad hoc ASEAN leadership (Ganesan 2004). Likewise now, Jakarta's decentralization efforts are currently not only distracted by demands from provinces, but by tensions in districts as well.

Within the process of decentralization, forest management is an especially important issue for Jakarta. While the oil sector was the focus of Indonesia's development strategy in the 1960-70s, the decline of oil production, drop in global oil prices, and governmental mismanagement practically bankrupted Indonesia in the mid-1970s. Therefore, in the late 1970s, Jakarta shifted its development focus to the forestry sector (Ascher 1998). It steadily contributed around 20% to Indonesia's yearly Gross Domestic Product, opened up inaccessible areas to development, employed people, evolved communities, supported related industries, and created the necessary conditions for socioeconomic development (Gellert 2005). The forestry sector continues to mold the state and influence the policy-making environment (Ascher 1998).

The transition for control over forestry resources has not been smooth, with power struggles between the central Ministry of Forestry and districts. Among other examples is the issue of small-scale logging licenses. In the past, a Ministerial decree in 2000 had authorized district governments to grant small-, medium- and large-scale logging licenses. Soon realizing the consequences, the Ministry revoked this decree in 2002. However, the regions ignored the decree and continued giving out small-scale licenses, as these activities generate substantial revenues for district governments, by introducing new fees including third-party contributions (a one-time fee, usually based on the size of the concession), and a 'retribution' fee based on volume of timber harvested (Resosudarmo 2004).

In June 2002, the government produced an implementing regulation, which swings all authority for forests back to the center. However, district governments strongly opposed the regulation. Confusion over hierarchy has brought the Ministry to admit that it is losing authority over the forests: district governments now reject its orders and laws. Administratively, districts are not subordinate to the Ministry of Forestry but rather to the Ministry of Home Affairs. Meanwhile, the Ministry of Forestry's efforts to gain the Ministry of Home Affairs' approval to impose sanctions on defiant district governments have not been successful (Resosudarmo 2004). The government has been reduced to merely verbally reprimanding district governors for not being serious about anti-haze efforts (Ghani 19 June 2007).

If a country has domestic issues the government does not want to expose to international criticism, it becomes reluctant to promote collective endeavors. Other countries' interference might restrict domestic policy options to deal with such issues (Katsumata 2004). Should Malaysia and Singapore's proposals be approved, firstly, Jakarta will have to pay closer attention to these provinces. Secondly, forestry management, which is currently being grappled between districts and the central Ministry, will now involve the provinces as well. Although the details of either country's plans of assistance have not yet been publicly released, an omen in the form of a detail of Singapore's plan was discussed in the media. Its proposal to get global experts on peatland management to help Jambi, with possible funding from the Asian Development Bank (ADB) (*Channel NewsAsia* 21 June 2007) was flagged by Jakarta, as it already has a bilateral agreement with the ADB and related central laws (Ghani 20 June 2007).

A ONCE AND FUTURE LEADER?

Indonesia's position in the ASEAN haze equation shifted rather dramatically during the observed one year timeframe. Coming into the region-wide revival of anti-haze efforts in October 2006, various ASEAN countries were pressuring Indonesia into quickly ratifying the ATHP (*Morning Star Online* 8 October 2006). At this time, the seemingly humbled and docile republic announced that it was seriously considering ratification (*The Jakarta Post* 10 October 2006).

The beginnings of this shift could be detected in November 2006 when Indonesia proposed its own National PoA to have ASEAN countries to adopt and help its fire-prone areas (*Straits Times* 2 November 2006) (this PoA was formalized on the ASEAN level in March 2007) (*Channel NewsAsia* 6 March 2007). Also, in December 2006, the ratification of the ATHP was halted indefinitely in the Indonesian parliament (Asmarani 13 December 2006). Indonesia's aggressive position was further solidified in May 2007 when Indonesian officials questioned the necessity of the treaty (Teo 17 May 2007). Indonesia also attempted to shift responsibility back to ASEAN by playing victim and stating that members should commit themselves to helping Jakarta combat illegal logging in return for ratification (Osman 12 May 2006).

As of June 2007, Indonesia was clearly not considering taking instructions for ASEAN any longer. It announced that it would receive foreign assistance only on advice (*The Jakarta Post* 18 June 2007), and proposals from Singapore and Malaysia as part of the 'adopt-a-district' program remain unapproved by the central government (Ghani 20 June 2007). The status of ratification of the ATHP remains unencouraging; Indonesia vaguely stated in August 2007 that it may ratify the treaty 'maybe next year' (Tan & Mulchand 21 August 2007). By first getting its own National PoA adopted by ASEAN, delaying ATHP ratification, and finally deeming other members responsible for its illegal logging (and hence the haze) problem, Indonesia is clearly trying to take the reins of the haze issue on the ASEAN level.

Indonesians are very conscious of their country's importance in the region. This pride stemmed from the fact that Indonesia is the largest and most populous country in the region; it is rich in natural resources; it is strategically located amidst two great oceans; and it controls key sea passages for maritime traffic. Its long and glorious historical past, especially of the great empires of Srivijaya and Majapahit which spanned vast territories beyond the Archipelago; its rich cultural tradition; and its heroic nationalist struggle, also gave Indonesians moral superiority over other nations that obtained their independence through peaceful means (Anwar 1994). From the beginning, Indonesia took a leading role in the composition of the proposed regional organization. Within ASEAN, Indonesia continued to stress non-interference, non-alignment and removing great-power competition from the region, which later became ASEAN's doctrines (Smith 1999). Indonesia also houses the ASEAN secretariat (Ganesan 2004).

During the later Suharto period, Jakarta had assumed an implicit leadership position within ASEAN (NZIR 2000). Indeed, Indonesia has had a marked impact on the formation of, and developments within, ASEAN (Smith 1999). For example, at the end of the Cold War, Indonesia played a crucial role in organizing United Nations-supervised elections and normalizing relations with Cambodia and Vietnam. However, While ASEAN was

active in such co-ordination of policy towards these countries, positive integration measures have been slow. This also reflected Indonesia's influence within ASEAN, which favoured regional resilience but resisted functional integration in favour of non-interference (Smith 1999). Indonesia also attempted to broker the Cambodia impasse, albeit unsuccessfully with the Jakarta Informal Meetings in 1998; it played a honest broker in the disputed Spratly territorial claims between China and ASEAN members in the 1990s; and brokered the truce between the Philippines and the Moro National Liberation Front in 1996 (Ganesan 2004).

Indonesia, despite being a medium power in terms of traditional determinants like land area and population size, gains significantly from enhanced leverage as the association's 'leader'. Indonesia's elites cite five major political functions provided by ASEAN. Firstly, ASEAN helps preserve regional harmony through its non-interference doctrine. Indonesia believed that with close association and leadership within ASEAN, the other members would become more aware of Indonesia's relatively greater size and clout, which would enhance its influence over issues important to Indonesia like non-intervention and non-alignment (Anwar 1994).

Secondly, ASEAN serves as a buffer for Indonesia's national security, with a 'ring of friendship' around it. Thirdly, ASEAN assists its aspiration in developing a more autonomous regional order as part of its non-alignment policy. Fourthly, ASEAN enhances its international credibility. As leader, Indonesia would carry more weight in international forums (Anwar 2004). Finally, ASEAN is useful as an international bargaining tool (Anwar 1994). , ASEAN is often utilized as a collective bloc to further members' agendas, from the export commodity prices to tariff reduction. In the global environment mediated by multilateral regimes, regional groupings have significantly more leverage than individual states (Ganesan 2004). While states have diverse goals, a lead representative of a bloc would have significant negotiation benefits. Thus, Indonesia sought regional leadership to achieve its foreign policy goals (Suliman 1997).

Downfall

Indonesia adhered to its claim to lead the region until the collapse of the Suharto government in May 1998 after the financial crisis hit. The political turbulence and rapid regime changes in post-Suharto Indonesia did not foster the conditions required for regional leadership (Ganesan 2004). In light of these problems and associated domestic economic restructuring, Indonesia became considerably more introverted, forced to deal with domestic agendas rather than regional ones. Its relations with other ASEAN members also deteriorated. Illegal migration of Indonesians to Malaysia caused serious tensions. Piracy and the regional haze from its forest fires have led to considerable disquiet in Singapore and Malaysia. Terrorism and the discovery of transnational terrorist cells in Southeast Asia also caused regional frustration at Jakarta's slow response in apprehending its nationals accused of leadership and complicity in such activities (Ganesan 2004). The current racial tensions within Indonesia have also brought to surface a disturbing anti-Chinese element which has damaged its relations with Singapore (Smith 1999).

Indonesia's recent political and economic upheavals have had major implications for ASEAN. Even the principle of non-interference in the domestic affairs other members, one of Indonesia's main ideologies propagated within ASEAN, is being watered down.

Indonesia sits on the sidelines, still important but no longer able to lead ASEAN in a certain direction (NZIR 2000). Open comment on other ASEAN countries is commonplace. 'Flexible engagement', although not officially endorsed by all, can be argued to be in practice. For example, regional monitoring of forest fires and economic policies has created the opportunity of input from ASEAN member states (Smith 1999).

Reasserting Leadership

There is no obvious successor for the leadership role, but Thailand has been particularly active in promoting a modification to the ASEAN way of conduct with 'flexible engagement'. However, Indonesia's expectations and aspirations of regional leadership remain undiminished (Smith 1999). For example, the Indonesian scholar Hadi Soesastro had stated that 'everyone looks to Indonesia as the only country that can revive the organization'. He asserts that ASEAN is in trouble because it has grown too large too fast, and in the current economic climate is of little interest to foreign investors (CSIS 2002); it desperately needs a leader.

Attempts to reassert Indonesia's leadership can be observed since the ascendancy of Megawati Sukarnoputri to the presidential post in 2001, as Indonesia finally began to gather momentum towards total economic recovery. In fact, one of Megawati's first concerns as president was to restore relations with her neighbours, and her first visits were to ASEAN countries. This may be attributed to nostalgia for her father's grand history within ASEAN (CSIS 2002), however this concern has been mirrored by her successor, President Yudhoyono.

Indonesia has also been named China's initiator of choice for the ASEAN Regional Forum (ARF), an important dialogue body including ASEAN, China, Japan, Korea and the US (CSIS 2002), further reasserting its influence within ASEAN. Other recent important initiatives include leading two of the four flagship projects (disaster management and open source) under the ASEAN Plan of Action on Science and Technology 2007-11 (Bernama 28 August 2007), blocking a US proposal to stop the spread of nuclear weapons during the ARF meeting in Manila in August 2007 because it did not include efforts towards disarmament (Khalik 3 August 2007), proposing that ASEAN draft a declaration to support and implement all UNFCCC 2007 agreements (LKBN Antara 20 September 2007), and hosting the first ever ASEAN-China Conference on Counterfeit Drugs in November 2007 (Shankland 15 November 2007). In the same month, at the ASEAN Summit in Singapore, President Yudhoyono also announced that he wanted to lead regional anti-corruption efforts (BBC 30 November 2007).

During regional haze discussions, Malaysia and Singapore tended to take the lead, with their position as 'victims' of the crisis. Malaysia, especially, was confident enough to vocally condemn Indonesia for its lack of action. However, Indonesia is now trying to redefine the problem and reassign the victim status to itself, thus justifying its new aggressive stance. Indonesia even managed to get ASEAN to officially adopt its National PoA and push the AHP into the background, effectively handing over control of the issue to Indonesia. If Indonesia is able to continue asserting its power in such important ASEAN issues, it will be able to reclaim its perceived rightful regional leadership position. More importantly, Indonesia will be able to more strongly promote the non-interference principle this is especially important to Indonesia now, at a time where it does not need

outside interference with its current problematic decentralization process and forest management.

CONCLUSION

In conclusion, Indonesia's reactions during the period of October 2006 and September 2007 in response to regional-level discussions and activities concerning the Southeast Asian haze was in fact an extension of its larger regional position as a strong proponent of the importance of the ASEAN norm of non-intervention. A renewed leadership position would enable it to, among other things, use its influence to reassert the practice of non-interference within the region, leaving it to deal with the management of its forests and the haze domestically, and to complete its delicate decentralization process.

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Fig. 1: The extent of the haze during the peak of the 2006 crisis (MSD 2006)

