

**RIAU ROUNDTABLE 2007**



**OPPORTUNITIES AND  
CHALLENGES IN  
THE RIAU ARCHIPELAGO  
AND RIAU PROVINCE**

**27 June 2007** ||  
**Singapore** ||



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**OPPORTUNITIES AND  
CHALLENGES IN  
THE RIAU ARCHIPELAGO  
AND RIAU PROVINCE**

**REPORT ON A CONFERENCE ORGANIZED BY  
THE INDONESIA PROGRAMME OF  
THE S. RAJARATNAM SCHOOL OF INTERNATIONAL STUDIES**

**27 June 2007  
Singapore**

## AIMS OF THE ROUNDTABLE

The Riau Roundtable 2007 was the inaugural meeting of an annual forum for the exchange of views on diverse issues and challenges in the Riau Archipelago and Riau Province. The annual meeting aims to provide a forum for networking and discussions among key policymakers and stakeholders in Riau—both the Riau Archipelago and Riau Province—and Singapore.

The Riau Roundtable 2007 was initiated to serve three objectives. The first, and long-term, objective of the roundtable was to address the reality that, despite the Riau region's special relationship with Singapore, particularly since the late 1980s, there exists no forum to understand comprehensively various issues related to the economy, politics and society of the two Indonesian provinces. Riau-Singapore relations have recently become more complex due to the ambiguities of the Indonesian government's regional autonomy experiment. The second purpose of the Riau Roundtable 2007 was to commemorate the signing of the Framework Agreement on Economic Cooperation in Batam, Bintan and Karimun on 25 June 2006. The

roundtable's third objective was to assess the process of preparing plans to develop special economic zones (SEZs) in Batam, Bintan and Karimun. In this regard, the roundtable was also intended to discuss possible options for the legal framework for SEZs in the Riau Archipelago.

Besides economic issues, the roundtable also aimed to comprehend the opportunities and challenges that local players in the Riau Archipelago and Riau Province face at the crossroads between globalization and decentralization. Finally, the roundtable aimed to identify the characteristics of the multi-ethnic, multi-religious and Melayu-oriented local societies in the Riau Archipelago and Riau Province within the regional and global contexts.

Through open and constructive discussions, the roundtable panellists and participants exchanged ideas and views on how to identify goals and strategies for regional cooperation between Indonesia and Singapore and how to improve communications between local decision-makers and international as well as Singaporean stakeholders.

## OPENING ADDRESS



In his opening address, **Ambassador Barry Desker**, Dean of the S. Rajaratnam School of International Studies (RSIS), remarked that the Riau Roundtable was the first occasion that provided for a valuable forum where Riau policymakers and Singaporean stakeholders could share views on diverse issues and challenges. He also noted that the roundtable was held to commemorate the Memorandum of Understanding to set up special economic zones (SEZs) in Batam, Bintan and Karimun, the signing of which was witnessed by Indonesian President Susilo Bambang Yodhoyono and Singaporean Prime Minister Lee Hsien Loong on 25 June 2006.

Ambassador Desker stated that, as the leaders of the two countries had emphasized, if successful, SEZs in the Riau

Archipelago will serve as a model for the rest of Indonesia, given that 12 other provinces have proposed to set up SEZs. He noted that one of the main objectives of the Riau Roundtable 2007 was to review the preparation for the establishment of SEZs in Batam, Bintan and Karimun.

In conclusion, Ambassador Desker expressed his hope that the distinguished panellists and participants would find the Riau Roundtable 2007 a useful forum where both Indonesians and their Singaporean counterparts could have constructive discussions on how to assure the competitiveness of SEZs in the three islands as well as understand the impact of social, political and economic developments in the Riau Archipelago and Riau Province.

## KEYNOTE SPEECH



**Mr. Ismeth Abdullah**, Governor of the Riau Archipelago (Indonesia), began his keynote speech by outlining the topics he would cover in his speech: the problems that the SEZ development plan had thus far faced, the progress and improvements made for the SEZ plan and the Riau Archipelago's potentials.

Abdullah stated that the Riau Archipelago's SEZs would be the first special economic zones set up in the ASEAN region but the plan had been hampered by the government's inconsistent policies. He exemplified the government's refusal to grant Batam a free-trade-zone status and instead designated it a bonded zone in 2003. He also noted that local officials' request for a special set of regulations for Batam came to fruition only in June 2007.

Abdullah emphasized, however, that President Yudhoyono was committed to the plan to develop SEZs in Indonesia in order to improve the national economy and employment

situation. This commitment, Abdullah observed, was also prompted by the development of SEZs in countries such as Malaysia, Vietnam and China.

Abdullah stated that his government was optimistic about the economic growth in Batam and Karimun as the two islands had shown impressive growth rates, which were higher than the national average. He said that investors could look forward to new regulations for SEZs, such as convenient customs clearance and license processing, relaxed immigration rules, and new labour policies that would improve industrial relations.

In conclusion, Abdullah expressed his confidence that the Riau Archipelago's infrastructure, utilities services, and natural and human resources would continue to attract foreign investment. He also pointed out the significance of addressing investors' concerns over security and law enforcement.

## SESSION ONE

### ASSESSING THE PROCESS OF PREPARING SEZS IN BATAM, BINTAN AND KARIMUN

The first discussant, **Mr. Asroni Harahap**, Deputy for Supervision and Control at the Batam Industrial Development Authority (Indonesia), focused on the development of Batam as a pilot project of the SEZ plan and began with an overview of Batam's recent development. Asroni said that Batam had a competitive advantage over other SEZs because of its strategic location, governmental support and excellent infrastructure. He argued that these factors had contributed to the quadrupling of private investment the island had received compared to public investment. As further evidence of Batam's success, Asroni pointed out that Batam's annual economic growth was on average six to seven per cent during the period 2000–2006. He also pointed out that oil and gas exports had also increased and the central government had received more taxation revenue from Batam.

Asroni acknowledged, however, that more could have been done to improve the investment climate on Batam. He explained that the Batam authorities have been trying to simplify business procedures to encourage foreign investment and expressed his hope that the new SEZ framework would provide a firmer legal base for foreign investors.

The second discussant, **Mr. Johannes Sulistijawan Surjaatmadja**, General Manager of PT Batamindo Investment Cakrawala (Indonesia), stated that there were a number of problems in operating in an industrial estate on Batam and offered suggestions to improve the island's investment climate. Sulistijawan stated that, in order to improve Batam's attractiveness, five conditions should be met. They include: a stable legal framework; human resource improvements; good industrial relations between business and labour; economic incentives for new investment; and a strong infrastructure. He pointed out that 90 per cent of industries operating on Batam were "footloose" and thus could move to other countries, such as Malaysia, Vietnam and China, any time when they find the investment climate there more favourable than on Batam.

Sulistijawan also suggested that Batam should upgrade its physical infrastructure and consider subsidizing transport costs for workers as transportation was a big burden on workers' incomes. He noted that land and sea transport should also be improved as many industries usually rely on the "just-in-time delivery system", making it paramount that there are



no interruptions to the shipping of goods and materials. He finally pointed out the usually cumbersome customs clearance and documentation in importing and exporting goods and expressed his hope that the situation would improve with the introduction of new regulations for SEZs.

The last discussant, **Mr. James Kong**, Patron of Batamindo Business Council and Chairman of Ciba Vision Asia Manufacturing, raised the concerns of foreign investors regarding recent developments in Batam. He stated that the signing of the SEZ plan last year was indeed an important milestone but he emphasized that what is more significant is its implementation process. Kong related that foreign investors on Batam have been losing their confidence and it is of paramount importance for the Indonesian authorities to implement measures to stop the slide of investor confidence. He cautioned that investors are operating on a strict timeline and would consider operating in other countries if they see no visible improvements in the near future. Kong finally urged the government should first resolve issues related to industrial relations and also stem increased production costs to stop investor confidence from waning.



## DISCUSSION

A participant wanted to know if the Riau Archipelago authorities would bring more workers into the region or focus on upgrading the skills of existing workers. Abdullah responded that his government and other local authorities would use both ways to increase the number of skilled workers. He explained that workers from Indonesia's other regions could be invited to the Riau Archipelago while existing workers could be regularly sent to vocational schools in Batam, Bintan and Tanjung Pinang—the capital city of the Riau Archipelago—for training.

Pertaining to issues related to industrial relations in the region, a participant asked whether local officials have any means or methods to monitor the salaries and living conditions of workers. A panellist stated that regulations regarding workforce are enforced by the national government and local authorities' hands are tied. He also noted that the Riau Archipelago government has been trying to reduce workers' living costs by both subsidizing transport costs and building public houses. In relation to the issue, another participant added his comment that in order to convince foreign investors of the Riau Archipelago's competitiveness in comparison to countries like China and Vietnam, the region's comparative living costs should be published.

In conclusion, the discussion addressed what investors are most concerned about with regard to the relative attractiveness of the Riau Archipelago and the ongoing process of preparing the framework for developing SEZs in Batam, Bintan and Karimun. In order to improve the investment climate of the region, investors commonly pointed at issues related to infrastructure, industrial relations and increasing production costs, and expressed their hope that such issues would be resolved in the legal framework for the SEZ plan.

## SESSION TWO

### SEARCHING FOR A DESIRABLE FRAMEWORK FOR SEZS IN BBK AND BEYOND

The speaker, **Dr. Syamsul Bahrum**, Head of Batam Development Section (Indonesia), began with an outline of Batam's overall attractiveness as an investment destination, including its geographically strategic location, modern infrastructure, social and political stability, and streamlined business procedures. He added that Batam's growth indicators demonstrate that its economy is closely linked to Singapore's and the international economy rather than other parts of Indonesia. Bahrum also suggested linking Batam to Bintan to create a business hub similar to the Australian case of connecting Canberra with Sydney. In conclusion, he stated that the SEZ framework would contain such elements as local autonomy, cooperation between national and local authorities and consistency of policies.



The first discussant, **Mr. Tony Chew**, Chairman of Network Indonesia and Executive Chairman of Asia Resource Corporation, made very frank observations about recent developments in the Riau Archipelago and voiced his concerns over the growing competition the region is facing from SEZs in neighbouring countries. He also asked, given that 12 other Indonesian provinces are planning to set up

SEZs, how the Riau Archipelago's SEZs could differentiate themselves to be more attractive than the SEZs of other countries, such as those in Johor and Vietnam. Chew urged the Riau Archipelago officials to simplify business processes and improve industrial relations in the region. He also stated bluntly that foreign investors would move to other SEZs in the region unless Indonesian officials quickly resolve outstanding problems. Chew finally suggested that local governments should be involved in the management of industrial parks to speed up the development of infrastructure and facilities.

The second discussant, **Mr. Mastur Taher**, Vice Regent of Bintan District (Indonesia), focused on Bintan's development potential. He noted that the eastern part of Bintan has about 7,000 hectares of land, which could be developed into industrial parks or for tourism, fishery and agriculture. In particular, he suggested that investors look at the potential of farming exportable fruits such as pineapples, mangoes and bananas, and also developing tourism in Lagoi and Trikora Beach. Taher said investors could look forward to new regulations that would offer streamlined business and documentation procedures.



## DISCUSSION

One participant stated that although Batam offered one of the best investment environments in Indonesia, it is still not on par with the Suzhou and Pudong industrial parks in China. He said the Batam authorities have to convince the central government to improve the business climate in Riau. He also urged local authorities to make the entire island of Batam a free trade zone, as that would lower the costs of imported goods and raw materials and reduce workers' living costs. On the issue of industrial relations, the participant argued that the labour laws have to be changed to give more power to employers, rather than labour unions. He also asked the government to clarify whether Batam would be developed as a free trade zone or something else because different laws and regulations would accordingly govern new investments.

Expressing his concerns over marine development in the Riau Archipelago, another participant asked questions about how the region's rich marine resources would be developed,

whether foreign investors have shown their interests in that particular sector, and how domestic investors would be encouraged to increase their investments in the region's marine development. He suggested that local officials focus on the aquaculture businesses, rather than agriculture, to capitalize on the region's rich marine environment. In response, a panellist pointed out that while local people were mainly involved in supporting services, such as housing, investors have been mostly interested in industries that require shipping goods between Singapore and Jakarta. The speaker later responded that the region would place more emphasis on the fishery industry, in particular planning to develop fisheries in Pulau Nipa.

A discussant stated that government officials have to take steps to improve customs declaration procedures and lower the cost of shipping goods to Jakarta from Batam. He pointed out that many companies avoid higher duties and cumbersome procedures by shipping their goods to Jakarta via Singapore. In response, the speaker responded that in order to prevent illegal activities, local authorities would ensure all vessels to be registered. He also pointed out that data showed strong business interests in the Riau Archipelago due to the region's development potential. He added that local officials of the Riau Archipelago prefer a comprehensive free-trade-zone system rather than an enclave system.

To summarize, a participant remarked that Batam's investment climate had been good in the past but in recent years, investor confidence has dipped. He pointed out that instead of expanding their operations in Batam, foreign companies have been relocating to other countries. He urged the government to implement swift and radical measures to arrest the sliding confidence of foreign investors. The speaker expressed his agreement on that point and stated that it would be crucial for Batam authorities to stop foreign companies from pulling out, which would ultimately leave an unfavourable image of Batam to potential investors.

## DISTINGUISHED LUNCH ADDRESS



**Professor Ryaas Rasyid**, Member of Parliament and former Minister of State for Regional Autonomy (Indonesia), delivered a special lunch talk with regard to how the decentralization processes had affected Indonesia's politics and governance. Among other things, he pointed out that decentralization has made Indonesia's local governance less efficient and effective. For instance, while the number of districts, municipalities and provinces has increased over the last eight years, with diverse groups of local elite seeking financial support from the central government by creating new governance units, it has not brought about improved efficiency and effectiveness of the local administration. In addition, some regions, such as Bali and Kalimantan, have sought special autonomy status to gain greater control over their finances and regional affairs.

As a way of dealing with the negative implications of decentralization, Rasyid suggested that the Indonesian government revise the laws on regional autonomy and give the local governments greater authority and responsibility. He stated that it would enable local governments to manage their own affairs better and change their policies to adapt to changing circumstances. Specifically, he argued that the local governments should be given authority over land management. If so, he related, local authorities could attract investment by offering land for diverse business purposes, which in turn would generate employment. He also suggested that the central government limit the number of

new districts, municipalities and provinces. He even argued that evaluation should be conducted and the current number of districts, municipalities and provinces should be cut down to a manageable level. By doing so, the central government would be able to monitor how local governments manage their development activities and allocate resources accordingly. Rasyid concluded his address by stating that, although there had been some negative developments, the decentralization process would eventually strengthen Indonesia's democracy at the local level.

### DISCUSSION

Two questions followed the distinguished lunch address. One question was about how the national assembly perceives the increasing number of new districts, municipalities and provinces. Rasyid responded that the national assembly would reduce the number of districts and municipalities to around 400, after carrying out a comprehensive evaluation to decide how to regroup districts and municipalities. The other question was about how laws on regional autonomy would be changed. Rasyid responded that previous laws were so vague that diverse national agencies had issued a number of supplementary regulations and decrees. He argued that the new laws on regional autonomy should be more comprehensive and straightforward to keep local governments in line with national policies.

## SESSION THREE

# OPPORTUNITIES AND CHALLENGES AT THE CROSSROADS BETWEEN GLOBALIZATION AND DECENTRALIZATION

The first concept paper presenter, **Professor H. Muchtar Ahmad**, former Rector of the University of Riau (Indonesia), gave a talk about the opportunities and challenges that Riau Province had faced, particularly in relation to globalization and decentralization. He pointed out that while regional autonomy laws allow local governments to regulate and manage their own resources, the central government has continued to control local budgets and the use of natural resources, which prevents local governments from fully carrying out their responsibilities. He remarked that most decentralization measures were conceived based on Java and, thus, had worked in favour of Java rather than the whole country. He argued that although the central government revenue depended heavily on resources from the regions, local economic development and infrastructure has not received enough attention. The lack of autonomy over natural resources has driven some regions, such as Riau Province, to demand special autonomy status, like Aceh and Papua. Ahmad also pointed out that the central government has not been fully engaged to human resource development and bureaucracy reform despite the urgent challenges of globalization. He concluded by urging the Indonesian government to overcome the current inertia and be a part of the reform of local governance.



The second concept paper presenters, **Dr. Aris Ananta** and **Dr. Evi Nurvidya Arifin**, both from the Institute of Southeast Asian Studies, identified the challenges that the Riau Archipelago is facing from globalization and offered several policy recommendations. They began by presenting some demographic data that showed characteristics of the Riau Archipelago society. They then argued that, as a result of globalization, the Riau Archipelago's imported goods and services come at "global prices" but average low-skilled workers' wages remain pegged to the Indonesian labour market. The presenters also argued that the region's economic growth has come at the expense of environmental degradation, which should be taken into account as "depreciation" in the region's economic development. They warned that if nothing is done in the near future, the Riau Archipelago could end up being a low-cost industrial area that would suffer from severe environmental damage.

Ananta and Arifin recommended that local officials take advantage of the region's potential to create a different kind of investment climate by promoting Islam-oriented businesses, such as healthcare and education for



Muslims, or developing tourism businesses that meet the needs of the region's affluent elderly. The presenters also recommended that the Riau Archipelago's development strategies should revolve around its strategic location, vast land and a huge domestic market in its backyard, rather than solely relying on low-wage labour. They suggested a regionalization strategy supported by three core pillars: good governance, people-centred economic growth and environmentally friendly development. They cautioned that there would be challenges in pursuing such a strategy but they also emphasized that both the national and local governments have to pay close attention to environment-friendly policies to improve their competitiveness in the global market. Finally, the presenters pointed out that there could be violent conflicts among different migrant groups in the region, with most of its population coming from around the country, and urged local officials to take preventive steps. They concluded their presentation by stating that the Riau Archipelago would benefit from the ongoing process of decentralization in growing as an essential economic hub of Southeast Asia.

## DISCUSSION

One participant asked the presenters whether ethnicity, religion and socio-economic strata have affected globalization and regionalization in the Riau Archipelago. The speaker responded that the three factors are very important and should be taken into account, especially when the effects of globalization in Indonesia are discussed. He pointed out that Muslim-ness in the Indonesian context exists in diverse forms and it is usually the individuals who make decisions on how to observe religion. Another participant commented that the people of Riau should welcome globalization because they have always been actively interacting with other ethnic and religious groups. She added that decentralization would make the region more global in that it eliminates restrictions on the region's relations with other neighbouring societies. Another participant pointed out that, according to statistical data provided during the second presentation, the Chinese community in the Riau Archipelago seemed not to share the general characteristics of the Chinese Indonesians. The presenter responded that Chinese migrants belonged to relatively high socio-economic strata compared to the region's indigenous Chinese groups, who had mostly married locals after settling down in the region.

## SESSION FOUR

### ETHNICITY, RELIGION, AND MELAYU-NESS IN RIAU SOCIETIES

The first concept paper presenter, **Dr. Vivienne Wee** of City University of Hong Kong, began from drawing some historical lessons by focusing on three different contexts of Riau societies: the “Malay World”, Indonesia and the Growth Triangle. Wee stated that it was imperative for stakeholders to understand these contexts. She stated that while the Growth Triangle of the 1990s had benefited certain groups of stakeholders, the indigenous people, particularly Malays, felt dispossessed and marginalized. She pointed out that external interests had determined the region’s development agenda but ignored Riau Malays’ needs and aspirations. She argued that external parties often wrongly perceive Riau as “virgin” and “uninhabited”, and remapped the region at will without consulting local populations or recognizing the region’s historical and cultural heritages.

Wee argued that outsiders who had taken part in Riau’s development could not but see the negative consequences of their own infrastructure projects. By relocating indigenous people, they have essentially removed support bases that could provide migrant workers services, which eventually resulted in unnecessary set-up costs. She also pointed out that tourism developers are also facing difficulty differentiating



themselves from other tourism destinations because the local cultures have been removed. With regard to Indonesia’s ongoing decentralization process, she stated that the process has not made the country’s local governance more efficient. Instead, cronyism and corruption, which were centralized and controlled by the authoritarian state, have now spread to the lower levels of governance. Finally, she recommended that corruption and the needs of local communities be viewed as two of the most important issues to be resolved in the near future. Otherwise, Islamic parties would gain more and more support from the people who have become disappointed by and disillusioned with secular parties.



The second concept paper presenter, **Mr. Al Azhar**, Head of the Melayu Cultural Centre (Indonesia), discussed the concept of Melayu-ness and its characteristics in the context of Riau societies. He first pointed out that fluidity was a strong feature of Melayu-ness and it allows Riau’s Malay people to explore and change. He noted that state intervention in Riau’s way of life has led to a loss of the Malay populations’ cultural power and also resulted in a contest between the Malay people’s fluidity and the state’s rigidity. He also pointed out that the rise of Indonesian nationalist movements, which had originated from widespread anti-colonial sentiments, has also brought

about the decline of Melayu-ness as a cultural entity. He argued that while the Malay language has been adapted as Bahasa Indonesia, the marginalization of Melayu-ness has been also part of Indonesia's state building.

Taking Wee's point on how foreign investment and development have not benefited local people, Azhar stated that appropriating Riau's land and resources has worsened poverty among the local populations during the Soeharto period. He argued that the central government has remapped Riau according to the state's interests and allowed foreign investors to utilize Riau's land and natural resources. He pointed out that such development policies has instead resulted in an influx of migrants to Riau and deprived locals of economic opportunities and their rights to their land and culture. Therefore, he concluded, the accumulated loss of Melayu-ness has been translated into a local desire to demand special autonomy and even independence to recover the Riau people's rights. He related that such a movement would redefine Melayu-ness as Riau-ness and help Riau's Malay people regain the original fluidity of Melayu-ness.

## DISCUSSION

A discussant pointed out that the two papers presented in the session complemented each other well. He agreed that the Malay people's frustration has been aggrieved, but he cast a question about how they would respond to it through a cultural movement. Responding to the second paper's point that the Malay identity was fluid and a hybrid, the discussant stated that all societies actually share such traits, but he agreed that the Malay identity is complex and has been continuously

evolving. He also agreed with the first paper that religion is not an obstacle to trade and industry, as historical evidence from the seventeenth century has proved. He stated that what had caused the Malay communities to fail in their businesses was the weakening of their institutions. He recommended that the Malay people's grievances should be addressed first in order to prevent certain parties from exploiting the discontentment among the Malay people.

Another discussant stated that "Melayu" was a colonial construct and seldom used among the Malay communities. He agreed with the paper presenters that Melayu-ness would never disappear but he also pointed out that the Malay people would lose their places in Riau societies due to industrialization. He asked the presenters of their views on why there were more discontinuities than continuities in Malay history. The second paper presenter responded that there had been various concepts of Melayu-ness, as it had been continually evolving.

On the issues related to decentralization and Islamization, a participant pointed out that the idea of local governance has to be understood in a broader context of Southeast Asia. He pointed out that policymakers have shown a tendency to dismiss the communities' problems as simply ideological, rather than something concrete, and have neglected the effects of poverty, marginalization and repression. In response, the first presenter argued that the Soeharto regime had transformed the state into an estate, following a neo-liberal paradigm that continued to determine the rules of the game among Indonesia's political and economic elites. Regarding Islamization at local levels, she pointed out that Islam is now perceived as a viable alternative for justice, welfare and collectivism.

## CONCLUDING REMARKS



In his concluding remarks, **Associate Professor Leonard Sebastian**, Coordinator of the Indonesia Programme (RSIS), began by outlining the major aims of organizing the Riau Roundtable. He explained that, as an international graduate school, RSIS has tried to address the issues of defence and security in a more integrated and comprehensive manner. He expressed his hope that the discussions about the SEZ plan would give the policy community and the investment community a better understanding of Riau's social context and a foundation for mutual learning. He pointed out that the business community would to explore business opportunities by analysing the social context and decision-making environment of the region and developing a better understanding of the region's people, culture, and history.

Sebastian noted that the forum began with discussions on the Riau Archipelago's investment environment. He pointed out that officials of the Riau Archipelago have sent the message that the region is a great place for business and has significant growth potential. He also highlighted out that investors have shown their lack of confidence, despite the region's potential, by raising their concerns over rising production costs, shortage of skilled labourers and acrimonious industrial relations. He noted that the two morning sessions had ended with a solemn call for Indonesian officials, both national and local, to implement swift measures to improve investor confidence and finalize a legal framework for SEZs in Batam, Bintan and Karimun.

The roundtable also sought to address issues related to decentralization as well as Riau societies' social setting, such as ethnicity and religion. Sebastian noted that Indonesia's regional autonomy has faced many challenges but, if successful, the Riau Archipelago can grow to be a regional economic hub. To realize it, he stressed the need to understand the challenges ahead. He pointed out that, as Wee had observed, corruption and rent seeking could hamper the successful development of SEZs and a new variant of political Islam would appeal to local people if local officials fail to deal with such issues. He also reminded policymakers and stakeholders to have a better understanding of the social and cultural dynamics and complexity of Riau societies. Finally, Sebastian stated that more efforts would be needed to understand the local dynamics of Riau societies, given that attention has been paid solely to Jakarta. He concluded his remarks by thanking the participants for the open and lively discussions and the RSIS administrative and research staff for their invaluable assistance before and during the roundtable.

### Rapporteurs

Nankyung Choi  
Belinda Chng

# PROGRAMME

- 0845 Registration
- 0915 **Opening Address**  
**Ambassador Barry Desker**  
*Dean  
S. Rajaratnam School of International  
Studies (RSIS)  
Nanyang Technological University  
Singapore*
- 0930 **Keynote Speech**  
**Mr. Ismeth Abdullah**  
*Governor of the Riau Archipelago  
Indonesia*
- 1000 Break
- 1015 **Session 1**  
**Economy: Assessing the Process of  
Preparing SEZs in Batam, Bintan and  
Karimun**
- Chair:  
**Dr. Nankyung Choi**  
*S. Rajaratnam School of International  
Studies (RSIS)  
Nanyang Technological University  
Singapore*
- Discussants:  
**Mr. Asroni Harahap**  
*Deputy for Supervision and Control  
Batam Industrial Development Authority  
Indonesia*
- Mr. Johannes Sulistijawan Surjaatmadja**  
*General Manager  
PT Batamindo Investment Cakrawala  
Indonesia*
- Mr. James Kong**  
*Patron of Batamindo Business Council  
Chairman of Ciba Vision Asian  
Manufacturing  
Indonesia*
- 1115 **Session 2**  
**Economy: Searching for a Desirable  
Framework for SEZs in BBK and Beyond**
- Chair:  
**Professor Soedradjad Djiwandono**  
*S. Rajaratnam School of International  
Studies (RSIS)  
Nanyang Technological University  
Singapore*
- Speaker:  
**Dr. Syamsul Bahrum**  
*Head of Batam Development Section  
Indonesia*
- Discussants:  
**Mr. Tony Chew**  
*Chairman  
Network Indonesia  
Executive Chairman  
Asia Resource Corporation  
Singapore*
- Mr. Mastur Taher**  
*Vice Regent of Bintan Regency  
Indonesia*
- 1245 Lunch
- Distinguished Lunch Address**  
**Professor Ryaas Rasyid**  
*Member of Parliament  
Former Minister of State for Regional  
Autonomy  
Indonesia*

# PROGRAMME

1415 **Session 3**  
**Opportunities and Challenges at the Crossroads between Globalization and Decentralization**

Chair:

**Dr. Vivienne Wee**

*City University of Hong Kong  
Hong Kong*

Concept Paper Presenters:

**Professor H. Muchtar Ahmad**

*Former Rector of the University of Riau  
Indonesia*

**Dr. Aris Ananta**

*Institute of Southeast Asian Studies  
Singapore*

Discussant:

**Dr. Alfitra Salamm**

*Indonesian Institute of Science (LIPI)  
Indonesia*

1545 Break

1600 **Session 4**  
**Ethnicity, Religion and Melayu-ness in Riau Societies**

Chair:

**Dr. Bahtiar Effendy**

*S. Rajaratnam School of International  
Studies (RSIS)  
Nanyang Technological University  
Singapore*

Concept Paper Presenters:

**Dr. Vivienne Wee**

*City University of Hong Kong  
Hong Kong*

**Mr. Al Azhar**

*Head of the Melayu Cultural Centre  
Indonesia*

Discussants:

**Professor H. Muchtar Ahmad**

*Rector of the University of Riau  
Indonesia*

**Dr. Mukhlis Abu Bakar**

*Asian Languages and Cultures Academic  
Group,  
National Institute of Education  
Nanyang Technological University  
Singapore*

1730 **Concluding Remarks**  
**Associate Professor Leonard Sebastian**  
*Coordinator, Indonesia Programme,  
S. Rajaratnam School of International  
Studies (RSIS)  
Nanyang Technological University  
Singapore*

# LIST OF PARTICIPANTS

## Presenters

1. Mr. Ismeth Abdullah  
Governor  
Riau Islands Province of the Republic of Indonesia  
Indonesia
2. Mr. Asroni Harahap  
Deputy Chairman for Supervision and Control  
Batam Industrial Development Authority  
Indonesia
3. Mr. Johannes Sulistijawan Surjaatmadja  
General Manager  
PT Batamindo Investment Cakrawala  
Singapore
4. Mr. James Kong  
Patron of Batamindo Business Council  
Indonesia
5. Dr. Syamsul Bahrum  
Assistant for Economy & Development  
The City Government of Batam  
Indonesia
6. Mr. Tony Chew  
Chairman  
Network Indonesia  
c/o International Enterprise Singapore  
Singapore
7. Mr. Mastur Taher  
Vice Regent of Bintan Regency  
Indonesia
8. Dr. Aris Ananta  
Senior Research Fellow  
Institute of Southeast Asian Studies  
Singapore
9. Dr. Evi Nurvidya Arifin  
Visiting Research Fellow  
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# ABOUT THE S. RAJARATNAM SCHOOL OF INTERNATIONAL STUDIES

## **The S. Rajaratnam School of International Studies (RSIS)**

was established in January 2007 as an autonomous School within the Nanyang Technological University. RSIS's mission is to be a leading research and graduate teaching institution in strategic and international affairs in the Asia Pacific. To accomplish this mission, it will:

- Provide a rigorous professional graduate education in international affairs with a strong practical and area emphasis;
- Conduct policy-relevant research in national security, defence and strategic studies, diplomacy and international relations; and
- Collaborate with like-minded schools of international affairs to form a global network of excellence.

## **Graduate Training in International Affairs**

RSIS offers an exacting graduate education in international affairs, taught by an international faculty of leading thinkers and practitioners. The Master of Science (MSc) degree programmes in Strategic Studies, International Relations, and International Political Economy are distinguished by their focus on the Asia Pacific, the professional practice of international affairs, and the cultivation of academic depth. Over 120 students, the majority from abroad, are enrolled in these programmes. A small, select Ph.D. programme caters to advanced students whose interests match those of specific faculty members.

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