

Opening the investment gates

Coordinating Economic Minister Hatta Rajasa's announcement early this month that the government would open up several sectors, such as the management of seaport and airports and pharmaceutical companies, to foreign investment was quite a surprise ahead of the upcoming election year when the debate is typically tilted in favor of economic nationalism.

But President Susilo Bambang Yudhoyono, seemingly afraid of the possible backlash on his Democratic Party (PD), immediately corrected Hatta's announcement, saying he had never been briefed on such a plan. Hatta's remarks immediately caused two polar opposite reactions.

Government officials welcomed the new policy to open the investment floodgate as a significant boost to foreign direct investment (FDI), which accounts for about 70 percent of realized private investment in the country.

Chairman of the Investment Coordinating Board (BKPM) Mahendra Siregar was so optimistic that he predicted the new measure to open wider telecommunications, pharmaceuticals, seaports, dry ports, airports and land terminals to foreign investors would expand realized FDI by 25 percent to about US\$43.5 billion next year. However, analysts and politicians strongly attacked the more liberal investment policy, warning that it would further put the national economy under the control of foreign capitalists.

But we think both camps read too deeply into Hatta's remarks and exaggerated the likely impact of the more liberal investment climate he proposed. What is badly needed by both foreign and domestic investors is more policy predictability, stronger law enforcement and a much faster pace of infrastructure development, all of which have become the biggest barriers to investment.

We don't think foreign direct investment would immediately rush to Indonesia even if the industrial sectors cited above were opened wider for foreign investors. Take for example, seaports, airports, dry ports and land terminals, which, we think, would be the most attractive for foreign investors because they play a vital role in building up a more efficient logistics system and supply-chain management.

Even if foreign investors are allowed to hold management control in the operation of these assets, there are still huge barriers, largely related to land acquisition and negotiations under the public-private partnership scheme, that have to be removed before foreign investors come in.

Since most existing seaports and airports are already operated by state port management corporations (PT Pelindo I and II), foreign investors have either to build completely new ports or set up a joint venture with one of the state companies.

But the 2012 land acquisition law, which is designed to ease the procedures for land acquisition for infrastructure projects, has yet to be tested in the field.

In fact, we have yet to see a single project that has benefited from the enforcement of this law. Worse still, the first dry port built in Cikarang, West Java, has remained way underutilized even though cargo handling at the Tanjung Priok Port, only a few kilometers away, has been among the most inefficient in the ASEAN region due to heavy congestion.

Other opinions

Putin clings to the past

The former republics of the Soviet Union have been sovereign, independent countries for almost 22 years, free to develop economic and political relations with any foreign nation or trading bloc they choose. That point appears to have eluded President Vladimir Putin of Russia, who is doing everything he can to prevent these countries from developing closer ties with Europe — even threatening to cut off the gas that one country needs to get through the winter.

Next week, six former republics — Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine — are scheduled to meet with leaders of the European Union in Vilnius, Lithuania, to discuss enhanced economic, political and diplomatic ties with the union.

Europe's use of trade leverage to encourage democracy is constructive and reasonable. Russia's attempts to bludgeon former vassals into continued economic dependence are not. The European Union offers something real and attractive. Russia, which wants them to join the customs union it has formed with Belarus and Kazakhstan, offers threats.

In the waning years of the Soviet Union, its last president, Mikhail Gorbachev, talked optimistically about a post-Cold War Europe stretching undivided from the Atlantic to the Urals. Putin, however, seems to long for a return to the days when an iron curtain divided the Continent, darkening the horizons of the satellites and Soviet republics to the east — nations that now seek the enjoy more fully the fruits of independence.

— THE NEW YORK TIMES, NEW YORK

Family planning flexibility

The decision of the Third Plenum of the 18th Central Committee of the Communist Party of China to allow a married couple to have two children if one of the couple is an only child is indeed welcome news to the many young couples who want to have more than one child.

It is also a solace to those who worry that our rapidly aging society and lack of working-age people will deal a heavy blow to the country's economic growth. What is even more meaningful is the statement in the decision that the family planning policy will be gradually adjusted to promote demographic development on a balanced and long-term basis.

Such flexibility is necessary and should be lauded, given the fact that China is the most populous nation in the world and one of the major engines for the global economy. People are now anticipating further loosening as a higher birth rate is needed to offset the too low birth rate of the past and the rapid aging of society, which are putting pressure on economic growth and social progress.

However, China can never brush aside concerns about the negative effects a population explosion would have on its economic and social development.

— CHINA DAILY, BEIJING

Cultivating common values in democratic space

Democracy, from whatever point of view, is always a public business. Discourse, dispute and negotiation over matters regarding democracy can be fruitfully pursued if these are conducted in a sort of public language — one that gives sufficient access to the understanding of citizens from various groups, not only in a linguistic, but also in a political and cultural sense.

One can speak of democracy using specific cultural expressions or a particular theological parlance, but access to understanding would be limited to a circle of participants of a cultural group or members of a religious denomination.

To make a public discourse on democratic issues, this group-specific language should first be translated into a public language.

To some extent this is also true for the problem of values. Political interaction in democracy is based on public values, leading to public virtues.

At the same time, however, there are various cultural groups, groups of artists and poets, fans clubs, sport associations, gender organizations and religious denominations that live according to their respective private values.

How do these private values relate to public values and is there a need to relate one to the other? Or is



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there a rivalry between private and public values?

I tend to believe in two things. First, private values in culture, family life and religious groups are of great importance and are highly instrumental to realize the good life ideals of every individual.

The idea of what is good or bad, meaningful or absurd, proper or improper, beautiful or awful, useful or useless, graceful or awkward is cultivated and realized in the private sphere according to diverse moral traditions, social conventions and aesthetic sensitivity of each group.

Second, various private values can become sources of diverse public values. Take religion. Every religion has its core values emphasized by its leaders and followers, such as the world religions recognized by the Indonesian state.

Islam, the religion of the majority in the country, holds in high esteem equality and social justice. Hinduism, the oldest world religion in Indonesia, reveres harmony with

nature in intimacy with the natural environment.

Buddhism stands out in its respect for non-violence, and Christian churches — Catholic and Protestant — both believe in the primacy of love of humanity. Needless to say, there are many more core values in other religions and other systems of belief that are essential to attain the beauty of the good life.

The point is whether these private values are able to contribute substantially to public values and public virtues.

Obviously, the possibility is there provided that members of religious groups or participants of a cultural group are willing and able to advocate their core values, without using group-specific nomenclature and vocabulary and without validating their values on the basis of communal grounding, and speaking in communal language.

One day we should be able to see and listen to a faithful Muslim politician speaking in the legislature of equality and social justice with eloquence and conviction, arguing forcefully for the inevitability of these values as public virtues, using a language and arguments that are easily understandable to all listeners, because he does not speak in communal language or refer to communal authorities and sources but

speaks in a public language.

This is also true for a Hindu politician if he speaks of living in a friendly relationship with nature, a Buddhist politician if he advocates non-violence as a token of veneration for life, and a Christian who speaks of love for fellow human beings without having to refer to the Old or New Testament.

This is not to ignore the importance of the private sphere, but to respect the limitation of knowledge and understanding of all those represented in a public space.

It is a noble hope and a valid expectation that sincere efforts to translate communal language into a public language will result in a real contribution of private values to public values. Thus better communication between cultural and religious groups can materialize in a truly democratic way.

We can envision a narrow but highly promising path that might lead to a more compact solidarity of those who privately believe in different values and yet are united by a common belief in public values, as a democratic means to create common good.

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Christians and Sikhs: Friendship, solidarity

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That is the title Jean-Louis Tauran, president of the Pontifical Council for Inter-religious Dialogue of the Holy See, message addressed to all Sikhs. Along with extending warmest greetings and well-wishes, the council hopes that the birth anniversary of Nanak Dev Sahib on Nov. 17 enhances peace, harmony and happiness in Sikh families, neighborhoods and communities.

The council is very concerned over the alarming rise in tension, conflicts and violence. It believes that the root of the crisis is the growing selfish and individualistic tendencies that have given rise to "a culture of indifference" and a "culture of waste", wherein human beings are considered "commodities" rather than "people" and, therefore, disposable and replaceable.

Christians and Sikhs were called upon to do all they can to promote a "culture of closeness" (friendship) with everyone, with a focus upon the "neighboring other" to make the world more humane. Our convictions, religious or otherwise must

impel us to see others "like ourselves" and to treat them with the respect they deserve as persons of incalculable value.

The council believes that a culture of friendship is best developed through the practice of "encounter and dialogue" to foster understanding, harmony, concord and peace. It makes people of different religious and cultural traditions live together in peace and work together for the common good by developing a "culture of solidarity".

On Nov. 17, 2013, celebrations marked the 544th birth of a guru who preached a message of peace and equality. When embarking upon his spiritual journey, Nanak asserted that he was neither a Hindu nor a Muslim, therein re-emphasizing the oneness of all human beings.

He instituted the Langar or free kitchen designed to uphold the principle of equality between all people of the world regardless of religion, caste, color, creed, age, gender or social status. In addition to the ideals of equality, the tradition of Langar promotes sharing, community, inclusiveness and oneness of all hu-

mankind. All are served sitting on the floor, whether rich or poor, powerful or weak. Women sit along with the men, as equals in every respect.

Nanak set out to build a community of men and women devoted to God and filled with a sense of love, equality and mutual respect, because God's language is love — for all creatures. He gave the people the divine message of harmony, humility, equality, meditation and worship, serving as an absolute example of humility and spoke of himself as a servant of the Beloved One. In the holy Sikh scriptures of Granth Sahib he repeatedly emphasized the importance of humility, which with devotion and truthful living was the way of life for Nanak.

He traveled far and wide, even to Mecca and the Vatican. Archbishop Dom Jose Ronaldo of Pope Benedict XII, speaks about Nanak Dev Sahib's visit to Rome with a musician in 1518 AD. It is reported that Nanak advocated to Pope Leo X the "Liberty of Slavery". He expressed his conviction that every human being has the same blood in his or her veins, thus, nobody has the right to enslave others.

Nanak preached that universal brotherhood be the highest aspiration of all religious orders. This message is re-emphasized in the words of Pope Francis: "There is no future for any country, for any society, for any world, unless we are able to show greater solidarity".

This celebration comes at a time when religious intolerance has been growing, ethnic harmony deteriorating and we have seen a near-collapse of public morality. Our leaders indulging in petty power politics and selfish gain need to heed Nanak's teachings that: "Speaking the truth is the real fast and remaining contented is the true pilgrimage; meditation is the true abstinence; compassion is the true worship; humility is the real rosary". To serve the people is to serve God, was Nanak's doctrine.

Our beloved country could indeed become a string of pearls around the Equator if we were to follow this basic creed.

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Climate change as terrorism on the people

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As part of the pivot to Asia, the US government has ramped up its counterterrorism cooperation with the Philippines, Indonesia and elsewhere. But the bigger question from the perspective of the Filipinos, beyond the disaster at hand, is this: Why is it that the United States still doesn't have a domestic consensus that there is such a thing as climate change? When we talk about a global community, we at least ought to be able to start with that item at the top of the agenda.

For Filipinos and many poor people around the world, climate change, in effect, is terrorism conducted on them. And that is a far bigger threat to people's livelihood and physical safety than all the things the United States is trying to sell them in order to have its troops' forward positioned in the Philippines.

The United States, notwithstanding its recent rescue missions in the disaster area, hasn't put enough emphasis on fighting climate change, despite its extensive security implications.

The US may have the world's largest military, but it is this question that it will be faced with time and again. Is the world's mightiest country going after the right issue at

the top of the global pecking order?

The typhoon in the Philippines is a useful reminder that we need to think more about what can be done, both on climate mitigation and on disaster preparation.

The US reaction to the situation in the Philippines was curious. A lot of room was given to asking why the Philippines were so unprepared. Why indeed? It is a very poor country. Americans starting to lecture about doing disaster relief leaves a sour taste in other peoples' mouth. Few outside the US have forgotten the lack of US preparedness in New Orleans.

Another instinctive reaction is to point to China. Sure, it hasn't helped enough — and, yes, China has higher CO2 emissions than the United States, but it is the US that is supposed to be the advanced and responsible power.

China also comes in for quick criticism that, if and when it engages, it acts in quite a self-interested manner in global infrastructure projects in places like sub-Saharan Africa.

True, but it also gets the job done. The Chinese bring in their workers and get it done quickly. Too often, when one looks at those areas, Western powers for centuries have promised to do infrastructure and they haven't exactly delivered. So the Chinese can hold that in their favor.

But the more important point in the global context is that we need a very real debate about the constant militarization of US foreign policy. That taking this approach simply "sells" better in Congress compared to more soft-power infrastructure projects certainly isn't a good enough reason. Neither is the fact that this approach allows some folks in DC to pay for ever larger villas in the suburbs.

What needs to be addressed in this context is that there are many people in the Washington establishment who have strong incentives to ensure that the United States takes a more aggressive posture in the Pacific, whether through lobbying fees or pricey defense appropriations.

The return on these "investments" is actually much lower than on building better highways and seawalls. While it would be a positive step for the United States to invest more in long-term development projects to aid emergency preparedness, there are also other means to achieve the same ends.

In Asia, for example, there is the Asian Development Bank, suitably enough based in Manila, the capital of the Philippines.

What better tool is there to take out long-term loans — on behalf of all the poor countries backed by the credit rating of the ADB — so that

these countries can invest in being better prepared for the next climate event?

Clearly, the West can't do it all. We need to have more of a regionalization of these efforts. And these countries — independent of the discussion about who's at fault for climate change — need to be prepared for their own sake.

Either way, the investment in infrastructure also makes commerce easier, allowing countries to grow their national economies and promote tourism. So it's an investment in their own future and they need to do that.

Individual countries can't shoulder that burden alone. The Philippines remains a very poor country. President Benigno Aquino III has been doing quite well on fighting corruption and the economy has been growing a little bit faster than in the past.

But the Philippines would probably need to have 20 years of solid economic growth before they could be adequately prepared on key emergency preparedness infrastructure in their own right.

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