



THE JAMES A. BAKER III
INSTITUTE FOR PUBLIC POLICY
OF
RICE UNIVERSITY

POST SEPTEMBER 11 UPDATE REPORT

**POLITICAL, ECONOMIC, SOCIAL, CULTURAL, AND
RELIGIOUS TRENDS IN THE MIDDLE EAST AND THE
GULF AND THEIR IMPACT ON ENERGY SUPPLY,
SECURITY, AND PRICING**

**CONTINUITY AND CHANGE IN SOUTHEAST ASIAN ATTITUDES AND
POLICIES TOWARDS THE MIDDLE EAST**

FRED VON DER MEHDEN
*ALBERT THOMAS PROFESSOR OF POLITICAL SCIENCE EMERITUS
DEPARTMENT OF POLITICAL SCIENCE, RICE UNIVERSITY*

PREPARED IN CONJUNCTION WITH AN ENERGY STUDY SPONSORED BY
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Introduction

In 1993, I published *The Two Worlds of Islam: Interaction Between Southeast Asia and the Middle East*.¹ During the ensuing years, policies and attitudes of Southeast Asians towards the Middle East have displayed both continuity and significant change. However, in the past year, the complexity of this relationship has frequently been clouded by often overly dramatic discussions of various “terrorist” groups such as Abu Sayyaf, Jemaah Islamiyah, Laskar Jihad, etc. While there is no question that a number of radical Islamic organizations have in the past and may in the future participate in violent activities, it is important to put them in context. This paper seeks to describe the patterns of interaction between the two regions and the factors responsible for them. It will first present a framework providing the reasons why Southeast Asians have been interested in the Middle East. We will then briefly show why that relationship is not a high priority for most Southeast Asian governments, analyzing each country in relationship to the aforementioned framework. Finally, the paper will concentrate on three countries that have displayed a continuous strong interest, the Philippines, Malaysia and Indonesia. In the conclusion, an effort will be made to assess possible future scenarios.

Bases for Policies and Attitudes

Four major factors have tended to determine the interest of Southeast Asian governments and peoples in the Middle East. These are not presented in their degree of importance since these dynamics can produce varying priorities in different countries and, in fact, can change in importance over time.

Economic Interests

Four economic factors have influenced Southeast Asian governments and organizations.

1. Ever since the early 1970s when petro-dollars and greater economic affluence came into play in the Middle East, Southeast Asians have sought to increase trade and investment between the two regions. This has become a two-way street as earlier efforts to obtain

¹ Fred R. von der Mehden, Gainesville: University Press of Florida

Continuity and Change in Southeast Asian Attitudes and Policies Towards the Middle East

Middle Eastern investment was followed by Southeast Asian attempts to find attractive overseas investments particularly in oil producing countries such as Saudi Arabia, Iran, Kuwait, and Sudan.

2. For several decades, Southeast Asians have sought work in the Middle East, sometimes in the oil fields and frequently as household workers. Their remittances home have been of considerable financial significance. Countries involved have changed over the years, but the total number of workers has increased dramatically.
3. Southeast Asian governments and organizations have been the recipient of specific foreign aid contributions from the Middle East, particularly in education, religious activities and other humanitarian projects. The total amount has never been as significant as the aid from major givers like the Japanese, but the effort has received popular commendation.
4. Of particular importance in framing policies toward events and governments in the Middle East has been concern over maintaining loans, trade and investment from Western countries. Government leaders have been well aware of the need to present policies that would not deter possible financial relationships. This has been a factor in efforts of Southeast Asian administrations to dampen radical Islamic activities in their countries. Such policies have also been criticized by various Islamic opposition parties and groups for neglecting support for fellow believers in the name of economic gain and in order to attract Western capitalists.

Security Issues

A host of security issues have influenced relationships between the two regions.

1. Those countries with Muslim minorities have been concerned with possible involvement of Middle Eastern countries, organizations such as the Organization of Islamic Conferences (OIC), and private groups. This “interference” has come in the form of economic and political pressure, military support for Muslim minorities, militant radical

activities, and efforts to propagate Islamic views antithetical to the policies of the Southeast Asian governments concerned. Usually state actions have been public, but there have also been clandestine state and private aid, including military support.

2. There have been rare cases of direct military aid to Southeast Asian states coming from the Middle East. Ironically, this has not come from Muslim countries, but from Israel. When Singapore left Malaysia in 1965, it sought military advisors from Israel. In the next decade, the Indonesian military sought military equipment from the same source.²
3. Of considerable importance to several countries in Southeast Asia is energy security. While the Muslim states in the area, Malaysia, Brunei and Indonesia are now oil sufficient, other countries in the region are largely dependent upon the Middle East and will probably become more so as they continue to develop. This issue is at times perceived as closely related to concern among oil producing governments for Muslim minorities in Southeast Asia and the danger of oil being employed as a tool to obtain better conditions for these groups.
4. In the past, Southeast Asian states have sought diplomatic support from Middle Eastern states. The most obvious case was during the Konfrontasi dispute between Malaysia and Indonesia in 1963-1965, when both countries attempted to obtain diplomatic backing for their cases from fellow Muslim governments. In recent years, the opposite pattern has appeared as Middle Eastern states have sought Southeast Asian support for their various causes.

Internal Political Pressures

Muslim majority states in Southeast Asia, in particular, have been vulnerable to domestic political pressure to do more to support Islamic causes in the Middle East. While this has been a problem for all of these regimes, it has become more of an issue in recent years, and the development of democracy in Indonesia has increased the efficacy of this pressure.

² See G. Hein, "Soeharto's Foreign Policy: Second Generation Nationalism in Indonesia," PhD Dissertation, University of California Berkeley, 1986. In his memoirs, former Prime Minister Lee Kuan Yew of Singapore states that he first sought support from Middle Eastern countries, but was unable to obtain it.

Religious Affinity

Affinity between Muslims in the two regions has been a significant factor in influencing the relationship.

1. Obviously, there has been sympathy and support among Southeast Asian Muslims for their fellow believers in the Middle East who they see as oppressed. There is universal Muslim support for the Palestinians, and there have been similar reactions to what have been perceived as oppressive treatment of Iraqis and Afghans by Western states and the former USSR.
2. This must be seen against the background of historic religious interaction. Large numbers of Southeast Asians have made the pilgrimage to Mecca, and over the years, many Muslims in the region have been educated in Islamic schools in Egypt, Saudi Arabia, Syria and elsewhere in the Middle East.
3. Beginning in the last quarter of the twentieth century, there was a major increase in the amount of religious material from the Middle East finding its way into Southeast Asia. Muslims in Southeast Asia have become far more aware of the intellectual and religious currents in the Muslim world as a whole. The great growth in literacy and the ubiquitous nature of television today has expanded that awareness.

As previously noted, these factors have influenced Southeast Asian governments and peoples differently. We will now turn to those countries that have been the least effected by Middle Eastern events and actions.

Low Priority States

In recent years, the Middle East has been a relatively low priority area of concern for many states in Southeast Asia. The countries of Indo-China in particular reflect this pattern. They do not have significant Muslim minorities, especially after the killing of so many Cham Muslims in

Cambodia during the Pol Pot years. Thus, there has been no reason to worry about Middle Eastern involvement in minority issues or religious affinity with fellow Muslims. Cambodia and Laos are poor, with a low reliance on petroleum products or other trade with the Middle East. Vietnam today produces more oil than it consumes and future production remains problematical. However, there has been a major growth in motor vehicles, primarily motorcycles and industrial production is beginning to develop. Any significant economic development may make the country become dependent upon Middle Eastern oil. Vietnam has also sought to place guest workers in new venues abroad, particularly after the fall of the communist states in Eastern Europe and end of that major market for its workers. While numbers remain low, there has been the beginning of efforts to send workers to the Middle East. In 2000, there were some 3,000 workers in Libya (out of a total of approximately 25,000 Vietnamese workers abroad). I have traveled to all three of these countries several times in the past few years and have not seen much interest in the Middle East except when dramatic events hit the headlines. Even then, interest remains sporadic.

There was a time when Myanmar (Burma) was concerned about OIC, and state involvement in its treatment of its Muslim minority. Local Arakanese Muslims sought support from the OIC and there was some military training abroad. Today there are large numbers of refugees in neighboring Bangladesh. During recent years, the United Nations, rather than Muslim organizations and states, has taken the lead in attempting to ameliorate the conditions of the Arakanese Muslims. However, Yangon does not appear particularly concerned with non-regional views of its human rights record. Myanmar does produce oil, although it still needs to import petroleum products. However, like its Indo-China neighbors, it is one of the world's poorest countries and trade of any sort with the Middle East is a low priority.

Thus, for these low priority states the economic, security, religious affinity and internal political pressure factors are all either of a very low or no real significance. The populations of these states probably have a low awareness of events in the Middle East, except when highly dramatic events reach those attuned to the media, such as the post September 11th period.

Middle Priority States

Thailand at one time was the target of Middle Eastern concern because of its treatment (or neglect) of its Muslim minority in the far south of the Kingdom. The OIC was involved and there were charges of military support and training from “unnamed” Middle Eastern states (reportedly Libya). However, conditions among Thailand’s Malay Muslims have improved markedly in recent decades. Education has advanced, the infrastructure has developed, and perhaps most importantly, Malay Muslims have become an integral part of the Thai political system. In recent years, there has been a Muslim Foreign Minister and head of Parliament. However, there remain dissatisfied Malay Muslims, and Thai leaders have feared the involvements of extremists in the Muslim community.

There has been a certain disconnect between Thai official views of events in the Middle East and the attitudes of the Thai Muslim population. Thailand has retained close relations with Israel and there were even discussions of a Thai purchase of old Israeli submarines just prior to September 11th.³ The Thai government has been active in supporting the American anti-terrorist campaign and a poll found that a plurality of Thais questioned supported the U.S. use of the U-Tapao airbase. On the other hand, Thai Muslims, like their counterparts elsewhere in Southeast Asia, have not agreed with the war in Afghanistan. Religious leaders have called for the boycott of American goods because of the U.S. role in that conflict, and there are reports that the sale of bin Laden t-shirts to Muslim teenagers has been brisk.⁴

Thai economic involvement in the Middle East is important, although there has been some decline in recent years. While still significant, the number of guest workers sent to that region has decreased. In the past, there has been criticism of the treatment of Thai workers in Muslim countries and more recently there have been objections and even a class action lawsuit regarding pay and illegal fees forced on Thai workers in Israel. The economic problems faced by Thailand at the end of the twentieth century brought what is probably a temporary drop in dependence upon foreign petroleum products. Thailand imports about three quarters of its petroleum needs.

³ *Jerusalem Post*, September 6, 2001

⁴ *Bangkok Post*, October 14, 2001

Aside from petroleum products and guest workers, the Middle East has never been a major trading partner and no country there is among the Kingdom's six major importers or exporters.

In sum, the Middle East is important in terms of petroleum imports and there is a residual concern over radical influences on the country's Muslim minority, although the latter factor in particular is less salient than it was at one time.

While Singapore has a Muslim minority of about 14% of the population, its treatment of that minority has not been a major target of Middle Eastern states and organizations. With the exception of recent charges that radicals, supported by foreign Muslims, have been implicated in planning violence in the Republic, there has not been significant concern regarding Middle Eastern involvement in domestic minority issues. A call for Muslims to join a jihad in Afghanistan by a small Muslim group, Fateha, brought criticism from both within and without the Muslim community, although it is difficult to assess the exact level of support for radical Islamic views.⁵ Although there is a long history of intellectual interaction between Singapore's Muslims and the rest of the Muslim world, the largely Chinese population has no religious affinity. The strong hold of the ruling Peoples' Action Party on the political system limits those domestic political pressures that have arisen. There is no real question of destabilizing the regime. The government acted swiftly against a plot against U.S. military personnel and arrested 15 men in December 2001, releasing two later. The authorities reported links with al Qaeda.⁶

Singapore's major interests in the Middle East relate to economic issues and energy security. As a world trading and investment center, the city-state has global economic relations, including those with states throughout the Middle East, including Israel. Although no Middle Eastern country is counted among its top six importing or exporting partners, oil plays an important role in the Republic's economy. Singapore is one of Asia's major refining centers with a capacity of some 1.3 million barrels a day. It also has an important petrochemical industry accounting for 10% of its manufacturing output.⁷

⁵ *Straits Times*, January 21, 2002

⁶ *Straits Times*, January 7, 2002

⁷ "Singapore," Energy Information Center, 2001.

Singapore also recognizes the central importance of the United States in its economy and the need to maintain close relations with Washington. The U.S. is Singapore's biggest export market, largest foreign employer, and in 2000 held some 40 per cent of the Republic's foreign fixed-asset investments.⁸ In addition, Singapore has similar strategic interests with the United States. It can be argued that Singapore has needed to balance these primarily economic interests with maintaining cordial relations with its Muslim neighbors and its own Muslim minority. Singapore has thus supported all pro-Palestinian votes in the United Nations, except for those equating Zionism with racism. At the same time, Muslims in neighboring states have accused Singapore of only being interested in economic profit.

High Priority States

Three major Southeast Asian states have maintained a long and continuous interest in the Middle East, the Philippines, Malaysia and Indonesia. In addition, the oil-rich Sultanate of Brunei has felt a strong religious affinity to Muslims in the Middle East. As a self-identified Malay Islamic monarchy, Brunei has continuously supported Islamic causes including strong backing of the Palestinians. No Middle Eastern country is among Brunei's top six import or export partners. As to the other three states, the foreign policies regarding the Middle East of the Philippines and Malaysia have been characterized by continuity, while Indonesia has displayed significant changes in recent years.

Philippines

The major forces behind Filipino concern with the Middle East are economic and security factors. Although religious affinity is important to the small Muslim minority, the vast majority of the population is Christian. All the significant elements influencing official policy relate primarily to the long conflict involving the Muslims in the southern part of the islands. The one exception has been the large number of Filipino guest workers in the Middle East. Over the years, several hundred thousand Filipinos have worked in that region at any one time, making the Republic the largest Southeast Asian continuous contributor to the Middle East foreign labor

⁸ *Straits Times*, January 23, 2002.

pool.⁹ Remittances sent home from these workers have been an important source of income for the Philippines and the post 9/11 period led to considerable concern for both the safety and continued remittances of these workers. The treatment of female workers, alleged persecution of foreign Christians, and charges of forced conversion have brought accusations that have caused friction between the Philippines and governments in the Middle East. Organizations, websites and newsletters maintain contact between the guest worker community and the people back home and have a role in influencing political action and rhetoric in the Philippines.

However, the issue that has dominated Manila's thinking regarding the Middle East has centered on its problems with the country's Muslim minority. There has been a considerable amount of good analysis of the so-called "Moro Problem."¹⁰ Only a brief description of the issue will be given here. While the Muslims in the Philippines compose only a few percent of the total population, their efforts to achieve autonomy and even independence have been an issue facing governments in the Philippines throughout the past century and before. Muslim dissatisfaction faced the Spanish, American and Filipino administrations, but really came to the forefront in the independent Philippines in the 1960s. A combination of early neglect, the intrusion of Christian settlers, and perceived economic, political, and religious oppression exacerbated the problem. This developed into an active insurgency. Violence in the post-World War II years led to a reported 50,000 or more deaths in the 1970s, and there have been intermittent military confrontations ever since. Although a variety of agreements were reached over the years, divisions within both the Muslim activists and majority community political parties have made a final peace difficult. At this time, the major Muslim organizations have reached a fragile ceasefire with the government, but violent conflict has not ended.¹¹ Among those continuing war has been Abu Sayyaf, a relatively small group that has financed itself through kidnapping for ransom. The organization has been defined as "terrorist" by the United States and described as criminal by others. Numerous acts of violence have been made against Abu Sayyaf in its less

⁹ von der Mehden, *Two Worlds of Islam*, pp. 30-31.

¹⁰ See, T. George, *Revolt in Mindanao*, Kuala Lumpur: Oxford University Press, 1980, P. Gowing, *Mosque and Moro: The Study of Muslims in the Philippines*, Manila: Philippine Federation of Christian Churches, 1964, E. Gutierrez, *The Re-imagining of the Bangsa Moro: 30 Years Hence*, Manila: Institute for Popular Democracy, T. McKenna, *Muslim Rulers and rebels: Everyday Politics and Armed Separatism in the Southern Philippines*, Berkeley: University of California Press, 1998 and L. Noble, "The Moro National Liberation Front in the Philippines," *Pacific Affairs*, 49: no. 3 (Fall 1976), 404-24.

¹¹ See M. Labrador, "The Philippines in 2001," *Asian Survey*, XLII:1 (January/February, 2002), pp141-49

than a decade of existence. U.S. and Philippine official sources also see a financial relationship between Abu Sayyaf and al-Qaeda. However, there is disagreement as to the exact relationship between the two organizations and some Western observers have called the evidence of cooperation “murky” and “opaque.”¹²

Since the 1960s, Muslim organizations and individual Middle Eastern governments have sought to support the fellow believers in the Philippines. The OIC, ambassadors of Muslim countries, and the Islamic Conference of Foreign Ministers have at various times called upon Manila to stop its military activities, attempted to mediate the dispute and threatened the Philippines with economic sanctions. Of particular concern to Manila has been the possible threat to its energy security founded upon the danger of the loss of Middle Eastern oil if the Philippine government did not work for a peaceful solution with its Muslim population.

While Saudi Arabia threatened Manila with an oil cutoff in the 1970s, Libya was accused of giving more direct military aid to the Muslim insurgents. In the early years of the dispute, Libya’s leader Muammar Khadaffi called for boycotts and jihad and allegedly sent arms to the insurgents through Sabah. In recent years, relations between the Philippines and Muslim organizations and states have been much more cordial. In part, this has been due to agreements between the parties in the Philippines, but there has also been a lengthy campaign by Manila to establish good relations with Muslim states. The latter has included active efforts to establish diplomatic relations across the Muslim world. However, even at this time the Philippine government has reported that the U.S. Federal Bureau of Investigation has confirmed Libyan financial support for Abu Sayyaf.¹³

A good example of this pattern of developing Philippine-Middle Eastern relations can be seen in the close ties formed between Iran and the Philippines. There were mutual presidential visits in the mid-1990s and a number of economic and cultural agreements were signed. Manila has publicly criticized the U.S. boycott of Iran. In turn, Iran provides the possibility of more secure oil imports and has offered aid against terrorism.

¹² *St. Louis Post-Dispatch*, February 24, 2002

¹³ *Manila Times*, April 3, 2002

Recently, the Philippine government has been particularly concerned with outside interference from Middle Eastern radical Muslim groups. The extent of Manila's worry and, perhaps inability to cope with internal violence, is illustrated by its agreement to bring in American military "advisors" to aid in eliminating Abu Sayyaf. Although the organization has only 200 to 1,200 members, this effort could jeopardize efforts to make peace with major Muslim organizations and has brought criticism from the opposition.¹⁴ Some national legislators charged that the agreement with the U.S. is unconstitutional, but the level of criticism has diminished somewhat.

After 9/11, the administration of President Gloria Macapagal-Arroyo was the first Asian leader to visit President George Bush and at that time, she gave full support for the "war against terrorism." This led to promises of military and economic aid and the sending of American "advisors" to aid in eliminating Abu Sayyaf. The Philippines has joined with other like-minded Southeast Asian governments in their efforts to curtail international terrorism. At the same time, the government called for the Israelis to withdraw from the West Bank and abandon the siege of Arafat during the 2002 incursions. In sum, while the energy security threat has diminished, the old worry about external Muslim involvement has taken on a new form. It is no longer the danger of state interference from the Middle East that is the focus of Manila's attention. Rather, it is the threat of possible international terrorism with links to destabilizing elements in the Republic that is seen as deserving special attention.

Malaysia

Prior to analyzing Malaysia and Indonesia, it would be useful to note briefly the significant changes in the relationship between these two states and the Middle East that took place in the latter part of the twentieth century. Prior to independence, links between the two regions were dominated by the large numbers of pilgrims from Indonesia and Malaya going on the pilgrimage to Mecca and the small, but influential, number of students going to the Middle East for religious education. Given the colonial status of most of the people in both regions at that time, there was little political interaction. Some interest is Pan Islam and the so-called "Caliphate Question" in

¹⁴ *Straits Times*, January 17, 2002.

the early post-World War I years were about the extent of involvement. Nor was there significant economic contact.

The attainment of full independence opened an era of formal state-to-state relations, although they were initially slow to develop. The ten to twenty years starting in the late 1960s were crucial for the growth of interaction between the two regions. The 1967 War and Israeli occupation of the West Bank and East Jerusalem galvanized the emotions of many Southeast Asian Muslims and the Palestinian question has remained the foundation of Southeast Asian attitudes towards events in the Middle East. This was followed by the oil boycott of the early 1970s, which not only engendered pride in the ability of Muslim states to influence the West, but also brought the era of petro-dollars. Although the expected heavy Arab investments in Muslim states in Southeast Asia was very slow in coming, some of those dollars came to the region in the form of aid for religious and educational development. The Islamic Revolution in Iran soon followed the oil boycott. While both the Malaysian and Indonesian governments sought to contain what they saw to be undesirable influences from Iran, it did generate considerable interest among religious activists. Few argued that the Iranian experience could be copied as a whole in Southeast Asia, but many saw the possibilities of greater Islamic influence on their governments and societies. The 1980s brought a major influx of new Islamic thought into the region, and particularly into Indonesia. The number of foreign Muslim authors translated into the vernacular increased dramatically and the Islamic intellectual dialogue became more sophisticated and international. While the authors read in the eighties have given way to new thinkers from the Middle East, the religious influence from the outside continues. Again, this particular change has been more apparent in Indonesia than in Malaysia. Finally, this period also brought the formation of international Islamic state organizations epitomized by the OIC. This brought political leaders from the two regions together on a regular bases and broke the previous isolation that characterized the pre-independence era. In sum, starting in the late 1960s significant changes were taking place in the relationship between the two regions, which provided the foundation to the present patterns of interaction.¹⁵

¹⁵ For a more complete analysis of these changes, see Fred R. von der Mehden, *Two Worlds of Islam*

Looking specifically at Malaysia, we find a strong pattern of continuity of policy and rhetoric regarding the Middle East. However, when assessing popular opinion it should be remembered that Malaysia's Muslim population composes only a slim majority of the total. At the same time, Muslims dominate the government, with every Prime Minister and Foreign Minister being Muslim. This means that official policy may not reflect the views of other elements of the country that do not have the same religious affinity with the Middle East. Although the early post-war years found a relatively low level of interest in events outside of Asia, that changed after the late 1960s and there has been a particular consistency since Prime Minister Mahathir came into office at the beginning of the 1980s. All the factors noted in the beginning of this paper have fostered this pattern.

Economic

Malaysia was one of the first states in Southeast Asia to seek the strengthening of economic ties with the Middle East after the "oil shock" in the early 1970s. Trade missions were exchanged and financial and trade relations developed. Over the years, Malaysia has had a favorable trade balance with most Middle Eastern countries due to its own oil production. However, this was not always the case as it has imported lower-priced high-sulphur oil for domestic use, leading to severe trade deficits with Kuwait and Saudi Arabia. Malaysia has been particularly active in attempting to increase trade with countries like Iran and Saudi Arabia and trade almost doubled with the latter between 1995 and 1999. Kuala Lumpur has also sought to increase Middle Eastern investments in the country while actively pursuing exploration and production projects in Iran, Syria, Algeria, Libya, Egypt, Tunisia and Sudan. There has also been an unexpected economic gain in the wake of the post-9/11 efforts to fight terrorism in Europe and the United States. More affluent Middle Easterners, unsure of their reception in the West, have been flocking to Malaysia for shopping and vacations. During this same period, the government imposed visa restrictions on nationals from Afghanistan, Iran and Iraq, reportedly to cut the flow of terrorists and human smuggling operations.

At the same time, the Malaysian government has been very aware of the importance of trade and investment with the West. The events of 9/11 had an adverse effect on Malaysia's ability to sell itself abroad. Thus, its Trade Minister had to stress Malaysia's fight against terrorism and state

that “We are telling the world that while we are a Muslim country, we are a multiracial country and we are business-oriented.”¹⁶ Prime Minister Mahathir has promised no sudden moves. “We are also very stable politically and have been very consistent. There will be no sudden changes.”¹⁷ The main opposition Muslim party, some religious groups and Muslim youth organizations have called for strong moves against the Israelis and those attacking Afghanistan. There have been calls for the boycott of U.S. goods, the employment of oil as a weapon to force support for the Palestinians and even the urging of a declaration of war by OIC countries. On his part, Prime Minister Mahathir has needed to follow a careful balancing act. Thus, while rhetorically vigorously supporting the Palestinian cause and condemning the sanctions on Iraq and bombing of Afghanistan, he has stressed the need to maintain strong economic relations with the West. Critics have been charged with endangering the jobs and economic well being of Malaysians.

Security

Most of the security issues noted in the introduction do not impact Malaysia. Muslims are the majority, not a minority. The country is an oil exporter and, at least at this point, is not dependent upon Middle Eastern sources except as a cheap alternative to their own output. However, over the years Kuala Lumpur has been concerned about the influence of radical religious ideas and activists coming from the Middle East. This has been part of an overall campaign to control so-called “deviant Islam” which, it is argued, might destabilize the society. The Malaysian government has therefore sought to control the import of questionable religious materials, put obstacles in the way of those seeking an Islamic education in specific more radical Middle Eastern states, and made other efforts to limit undesirable external religious influences.

In the wake of 9/11, the Mahathir administration cracked down on domestic dissidents, accusing them of plotting terrorist activities against Malaysia. In the process, a number of people were arrested and Kuala Lumpur began cooperative anti-terrorist relationships with other Southeast Asian governments. Those arrested under the Internal Security Act were primarily alleged members of the Malaysian Mujahedin Group and Jemaah Islamiyah, and were believed to be

¹⁶ *Straits Times*. February 6, 2002.

¹⁷ *New Straits Times*, March 19, 2002

linked to al Qaeda. Those detained have included opposition party members. Opponents and some outside observers have charged Mahathir with using this campaign as a means of weakening his political opposition. They see his government's actions as a cynical ploy rather than an effort to meet a serious danger to the Malaysian state. This interpretation would fall into our rubric of "internal political pressures."

Religious Affinity

For the Muslim population and Malay-Muslim leadership, religious affinity is the essential element in their relationship with the Middle East. More than any other country in Southeast Asia, Malaysia has sought to identify itself with Muslim causes and to participate in Islamic cross-national organizations. Malaysia is the regular host of state and private meetings dealing with Islam. Its political leadership has also actively engaged in Muslim political questions and has not been reticent in presenting its opinions.

This pattern has often put Malaysia at odds with the United States on Middle Eastern issues. In the post 9/11 period, Mahathir was quick to condemn terrorism. He called for eliminating terrorism everywhere and rooting out its causes. At the same time he noted that other religions were also involved in terrorism, although the world often did not give these acts the same attention given purported Muslim acts.¹⁸ In this area, he has been quite willing to work with the U.S., in part to show that Malaysia is not a haven for terrorism. Following a visit to Kuala Lumpur by F.B.I. chief Robert Mueller and confirmation that Malaysia was not a "launch pad" for terrorism, the Prime Minister said, "But we are acting against potential terrorists in our country because it is in our own interests and if it coincides with the interests of the U.S. or other countries, we have no problem with that."¹⁹

However, on a host of other issues the Malaysian government has not been in line with American policies. It has been a regular and vociferous opponent to Israel's actions against the Palestinians and supports a fully sovereign Palestinian state. While it opposed the Iraqi takeover of Kuwait, it considered the U.S. response overly aggressive and has opposed the continuation of sanctions

¹⁸ *New Straits Times*, February 6, 2002

¹⁹ *Sunday Times*, March 17, 2002

and such policies as the “no fly zones.” Iraq has received humanitarian aid from Malaysia, has been a focus of investment and trade interest and has been a recent host to a variety of Malaysian luminaries, including the Foreign Minister and the wife of the Prime Minister. Kuala Lumpur has also criticized U.S. prohibitions of oil company activities in Sudan and Iran and asserted its intention of continuing seeking business opportunities in these countries.²⁰

Malaysia has also been highly critical of American military actions in Afghanistan and the treatment of captured Taliban and al-Qaeda personnel. The Prime Minister has opposed what he sees as policies that have led to the death of innocents in Afghanistan. He has also questioned the long-term efficacy of U.S. policies in terms of solving Afghanistan’s basic problems of poverty and factionalism.²¹

In sum, in recent decades Malaysia has maintained a consistent policy supporting Islamic causes and organizations, frequently in opposition to American official views. At the same time, its actions regarding trade and investment and the anti-terrorism campaign in Southeast Asia have tended to coincide with U.S. aims. Both of these policies have not been met with universal domestic support, but the opposition is poorly organized and an obvious minority.

Indonesia

While most states of Southeast Asia have displayed a marked consistency in policies toward the Middle East in recent decades, Indonesia is singular in the degree of change it has experienced in the past few years. Three factors appear primarily responsible for this varied pattern. The impact of the Asian economic debacle at the end of the twentieth century was particularly serious in Indonesia. Large numbers fell below the poverty line, and the Republic’s middle class found its very existence threatened. This led to many Indonesians looking to scapegoats for their condition. These included local Chinese who have tended to dominate sections of the economy and were seen as allied to the political elite, Christians who have long been perceived as tied to the past colonial era, the International Monetary Fund (IMF) and other transnational financial institutions, and Western countries and business groups. This economic disaster reinforced

²⁰ *Arabic News*, August 3, 2000

²¹ *New Straits Times*, January 12, 2002

Islamic identity and the feeling of being targeted by the outside world for their religious beliefs. This situation took place just at the time of the launching of the last two Intafadas, Muslim concern for Iraqis hit by Western sanctions and the campaigns against Afghanistan and terrorism. All of this again reinforced Muslim perceptions of a war against Islam and the need to defend the faith.

Most importantly, the economic disaster that faced the country and the perceptions that the administration was tied to domestic Chinese and foreign economic interests led to the collapse of the Suharto regime. Under former Presidents Sukarno and Suharto, Islam played a minor role in foreign policy. Sukarno's interests were in developing a coalition of left-leaning states to confront imperialism and international capitalism. His state ideology, the Pantja Sila, stressed belief in God, but gave no special role for Islam and, in fact, many Muslims saw it as agnostic. Suharto and those around him reflected a more syncretic Islam and he sought to weaken the role of Islam in the domestic and international sphere. Parties and organizations were forbidden from presenting their own religious ideology and Muslim political expression was limited. Suharto only began to give significant attention to Islam in his last years in office. Throughout his regime, his administration carefully attempted to keep Islam out of the country's foreign policy objectives. Thus, Jakarta's opposition to the USSR in Afghanistan and Israel in the Palestinian territories were presented as anti-imperialist policies without religious content. It was only in his last years, as his power was being challenged, that his supporters saw international conspiracies involving Israel among others.

The fall of Suharto was followed by Indonesia's first real democracy. There had been free elections in 1955, but they were followed by Sukarno's authoritarian "Guided Democracy." That, in turn, was replaced by a façade democracy under Suharto. Under both regimes, Muslim political organizations felt marginalized. The national elections of 1999 brought to Indonesia a highly fragile and fractionalized political system. Parliament is composed of a multiplicity of parties, often led by individuals with personal agendas. While only about one third of its members belong to Islamic parties, other party leaders appear prepared to play the Islamic card when necessary. The newest President, Megawati Soekarnoputri, the daughter of the Republic's first president, Sukarno, has a more secular background and, in fact, at one time supported

opening relations with Israel (as did her predecessor the Muslim party leader Abdur Rahman Wahib). There are those who argue that she too closely follows the secular heritage of her father.

In addition, there is an increasingly politicized Muslim population. During the last years of Suharto, Islamic activists had worked to establish a base for their programs, particularly in rural areas. Then and now, they argued that the corruption and neglect of their needs that appeared to be ever present in Indonesian politics needed to be cleansed through an Islamic program.²² These causes were taken up by both radical and moderate Muslim political organizations in the years after Suharto's fall. We must add to this recent polling that shows that a significant majority of the Muslim population opposes both American policies in the Middle East and the Israeli actions against the Palestinians. With this complex pattern in mind, we can now turn to the factors responsible for attitudes and policies toward the Middle East.

Economic

The initial pattern of economic relations between Indonesia and the Middle East has been similar to those of Malaysia. There was the same opening after the early 1970s and later Arab investment in Indonesia. Saudi investment, in particular, has been important in recent years, but like Malaysia and the Philippines, there has also been an effort to open economic relations with Iran. There have been three differences with neighboring Malaysia. More educational and religious aid has flowed into Indonesia from the Middle East although Jakarta has also sought to assure that religious support has not been subversive. Secondly, the weaker Indonesian economy has meant that less investment was made in the Middle East than has been the case of Malaysia. Finally, in recent years there has been a major increase in the number of Indonesian guest workers going to the Middle East with numbers rivaling the Philippines. Some reports put the number at 370,000 in 2001. There has also been criticism of the treatment of these workers and there was a temporary suspension in sending workers to Saudi Arabia that year due to charges of ill treatment.

²² *Christian Science Monitor*, January 30, 2002

Indonesia must also take into account its economic relations with the West. However, not only is the Republic in need of trade and investment, but the shambles of the economy after the Asian economic crisis has necessitated continued major loans from international organizations and Japanese and Western state donors. This provides a problem for President Megawti's administration. The need for financial support is obvious, but many Indonesians have negative views of the IMF, World Bank and foreign capitalists. This, in turn, gets complicated by Islamic politics as elements of those opposed to U.S. activities in Afghanistan and the Middle East call for economic sanctions. There may be greater grass-roots support for Islamic causes in the Middle East than is apparent in Malaysia.

Security

Like Malaysia, Indonesia is a Muslim nation (in this case some 85 per cent) and an oil exporter and thus Middle Eastern involvement with Muslim minorities and the threat of using oil as a weapon do not fit into foreign or domestic policy calculations. However, the government has been hesitant to define Indonesian individuals or organizations as "terrorist," although Indonesian officials have developed limited cooperation with neighboring countries to control possible terrorist dangers.

Movement against alleged terrorist groups is complicated by a number of domestic factors. As a democratic society with a strong Muslim constituency, Indonesian officials are not as free to act as Malaysia with its strict security apparatus or the Philippines where the Muslims are a small minority. Secondly, some of the most active radical groups have questionable international ties and a primarily domestic agenda. Thus, Laskar Jihad has its major mission to defend Muslims against Christians. It has caused considerable violence in places like the Maluku and Sulawesi but does not appear to have links to external groups. In fact, it has criticized bin Laden's Islamic credentials, although there are suspicions because its leader was trained by the mujahideen in Afghanistan and studied at the Mawdudi Institute in Pakistan. The Islamic Defenders Front appears Islamic more in name and has a reputation for criminal rather than ideological actions. However, it has led demonstrations against the IMF and the United States, blaming them for price increases. The Aceh Freedom Movement (GAM) is part of a long tradition of Acehnese efforts to achieve autonomy or independence and has no known significant links to international

terrorism. There is considerable debate about the amount or even presence of al Qaeda activity in Indonesia. There have been conflicting statements from Indonesian authorities and even different opinions from foreign observers. Evidence on internationally linked terrorist activities in places like West Java has been forwarded and there are charges of al Qaeda links to an organization called the Indonesian Mujahideen Council (MMI) and Indonesia's Jemaah Islamiyah.²³ In general, suspect groups appear relatively small and many questions remain as to their exact links with external organizations. They have not been able to generate large public demonstrations or any meaningful support for their international causes. Efforts to get volunteers for jihad against the West or Israel have not met with great enthusiasm.

Internal Political Pressures

Now a democracy, Indonesia shows how domestic political pressure can influence foreign policy. President Megawati visited Washington, D.C. soon after September 11th and in a joint statement with U.S. President George Bush pledged to "strengthen existing cooperation in the global effort to combat international terrorism."²⁴ However, when she returned to Jakarta it became necessary to backtrack from her strong pro-U.S. statements and to criticize elements of American policies. By November, she warned against prolonged attacks against Afghanistan and called for an end of bombing during Ramadan and on Christmas Day. This pattern continued in the next months, and by April 2002, the Indonesian government was vigorously calling on the Security Council to end what it termed "Israeli aggression" against Palestine and underscored its support of Arafat.²⁵ What the President Megawati faced was a wide range of opposition to full Indonesian support for the U.S. in its "war against terrorism." The following are critiques of state policy made during the months following 9/11.

At the extreme was the radical cleric Abu Bakar Bashir who described bin Laden as a "true Islamic warrior." However, more mainstream political leaders also made the original government position untenable. The Speaker of Parliament, Amien Rais, called Israel the world's number one terrorist and violator of human rights and said that he could not understand U.S.

²³ See *Straits Times*, January 20, 2002, *Jakarta Post*, January 24, 2002 and *The Washington Post*, January 11, 2002

²⁴ U.S. Department of State, International Information Programs, "U.S.-Indonesian Statement on Terrorism, Religious Tolerance," September 19, 2001

²⁵ *Tempo*, April 2, 2002

defense of that country. Parliament summoned the Foreign Minister to explain the government stance on U.S. attacks on Afghanistan, noting that the legislature was far more critical than the Megawati administration. The Muhammadiyah, Indonesia's second largest Muslim organization, requested that the government take a tougher stance against the U.S., and the Indonesian Council of Ulama's urged Megawati to cut ties with Washington and called for jihad. Both the Council and Muhammadiyah warned against the arrest of Muslim militants. Her own Vice President, Hamzah Haz, called for the Americans to stop military strikes against Afghanistan and questioned the amount of evidence against bin Laden. He also commented upon American payment for past sins. The radical Islamic United Front opposed sending Indonesian troops for an Afghan United Nations mission although the Ministers of Defense and Foreign Affairs were favorable. This position was reinforced by a poll that showed that a majority of those questioned opposed sending Indonesian peacekeeping troops to Afghanistan.²⁶

No wonder that upon her return to Indonesia Megawati changed her unequivocal support of the U.S. position. She already faced the need to strengthen her relations with Muslim political constituency that has been suspicious of her previous secular heritage and questioned having a woman as President. It has also been politically important that she not give support to the more conservative Muslims in their confrontation with moderates in the bitter battle to capture Indonesia's Islamic movement. This series of reactions not only explains the more critical stance of the government toward U.S. policies and Israel, but is also given as a factor in the official reticence regarding arrest of radical Muslims and the willingness to drop earlier interest in a closer relationship with Israel. Washington has attempted to strengthen Indonesian official resolve, at least on the counter-terrorism front. There have been financial offers to aid police training and increases in intelligence sharing. In general, Jakarta has been wary.

Religious Affinity

Indonesian Muslims had long sought to be part of the larger Islamic community. Feeling at the geographic and intellectual margins of the Muslim world, they had become a major participant in the annual pilgrimage to Mecca to the point where they were termed the "rice of the Hejaz" in the interwar years. Although the governments of Sukarno and Suharto had more secular

²⁶ *Tempo Weekly* November 27-December 3, 2001

agendas, the people were becoming more identified with their religious foundations. The development of required religious education in the public schools, the considerable increase in religious literature from the Middle East finding its way to the islands, and the development of literacy and communications all reinforced Indonesian Muslim knowledge and identification with their Middle Eastern counterparts.

Muslims are not only more attentive to the proper practice of Islam, including prayer and fasting, but they see the need for the state to be more cognizant of the role Islam should play in government policies and programs. A 1999 study released by the U.S. Department of State in 2000 showed that approximately 75 per cent of the country's Muslims wanted Islam to play a very large role in society and government, and 54 per cent wanted religious leaders to be more politically active.²⁷ This pattern has increased Indonesian interest in the wider world of Islam and particularly in the Middle East.

Conclusions

What can we see for the foreseeable future? Several points appear self-evident. Given declining reserves in oil rich Southeast Asian states and increasing economic development throughout the region, greater dependence upon Middle Eastern oil should be expected. The degree of dependency will depend upon domestic oil production, rates of development, and economic conditions. Secondly, the Muslim population of the region has become politicized by a host of factors. These efforts to achieve autonomy by Muslim minorities in non-Muslim societies and by ethno-religious groups in Muslim majority states have included expanding mass media, which has made Muslims more aware of issues facing fellow believers at home and abroad. In addition, the development of democracy in places like Indonesia and Thailand has opened possibilities for a growth of political Islam and the entrance into the region of Muslim ideas and organizations from abroad with religio-political agendas. Thirdly, Islam has become internationalized politically, and cross-national cooperation, in part driven by domestic political Islam, is becoming institutionalized. This does not always mean consensus among believers on specifics, but there is agreement on the need to defend the faith and the faithful. Finally, there

²⁷ U.S. Department of State, International Religious Freedom Report, "Indonesia," 2001, p. 12

will continue to be suspicion of radical political Islam in both Muslim and non-Muslim states. This fits older agendas of governments such as those in Malaysia, the Philippines, Thailand and Singapore, but it has taken on a new form throughout the region due to the emphasis on “the war on terror.”

When it comes to the two major majority Muslim states, the question needs to be asked as to how they could be affected by dramatic events involving Muslims in the Middle East. While in Southeast Asia in March 2002, I asked many specialists and activists what might be the impact of a further exacerbation of the Arab-Israeli conflict and/or a unilateral American effort to overthrow Saddam Hussein by military means. There was general consensus that there would be little, if any, destabilization of the Malaysian government. The ruling coalition is firmly in control, there are well-institutionalized means of controlling dissidents, and the opposition is divided. While rhetoric might rise, a combination of control and the perceived need to maintain strong economic ties with the West will dampen action.

Indonesia may be a different case. It has a fragile political system, a security apparatus restricted by domestic political concerns and a democratic polity that is increasingly anti-Israeli and suspicious of U.S. intentions. Few expect a break-up of the Republic by way of either successful autonomy in the outer provinces or political differences at the center. A reinforcement of political Islam could have two results. If there is a real threat of disintegration from conflict in the provinces or political violence at the center, there are those who see the possibility of a return of the military. A second result could be greater strength to Islam at the political center. There will be parliamentary elections in 2004, and parties other than those openly Islamic may see political advantage in taking up the Islamic and anti-American cause. This could be a major threat to President Megawati and the more moderate and secular policies even before the national elections. There could also be implications for the security of American firms and their personnel in the country. These are possibilities that should be taken into account by U.S. policy makers as they develop alternatives in the Middle East.

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