

Chicks and Chicken: Singapore's Expansion to Riau

Research >
Southeast Asia

The city-state Singapore has spilled over into its two neighbours, Malaysia and Indonesia. Singapore discovered in the Indonesian Riau Archipelago resources that are rarely found near the centre of mega-cities: cheap land and cheap labour. To what extent Singapore's presence offers reciprocal benefits to Riau is the question. For example, Singapore has not only moved the production of poultry for all Kentucky Fried Chicken outlets of the region to Riau, but also prostitution. This article will explore the consequences of Singapore's expansion for Riau.

By Freek Colombijn

Since the British founded Singapore in 1819 the city has been a transportation hub and communication centre. After Independence (1965), export-led industrialization and a high-technology service industry have diversified the economy. The ever-expanding economy and growing population (2.7 million people in 1990) of the limited island territory (roughly 600 square km) have demanded innovative measures. Land reclamation (taken up since the 1960s) and the construction of high-rise housing and skyscraper offices could reduce the pressure on land for only a limited amount of time.

Mega-urban development in the city-state took a decisive turn with the concept of the Singapore-Johor-Riau (SIJORI) Growth Triangle. Singaporean Prime Minister, Lee Kuan Yew launched this concept in 1989 at a time when the industrial development within the boundaries of the city-state reached its saturation point and when



A jet boat connecting Singapore with Batam

costs of land and labour were rising sharply. The basic idea was that the three regions pool their human and natural resources in order to attract new investors. Each corner of the triangle would put in its respective comparative advantage: Singapore its capital, technical skills, and management; the Malaysian state of Johor its land and semi-skilled labour; and the Indonesian province of Riau also its land and cheap labour. In reality, SIJORI does not represent a tripartite partnership but an arrangement by which Singapore's mega-urban growth can freely spill over into the territories of its neighbours (Macleod and McGee 1996: 425). Sin-

gapore was, and is, clearly in control: it took the initiative, and it provided the capital and management.

Fatal attraction?

The encroachment of Singapore's mega-urban region into Riau started on Batam, the island just south of Singapore. A series of bridges connects Batam to six other islands, which lie in a string to the south of Batam. Every half-hour a speedboat leaves Singapore for the thirty-minute ride to Batam, which has evolved as an industrial centre and a tourist resort. The rise in the number of tourists in Batam is impressive: from none in 1983, via 60,000 in

1985, to 606,000 in 1991, 78 per cent of whom Singaporeans and 10 per cent Malaysians. In 1999, 1.14 million foreigners arrived at Batam airport, thus surpassing Sukarno-Hatta airport in Jakarta.

The island of Bintan is a freshwater reservoir for Singapore; an undersea pipe brings the water to the city. Bintan has also been developed as a tourist resort with 20 hotels, ten golf courses, and ten condominiums. Industrial estates can also be found on Bintan.

The other islands have more specialized functions. The island of Bulan is a centre of agricultural production. It was expected to have about 400,000 pigs by 2000, enough to provide 50 per cent of Singapore's demand for pork. A crocodile farm of 55,000 reptiles provides leather and meat. Chicken production serves all the Kentucky Fried Chicken outlets of the region. Bulan will, surely, also become the world's largest supplier of orchids. Karimun is used for oil storage and shipyards, two pre-eminently space-consuming activities. Singkep will be developed into a centre for ship-breaking yards. Over a hundred permits for sand quarries have been issued, spread over several islands, large and small, and more quarries operate illegally (Grundy-Warr and Perry 1996; Macleod and McGee 1996; Nur 2000).

The Indonesian government has lured foreign investors to the Batam Economic Zone with inducements such as duty-free import of capital equipment and duty free export of export-oriented production. Another attraction is that the Indonesian government has nullified environmental impact laws for the island, so that Singapore uses Batam as a depository for the by-products of polluting industries, which are no longer allowed in the city-state itself, and a dump for dredged soil of dubious quality. Indonesia also accepts the kind of entertainment that Singapore prefers not to have under its own roof: 5,000 prostitutes work on Batam. Hundreds of them are underage girls, smuggled to Riau against their will. The average tourist stay on Batam is 1.3 days, a typical weekend away from Singapore complete with sex, drugs, and rock 'n' roll (Lindquist 2002).

The Indonesian government thrust all these changes down the local people's throats. Batam was placed under the custodianship of the Batam Industrial Development Authority (BIDA), which remained outside the power of regular local legislative bodies, and had gained control of land through presidential decree. The Head of BIDA was the then Minister of Technology, J.B. Habibie, the most trusted favourite of former President Suharto. In most cases the Indonesian counterpart of the Singaporean investors was the Salim Group, which again had very close connections with the Suharto presidency. The connection between the Salim Group and the highest Indonesian authorities helped them to acquire land: villagers were often pressed to decamp from their land with very little compensation. For instance, on Bintan

six villages consisting of 2,200 families were relocated to make way for the freshwater reservoirs (Anwar 1994: 27-28, 31; Macleod and McGee 1996: 429).

People's response

Since Suharto resigned, the people have felt free to rake over old coals. In January 2000, demonstrators cut off the energy supply to an industrial estate on Bintan. Police reinforcements were immediately flown in from Batam: one occupant of the powerhouse was shot dead. Immediately afterwards 40 companies contemplated leaving Bintan. Other demonstrators occupied a tourist resort on Bintan, demanding that the 1991 compensation of 100 rupiah per square metre for their land, paid by the Salim Group, would after all be increased to 10,000 rupiah per square metre. In 1991 the landowners concerned had grudgingly accepted the compensation after pressure exerted by the state: it was now revealed that the Singaporean investors had offered a far higher price and there were questions about who had pocketed the price difference. After the loss of the political protection offered by the former President, the Salim Group had come into dire financial straits and was less willing than ever to pay extra money. After a week in which tourist visits declined by 85 per cent, the demonstrators were chased away from the resort. Environmental NGOs that express their worries about the sand quarries first and foremost point to the Indonesian authorities that give out too many concessions or do not stop illegal quarries. Singapore's influential role yet remains in the background. ◀

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