PERSONALITY, IDEOLOGY AND DIPLOMATIC STRATEGY: SUKARNO, SUHARTO AND INDONESIAN FOREIGN POLICY

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CONTENTS

			Pege
		ACKNOWLEDGEMENT	
		Introduction	1
CHAPTER	1	DETERMINANTS OF INDONESIAN DIPLOMACY	1
	•	- Geo-Strategic Setting - Legacy of Colonialism - Economic Compulsions - Socio-Cultural Factors - Dynamics of Domestic Politics - The External Environment - Aims and Objectives	
CHAPTER	II	STRATEGIC ENVIRONMENT, PERCEP- TIONS AND DIPLOMACY IN QUEST OF SECURITY	26
	•	The Archipelego Doctrine, Territorial Integrity and Expansionism Different Approaches to the Melaysian Federation The Regional Order Attitudes towards Major Powers Non-Alignment	
CHAPTER		- Sukarno's Aggressive Stance in Becommic Policy - Changing Priorities in the New Orde	72 er
		- Economic Dependence and Diplomacy CONCLUSION	99
			105
		APPENDICES	116
		GLOSSARY	
		BIBLIOGRAPHY	119

INPRODUCTION

The Gestepu effeir of 1965 and its effermath brought dramatic changes in Indonesia a diplomacy as well as in internal politics. The New Order of General (later President) Subarto marked the end of the Sukarno-PKI-army triangle and the beginning of the consolidation of the army's position. The sharp reversal in the Indonesian diplomacy was reflected in a number of foreign policy gestures. As Peter Polomka sums up:

"The less emotive word 'struggle' largely replaced the somewhat pretentions 'revolution' in most official usage, 'non-alignment' returned as 'confrontation' was benished, 'peaceful co-existence' won favour over 'independence at all costs', 'economic' interests gained precedence over 'political', and 'pragmetism' before 'idealism' in a comprehensive reassessment simed at promoting political and economic stability rather than 'controlled conflict' and turmoil".2

^{1.} On the night of September 30 to October 1, 1965, a coup d'etst was attempted in Jakarte and parts of Central Java by some leaders of the Indonesian Communiet party (Pertai Komuni's Indonesia - PKI) and members of its youth and wemen's Front organizations, and by wite of Indonesian army and Airforce including a general and field grade officers. Virtually crushed within 4-hrs, the abortive coup - usually referred as Gestapu by Indonesians (Thirty September Movement) - was to inaugurate drastic changes in Indonesia's domestic power structure and foreign-relations. For further details, see J.M. van der Kroef, "Origins of 1965 coup in Indonesia: Probabilities and Alternatives", Journal of Southeast Asian Studies (Singapore), vol.11, no.2 (Sept.

^{2.} Peter Pôlomke, Indonesia Since Sukarno (Australia: Penguin Books Australia Ltd., 1971), p.118.

The different policies adopted by the two Indonesian leaders, Sukerne and Suharto, provide the scholar an excellent opportunity to examine the way a number of variables interact to determine the pattern of diplomacy in a single system under different circumstances. The sim is to distinguish and compare the policies of Sukerne and Suharto and their enteredents, psychological needs and ideological predilections.

The change in Indonesian diplomacy following the abortive coup of 1965 have been interpreted in different ways. One of the most frequently used explanation of Indonesia's diplomacy has stressed the "idiosyncratic" factors, i.e. those characteristics paculiar to individual leaders. In this form of analysis, the foreign policy motives have been traced back to the charismatic paramality of Sukarno.

His rapport with his people, great oratorial skills, personal attributes and his charisms have led many scholars to place him among the great charismatic leaders of the present century. They view Sukarno's militant foreign policy

Cherieme has been described by Mex Weber as "a special quality of an individual by virtue of which he is set sport from ordinary men, rated as endowed with supernatural superhuman or at least specifically exceptional powers of qualities". The Theory of Social and Economic Reorganisation (Glencos, 1947) (Trans. A.M.Henderson, Fersons), p. 158.

as a product of deep psychological need for self-assertion and prestige. In this argument, Sukerno's "flamboyance" and "charisma" have been sharply contrasted with the 'un-charismatic' personality of the "Smiling General". The 'stable' or 'moderate' foreign policy of Indonesia has been attributed to the personality of President Suherto. His image of simplicity, reliability and self-restraint are the major traits contributing to stability.

Sukerno's foreign policy has also been sharply contrasted with the non-doctrinaire approach of President Suharto.

Sukerno's ideological approach to foreign policy has been attributed to his finely spun acronyms like USDEK, NAKASOM,

TAVIP, NEKOLIM and NEFOS vs OLDEFOS. According to George Modelski, it was a "conflict theory" of international relations which postulated that the conflict between the "new" and "old" must end in the destruction of the "old". So, in Sukerno's view, imperialism and colonialism in its mani-festations was at the root of all problems. Sukerno's

^{4.} From the title of Subarto's biography by O.G. Roeder, The Smiling General: President Scenerto of Indonesia (Jakerta: Gunung Agung, 1969).

^{5.} See Appendix I.

^{6.} George Modelski, ed., New Emerging Forces: Document on the Ideology of the Indonesian Foreign Policy (Canberra, 1963), pp.11-1v.

obsession with revolutionary slogens, "eversion to reality" and his efforts to organize conferences like (CONEFO) and games (GANEFO) have also led some scholars to stress the importance of ideology in the Indonesian diplomacy. As Sukarno said.

"Well, frankly I tell you! I belong to the group of people who are bound in spiritual longing by the romanticism of revolution. I am inspired by it, I am fascinated by the romanticism of revolution. And for this I utter thanks to God, who commands all Nature".7

But in what sense was Sukarno really a revolutionary? Was he sincere in his ideological formulations? Was it based on reality? Because, very often ideologies misrepresent reality to divert attention from real problems. These are some of the questions the present dissertation shall seek to explore in the course of our discussion. In contrast to Sukarno's revolutionary ideas, the Suharto regime was considered more pragmatic in its approach. We will also examine Suharto's attitude towards ideology?

Others may view the change in the Indonesian foreign policy as an extension of domestic politics. According to

^{7.} Cited in Howard Paltrey Jones, The Possible Bream (Singapore: Reover Institution Publishers, 1973), p.47.

^{8.} Guy J. Pauker, "Indonesia: The Age of Reason?", Asian Survey (Berkeley, California), vol.8, no.2 (Feb. 1968), pp. 133-47.

Weinstein. The degree of political competition had been a mejor variable in determining the foreign policy orientation. And, the problem of 'legitimecy' has always been a factor in determining the strategies of the leaders. The external environment has also been singled out as a major factor in the explanation of Indonesia's diplomacy. Others also emphasise the geo-strategic imperatives, cultural heritage and other basic factors in determining Indonesia to foreign policy. What, then, does the Indonesian case tall us about some of these determinants of diplomecy. If the leaders combine different strategies in their own fashion, then the question is why do they prefer to act in certain ways? To what extent the leaders interpret those long-term factors in terms of their ideological predilections, perceptions, psychological and political needs? These are the questions we shall seek to answer as we compare the diplomatic strategies and policy making process under Sukarno and Suharto.

^{9.} F.B. Weinstein, "The Foreign Policy of Indonesia" in J.N. Roseneu, K.W. Themson and Gavin Boyd, ed., World Politics: An Introduction (N.Y.: Free Press, 1976), pp.239-62.

CHAPTER I

DETERMINANTS OF INDONESIAN DIPLOMACY

Diplomacy is seldom determined by only one consideretion. It is the result of the interpley of numerous. often competing, considerations and motives. Schelling rightly views much of diplomacy as mixed-motive bergeining. The leaders do not have a completely free choice of how they might pursue or interpret the foreign policy needs. The state's size, location, economic potentialities, military power history, and the policies of near neighbours end distant powers affect their priorities as well as their manceuvring ability. Analysing the factors that influence the decision-makers and give structure and content to their choices. Snyder divides them into three main sets of stimuli: 1) the internal setting: 11) the external setting: and 111) the decision-making process. All these factors influence the policies of the leaders by providing opportunities or by placing limitations on what is feasible in

^{1.} For a brilliant analysis of Bergeining Strategy, see Thomas C. Schelling, The Strategy of Conflict (New York: Oxford University Press, 1971), pp.4-52.

^{2.} Richard C. Snyder, H.W. Bruck, and Burton Sapin, "Decision-Making as an Approach to the Study of International Politics" in Richard C. Snyder, H.W. Bruck, and Burton Sapin, ed., Foreign Policy Decision-Making: An Approach to the Study of International Politics (USA: The Free Press of Clencoe, 1962), pp.60-74.

both foreign policy motives and programmes. In addition to these general characteristics, it is important to note that the basic determinants vary in importance according to time-periods, situations and the personalities of decision-makers.

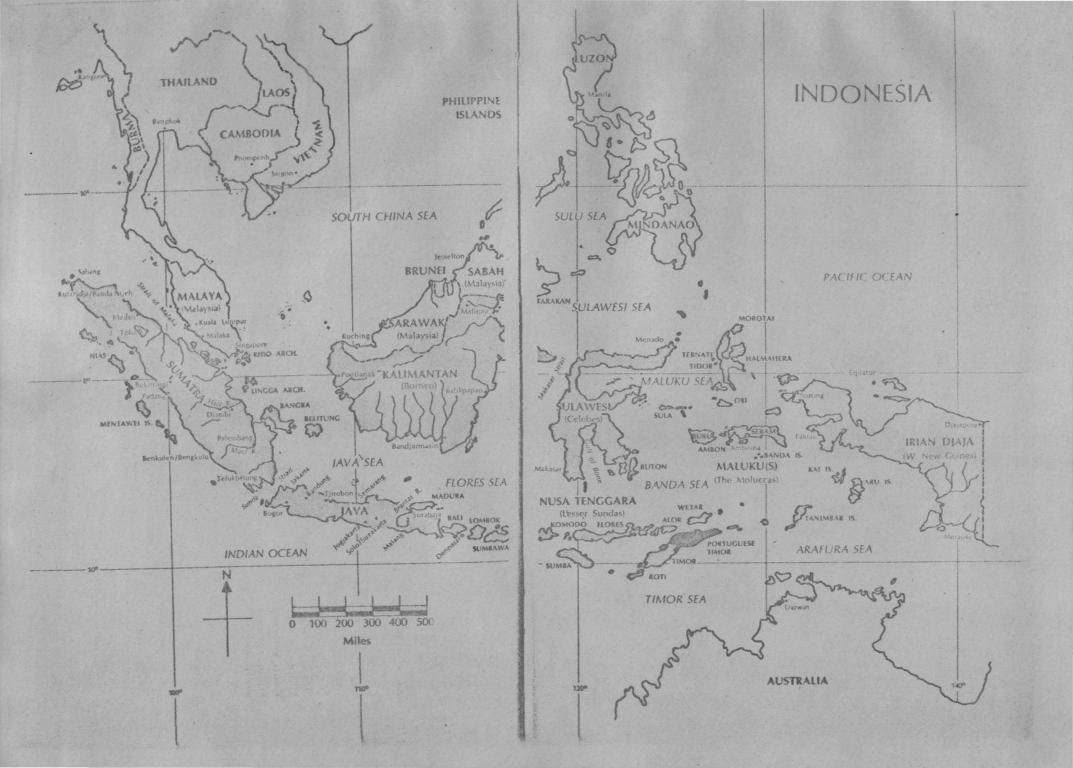
This chapter seeks to bring out the implications of the basic determinants such as geo-strategic determinism, colonial legacy, socio-cultural composition, domestic and international environment, so far as they are relevant for the study of Indonesian diplomacy. An attempt is made to outline the broad foreign policy objectives which will provide a framework for evaluating the policies of both Sukarno and Suharto.

GEO-STRATEGIC SETTING

Indonesia is situated on the key trade routes between China on the one hand and India, Western Asia and Europe on the other. Thus it has long been the centre of trading empires and the recipient of a diversity of cultural and linguistic influences from outside. The straits of

^{3.} For a comprehensive understanding of the basic characteristics of the Indonesian society, see Appendix II.

^{4.} Herbert Feith, "Indonesia" in George McTurnah Kehin, ed., Government and Politics in Southeast Asia (Itheca, New York: Cornell University Press, 1957), edn 2, p.183.



Melacca, Karimata, Sunda of Indonesia, and the Natura group of islands are strategically very important to big powers, to any external power which would like to intervene in the politics of Southeast Asia. Moreover, the Natura group of islands also have immense economic importance because of the presence of oil and other valuable strategic minerals in the region. According to Weinstein,

"a common line of reasoning particularly among militery officers, emphasized geo-political factors. Indonesia's atrategic location and wealth of natural resources were said to place the country in an unusual state of jeopardy because they constitute incentives for larger powers to intervene".5

Sukerno himself mentioned this point on many occasions, and asserted in many ways that Indonesia's quest for a leadership role in the region was consistent with its strategic location. But lying as it is in one of the world's oldest and busiest waterways, the archipelago and its people could hardly remain isolated from the outside world. For its leaders, Indonesia occupies a central place in Southeast Asia.

However, Indonesia e geographical location has also a strategic advantage against any direct Chinese invasion.

^{5.} Franklin B. Weinstein, Indonesian Foreign Policy and the Dilemma of Dependence: From Sukarno to Scenarto (Ithaca, N.Y.: Cornell University Press, 1976), p.43.

Dick Wilson⁶ makes a "vital distinction" between the "lend-ward" and "seaward" powers of Southeast Asia. According to his assumption, the "seaward" half can afford to deal with the other "remote superpowers" (i.e., USSR and USA), while the "landward" half cannot, due to their territorial contiguity with Chine. Indenesia, under this assumption, and being in the "seaward" half, presumably, will have much more freedom in choosing the superpowers to align itself with, and will be less fearful of China. But being geographically far-off the Chinase threat primarily arises out of its subversive activities in Indonesia. At least, the "seaward" location prevents any direct military action by the Chinase.

Further, there are two important reasons why geography chould be regarded as an important determinant of Indonesia's foreign policy. One is its size, and the other is its srchipelago nature. Indonesia, with a vast population, is the largest country of Southeast Asia, and its 3,000 inhabited islands extend for over 3,000 miles from the tip of Sumatra to West Irian.

^{6.} Dick Wilson, "Sino-Soviet Rivelry in Southeast Asia", Problems of Communism (Sept.-Oct., 1974), p.51, discussed in Zied Salim, "Insurality in Indonesia's Foreign Policy", Indian Political Science Review (Delhi), vol.13, no.1 (Jan. 1979), p.53.

These islands and seas together cover a territory somewhat larger than that of the United States, while the total land area of the islands is approximately one-fourth of the United States. It is also the largest insular territory in the world. The vastness of Indonesia's territory has an important bearing on her external security and foreign relations. This factor makes Indonesia relatively more independent prominent than her neighbours.

But, the archipelago nature of Indonesia poses a serious threat to its territorial integrity. Indonesia comprises five major island groups: Java, Sumatra, Kalimantan (Borneo), Sulawesi (Celebes) and East Indonesia. Moreover, it is a scattered archipelago of 3000 islands, big and small. As a result, Indonesia has been struggling hard with geography to maintain itself as a single unit. The easy traversibility of these seas has ensured a continuity of cultural-contact between the people of different islands, thus making Indonesia something of a "notural" unit. But, this has also exposed it to many kinds of penetrations from both neighbouring countries and outside powers. This

^{7.} Lucien W. Pye, "The Politics of Southeast Asie" in Gabriel A. Almond and James S. Coleman, ed., The Politics in Developing Areas (Princeton, S.J.: Frinceton University Frees, 1972), edn 2, p.67.

^{8.} Herbert Feith, "Indonesia" in Kehin, ed., n.4, p.163.

vulnerability is further heightened by inter-islands. There is, probably, a good deal of unrecorded illegal movement between parts of Indonesia and adjacent areas of Melaysis and Philippines. In this geographical setting territorial and political unity are of paramount importance. During the years of Indonesian revolution, 1945 to 1961 a Melayan phrase meaning from "Sebang to Merauke was popularly used to describe the expanse of territory that hopefully would be freed from colonial exploitation."

closely related to the erchipelago nature of Indoncela is the concept of insularity. O Many exponents of "insular politice" argue that an insular power will have a tendency to pursue a policy of conquest (partial or total), make an alliance with extra-regional power rather than with an intra-regional one, and will be less enthusiastic about regional co-operation. Indonesia is insularity manifested

^{9.} Wilfred T. Neill. Twentieth Century Indonesis (N.Y.: Columbia University Press. 1973), p.2.

The port of Merauke in the Southeastern part of the country is more than 3,000 miles farther east and more than 1,000 miles farther South than the island Sabang in the extreme north-western part.

^{10.} An insular power refers to a territory either an island or a group of islands, that lie directly off the shore of a continental landmass.

^{11.} Insularity itself is in fact often equated with isolation and non-regionalism. Michael Menley, "Overcoming Insularity in Jameica", Foreign Affairs, vol.49, no.1 (October, 1970). Cited in Zied Salim, n.6, p.54.

itself during the period of "Konfrontesi" under President Sukarno. However, its importance has changed in response to the variations in the external and internal environment of any given period as well as according to the preferences of the leadership.

In a strict sense, Indonesia shares only some of the true characteristics of an insular power. In terms of its size, area, population and natural resources, Indonesia is believed to be more powerful than any of its neighbouring countries; thus is hardly comparable with that of Singapore or the Philippines. In other words, it is a typical insular power. Further as an Indian ocean state, and having a long coast-line from North Sumstra to Timor, Indonesia has to display a deep concern about it. Externally, for years to come, Indonesia would remain primarily a sea-fearing nation.

LEGACY OF COLONIALISM

Desides the geostrategic setting, Indonesia's legacy of colonislism has conditioned the course of its diplomacy. The islands were controlled by the Dutch Best India Company for two centuries and then, Indonesia was under the Japanese occupation during World War II. The Dutch colonisl rule created serious dislocations in socio-economic and political

sphere; at the same time, by creating one centrally administrated political unit, it laid the territorial foundation of modern Indonesia, as a result Indonesian nationalism emerged directly as a reaction to Dutch colonislism.

However, Indonesian nationalist movement initially was lacking in cohesive force. Sukarno took the initiative in bridging the differences between the religious and secular factions in the nationalist movement. His five principles, or fantiasile, were adopted as the philosophical foundation for the Indonesian national revolution. These were: nationalism, humanitarianism (or internationalism), representative government, social justice, and belief in God (with emphasis on religious freedom). Anti-colonislism was the basic drive in this struggle for independence. Sukarno asserted that a free Indonesia should include all islands of the Dutch East Indies. He also stressed Indonesia's desire to work in an international level with other nations. Thus, Indonesian nationalism had been used as the main political force to fight colonislism.

On August 17, 1945, two days after the Japan's surrender to the Allies, a handful of nationalist leaders headed by Sukerno proclaimed independence on behalf of the Republic of Indonesia. The declaration of independence had given expression to nationalist fervour built-up during the

preceding years, but this fervour was primerily used to defend and preserve the independence which had been proclaimed by the leaders. Even after the Japanese withdrawal. Indonesia was engaged in a desperate struggle for survival against Dutch attempts to re-impose colonial rule. Efforts were made to gain internstional recognition. sympathy and support wherever it could be found. The Indonesian leaders appealed to both Communist bloc and Western bloc. to the United Nations and to the leaders of nawly emerging states. In this liberation struggle, diplomacy was to prove en important factor for success, since international support for Indonesia increased as the Eutch intensified their military intervention. Finally, with the resolution of the 1949-Inter-Asian Conference supporting Indonesia and with the American decision to exert diplometic pressure on the Netherlands. Indonesia came to be recognised as a sovereign republic.

Indonesian leaders appear to have learnt important leasons in diplomacy during this period. 12 Their experience of Great Power politics left them reluctant to rely on any

^{12.} J.R. Angel, "Indonesien Foreign Policy Since Independence: Changing pre-occupations in pursuit of progress", The Year Book of World Affairs (London, 1977), vol.31, p.51.

power or bloc, communist or western, for support. Despite verbal declaration against the aggressive Dutch actions, The Great Powers did not take any concrete initiative in its liberation struggle. The slieged Soviet involvement in the Communist-led Madium rebellion of 1948 and American attempts to pressurice the Republic at crucial points in negotiations with Holland made Indonesians suspicious about their motives. 13 As a result, Indonesia came to follow a non-aligned policy, uncommitted in relation either of the powers/blocs. At the same time, such a policy was seen to provide Indonesia more flexibility and freedom to pursue its own foreign policy objectives. The diplomatic negotiations during their historic struggle also taught them how to seek assistance from outside powers without sacrificing their independence.

ECONOMIC COMPULSIONS

Becommic compulsions are no less important than geostrategic setting and legacy of colonislism. "Indonesia is an anomaly - a poor country rich in resources". It is endowed with abundant natural resources, especially export-

^{13.} Ibid., p.51.

^{14.} Sevinc Cerlson, <u>Indonesia's Oil</u> (Boulder, Colredo: Westview Press, 1977), p.1.

able rew-materials vitally necessary for the industrialised countries. Inconesia has large mineral resources such as nickel, bauxite, copper, tin, coal and iron sands. The oil sector has become a major source of foreignesichunge sarnings and an important source of government revenues. It is also emong the world's wajor exporters of natural rubber, timber end coffee. The natural resources are generally viewed as long-torm assets which will eventually help to essure Indonesia an important role in world affairs, besides bringing prosperity to the land. It is believed that the untapped netural resources, if properly exploited, would make it one of the weelthiest countries of the world. But it suffers from severe lack of skills, technology, electrical power and capital to make optimum use of the netural resources. Therefore, the Indonesian case ergues strongly in favour of en aconomic policy that will encourage outelders to help them draw benefit from their natural endowment.

But, so long as Indonesia remains weak and economically underdeveloped, many leaders feel that its natural resources will continue to be more a liability than a source of strength. Those "assets" provide incentives for big powers to seek domination. As the Indonesian leaders often say, "Out weelth makes us vulnerable". Indonesia, in their view,

is like a pretty maiden who is constantly being approached by men who went to take advantage of her. 15 So, there is always a fear of being dependent on large powers.

Again, the division between the production of raw materials for world trade and peacent agriculture has created what is generally referred to as dual economics in Indonesia. One sphere of the economic life is closely tied with world trade, while the other is still predominently based on agricultural sector. In the colonial era, Indonesia was opened upto world trade. But by high taxes, a long maintained system of forced deliveries, and restrictions in growing of commercial crops, the Dutch gave peacents neither the incentives nor the opportunity to become progressive formers.

However, since independence Indonesia has indicated its desire to diversify its economy and initiate more industrial activities.

The Indonesian industrial sector is very underdeveloped, even in comparison with India or China. This is so because

^{15.} Weinstein, n.5, pp.42-45.
The pretty-girl enelogy has been used by many Indonesian leaders to describe the "exploitative" character of foreign investment or oid.

the technologies are generally outdated, entrepreneurial skills are low, few forms are large enough to echieve economies of scale and, other skills are in extremely short supply. 16 The general economic environment has not been conducive to rapid industrial growth. In addition to these escential ingredients, all this needs the construction of wider communication network. The communication and signal systems of the railways are inadequate in Indonesia for a hopefully expanding aconomy, and need further improvement. By any index of the importance of rail transport. Indonesia on a nationwide basis ranks lowest in South and Southeast Asia. except that the Philippines has fewer miles of track per capita. Loans from the Export-Import Bank, the Development Loan Fund, and some other foreign lenders in the 1950's helped to make reilroade, nevertheless, the general condition still preveils. Air routes and water-traffic are important for inter-island communication. 17

Indonesia's rapidly expanding population provides a major challenge to planning and economic development in the

^{16.} Peter McCewly, "The Develuation and Structural Change in Indonesia", South Best Asian Affairs (ISBAS, Singapore) (1980), p.146.

^{17.} Allen M. Sievers, The Mystical World of Indonesia; Culture & Economic Development in Conflict (Baltimore; Johns Hopkins University Fress, 1974), p.209.

country. In 1960 the total population of Indonesia was 94.5 million, now it is about 148 million. By the year 2000, it is estimated that the population will be close to 254 million, making Indonesia the third most-populous nation in the world, after China and India. Pwo-thirds live on the islands of Jave and Bali, which account for only ? percent of the nation's land area, with only 45 percent of this being arable. Java is one of the most densely-populeted parts of the world. Thus. Indonesia is at a great disadvantage due to fast increasing and unevenly distributed population. The unemployment and the population pressure place sharp restrictions on the economic choices of the government. It reduces self-sufficiency in food supplies. and the possibility of more equitable distribution of income and results in increased migration from rural to urban area with ite accompanying problems. There is a great disparity between the incomes of majority, who live at subsistence level, and a small minority having enormous wealth. Also, the non-indigenous Chinese, Eurapiane, Arabs, Indians, though in total less than 3 percent of the population, have adversely affected the economic life of the Indonesians. Although Indonesia has very fortile soil end en intensive egricultural economy, the country's food production is still incapable of feeding the population. It has made

Indonesis dependent on the external sources for foreign capital, technical know-how and has put other strains in the system.

SOCIO-CULTURAL PACTORS

A great diversity in languages, cultures, religions and an archipelago of natural separatist tendencies have posed continuous threats to the national identity of Indonesia. Indonesiana, although mostly Malaya in stock. consist of various ethnic groups speaking different languages. In the 3000 islends that make up Indonesia, there are 250 dialects and 300 different ethnic groups which give importence to the problems and hopes expressed in Indonesian national alogan of "Shinnaka Tunnggal Ika", magning "unity in Diversity". Among these various ethnic and linguistic groups, the Javanese occupy a dominant position. Moreover, the Javenese concept of power, style of decision-making and Javanese way of living have been influencing the policymakers all along. Non-Javans have always a feeling of deprivation, yet they have not succeeded in lessening their encroachment. 18 The problem of the Chinese minority is

^{18.} The dominance of the Javanese aroused resentment in other islands and there was a serious revolt in Sumetra in 1956.

often viewed by the government as closely connected with political instability and even "security risks". The problem of unassimilated Chinese is no less significant. The presence of an economically influential overseas Chinese minority also stimulates concern about Indonesia's vulnerability to subversion. Chinese are veriously accused of having been 'colonial lackeys' and of siding with the Dutch during the independence struggle and of 'cultural arrogance' and general 'attitudes of superiority', and of numerous other unlikeable traits. 19

Indonesia is the world's largest Muslim netion; more than 90 percent of Indonesia's population follow Islam.

Inspite of this overwhelming majority of the Muslim population, Indonesia was declared as a secular state. In Indonesia there are still important groups advocating that the government should be based on Islamic religion. The demand for Islamic state by a section of Muslims and the aspiration to be a modern state based on secularism have created serious problems of national integration. In 1953 Fresident Sukarno advocated secularism for Indonesia on purely pragmatic

Peter Polomka, Indonesia since Sukarno (Australia: Penguin Books Australia Ltd., 1971), p. 169. For details on the Chinese problem, see Bonald W. Frayer and James C. Jackson, Indonesia (Boulder, Colorado: Westview Press, 1977), Ch.9.

grounds and said:

"If we erect a state based on Islam many regions whose people are not Muslim will secede, for example, Moluces, Bali, Flores, Timor, Kei Celebes. And West Irian which is not yet within Indonesia will not wish to form a part of republic. 20

Though Indonesia remains as a secular state, Islam as a factor, has influenced the leaders in using their policy-options.

Further, the Islamic character of Indonesian society and cultural diffusion give rise to similarly conflicting influences. Islam has had to adapt itself to ancient Hindu and Buddhist cultures especially in eastern and central Java. Some argue that Islamic tradition has been diluted by the need to adjust to local customs and mystical rituals. The process of cultural diffusion, while providing the elite many advantages that strengthened its powerbase, also made it difficult, then as now, to develop strongly integrated system.

Mysticism²¹ is enother peculier cultural trait of Indonesian society that describes the psychological needs

^{20.} From a speech by President Sukerno on 27 January 1953. Cited in L.H. Pelmier, "Sukerno, the Nationalist", Pecific Affeirs (Vancouver), vol.30, no.2 (1957), p.110.

^{21.} Allen M. Sievers, n.17, pp.4-6.

of its people. As a generic social phenomenon, it signifies unpredictable, illogical, contradictory and, paradoxically, sometimes violent behaviour. Indonesian officials still depend, on soothseyers, or dukuns, in making key decisions. The symbols, slogens, gosture, esoteric practices used by the Indonesian leaders had profound influence on its people. The mystical outlook, in a way, explains the extent to which the people support their leaders, believe in the superiority of their nation and in the rightness of their cause.

DYNAMICS OF DOMESTIC POLITICS

The Indonesian political system understandably has played a crucial role in determining the pattern of diplomacy. The intensity of political competition, the degree of political instability and above all the problem of legitimacy have all been the major variables/limitations in this process. A brief survey of these variables will facilitate the understanding of Indonesian foreign policy.

On attaining independence, Indonesia's leaders instituted a system of parliamentary democracy, but their experience with this form of government was not happy. This was the period when inter-party rivelry was aggrevating in the country, and dissidents were forming new parties. Under the parliamentary set up, there had emerged three 'focil of power' - the President, the Prime Minister and his Cabinet,
the KNIP and its working committee. Even then, the President
continued to exercise his discretion since there was no
single dominant party. President Sukerno derived his power
more from the popular acceptance rather than the constitutional provisions of 1950. As a result the President
emerged as an extra-parliamentary force of power. The
status of Presidency was thus enhanced due to the peculiar
pattern of political forces in the country. Sukerno had
successfully used the army factions and political parties
in his favour.

The national election of 1955 was not decisive. Masjumi, PHI, PHI - neither of the party got a clear cut
mejority to ensure stable government. In effect, it
created the popular sense of distillusionment and thereby
increased the possibility of a political crisis. 22 The
politicians had failed to solve the burning problems of
the day. They were incapable of taking firm stand against
the civilian and military challenge to the cabinet. This
was the period of political instability; between 1949 to
1957, the parliamentary system experienced frequent changes

^{22.} J.D. Legge, Sukerno: A Political Siography (Allen Lene, London: The Penguin Press, 1972), p.268.

in cabinet leadership. Economic conditions deteriorated, and it became evident that prosperity and rapid economic development were not imminent. The Assat Movement, other separatist movements and anti-Chinese activities were cropping up. The very basis of the state unity from 'Sabang to Morauke' was threatened by conflicting economic interests between the centre and the regions and inter-party rivalries.

The declaration of martial law in March 1957 provided the justification for Sukarno's direct intervention to form an emergency, thus reducing the cabinet's decision-making role. At this moment of crisis, Sukarno put an end to constitutional democracy and proclaimed his Konepesi (guided democracy).

what emerged during the Guided democracy period, was a delicate belance of power in demestic politics. The essential shape of political competition during these years was tringular. And an increasingly tense struggle between the army leadership and the PKI, with Sukerno attempting both to exploit and to limit the rivalry in order to enhance his own position, dominated the politics of the period. However, the later period was marked by intense competition between the Army and the PKI.

The abortive coup of September 30, 1965, the PKI's elleged involvement in the coup, and the unbearable economic crisis provided sufficient grounds for the Army to capture direct control over the government. Thus, both Sukarno and the PKI were rendered powerless by the military leadership.

Political competition, under the military regime, was restricted to the "bureaucratic competition" emong army generals, a handful of American technocrats, party leaders and others seeking personal or factional advantage. Though Subarto was regarded as a weak leader; yet his position remained unchallenged.

As the new order under the leadership has advanced there has been evidence of growing concentration of power in the hands of a nerrowing circle of leaders. Political parties have been neutralized to the point where they must look to the top for support, not, so with traditional parties, to the people. The Army has used repressive measures to alienate the large part of political clites and public criticism.

^{24.} Ouy Secerdoti, "The members of the wedding", For Eastern Economic Review (Hongkong) (24-30 July 1981), p.28.



^{23.} Franklin B. Weinstein, "The Foreign Policy of Indonesia" in J.N. Rosenau, R.W. Thomson and Gavin Boyd, ed., World Folitics: An Introduction (N.Y.: The Free Press, 1976), p.242.

It is evident from this brief discussion that the political system has become more organised and the political competition has substantially decreased in the new order. In the sbusequent chapters, particularly in the concluding part, we will exemine how the demestic politics played an important part in leading Sukarno and Suharto to divergent diplomatic styles.

THE EXTERNAL ENVIRONMENT

The pattern of diplomacy is determined not only by the combination of all the above mentioned domestic conditions but also by the position of the state in the world. Indonesis, like many other Afro-Asian states, has been confronted with the external variables. Needless to say, the number of choices and decisions that can be adopted by a state is limited by the international environment.

The Indonesian leaders were extremely sensitive to their independence during the Cold War period. At the same time, the competitive international situation was also used by them to gain material benefits from both the power blocs. This was the period that witnessed the emergence of new nation-states, the United Nations, and various other international organisations. Indonesia could mobilise support

from the US and other states in the West-Irian campaign.

But, Sukarno's 'crush Malaysia' campaign evoked a negative response and criticisms from outside powers including the super-powers, and, the undue territorial claim or policy of conquest had to be abandoned by the New Order. Indonesia's withdrawal from the UN, non-aligned group, Sukarno's NEFOS vis-a-vis OLDEFOS - all these militant actions only adversely affected its image, foreign relations and above all its national interests. In this context, the feedback and linkage between the international system and national system are considered vital to decision-making process.

By the early 1970s the Cold war was perceived in a new light. Again, the fall of Indo-Chinese states, the withdrawel of American military power from Southeast Asia, the intensification of Sino-Soviet conflict, Hanoi-Paking confrontation growing super-power rivalry in the Indian Ocean have given a new orientation to Indonesian diplomacy in the recent years. Indonesia has had to assess the meaning of these complex and still engoing realignments for the protection and advencement of its own interests.

AIMS AND ODJUCTIVES

So far, we have discussed Indonesia's inherent capabili-

ties, its deficiencies and some of the limitations posed by both domestic and internal environment. Within these boundary conditions, it is now possible to broadly discuss its long-term foreign policy objectives, and the underlying attitudes of its diplomacy. In general, security, stability and status are regarded as basic foreign-policy goals.²⁵ Indonesia is no exception.

The peculiar geo-strategic position of Indonesia on the Southeast flank of Asia creates special needs and imperatives relating to its national existence. The first of these imperatives for Indonesia is to safeguard its national unity and territorial integrity. Further, it has the capability to play the leadership role in Southeast Asia by virtue of its large population, and vest and untapped natural resources, cultural heritage, and strategic geographic location bridging two continents and two oceans. It needs to play an active and independent role in international affairs in order to enhance its status. Thus, the objective of its foreign economic policy would be to mobilise foreign aid without sacrificing its independence. However, there are many

^{25.} George Liske, Alliences and the Third World (USA, 1968), p.27.

short-term goals which would be discussed in the subsequent chapters. The success or feilure of its diplomacy can be evaluated as we compare the policies followed by Sukarno and Suharto.

CHAPTER II

STRATEGIC ENVIRONMENT, PERCEPTIONS AND DIPLOMACY IN QUEST OF SECURITY

ensure its territorial integrity and to secure a stable political, social and economic order therein. In fact, security is the first pre-requisite for a nation's international personality. While the basic "security concerns" are the key factors in foreign policy decision-making, the leaders pursue different strategies, often exaggerate their concern for some reasons or other and perceive the 'threate' based on both real and anticipatory grounds. In this light, the policies of the two leaders, Sukerno and Suharto, may be distinguished and compared in the following sections:

(1) The erchipelego Doctrine, Territorial integrity and Expansion; (11) Different approaches to the Maleysian Federation; (111) The regional order; (1v) Attitude towards major powers; and (v) Non-alignment.

THE ARCHIPELAGO DOCTRINE, TERRITORIAL INTEGRITY AND EXPANSION

Sukarno envisioned a large and integrated territory for Indonesia in order to make it "etrong", "secure" and

^{1.} K.J. Holsti, International Politics: A Framework of Analysis (New Jersy: Prentice Hell, 1972), p. 137.

free from external "threato". This could further strengthen Indonesia's position as the dominant power in Southeast Pacific. His early enthusiasm for "Greater Indonesia" found its expression in his call for 'Sabang to Mercuke', 'God ordeined geographical unity' and above all in his famous Peta Mas (Golden map) in the Merdeka Palace. It showed a Greater Indonesia which included, in addition to the then disputed territory of West New Guines (West Irian), the Sulu archipelago, the whole of Mindanao and the entire island of Borneo, the Malaysia Peninsula and its extension to Southern Theiland.²

In a speech, Sukerno said,

"...When I look at the islands situation between the Pacific and Indian Ocean, I understand that they are meant to form a single entity. For that reason I shall support in the meeting those who advocate that Indonesia should extend to Malaya and Papua".3

This declaration has been used by many authors as "evidence" for Sukarno's policy of "expensionism" and "imperialism".

^{2.} Donald W. Frayer and James C. Jackson, <u>Indonesia</u> (Boulder, Colorado: Westview Press, 1977), p.241.

^{3.} Cited in Ziad Salim, "Insularity in Indonesia's foreign policy", Indian Journal of Political Science Review (Delhi), vol.13, no.1 (Jan. 1979), p.co. For analysis of Sukarno's view on this matter, see Garth N. Jones, "Sukarno's Early View Upon the Territorial Boundaries of Indonesia", Australian Outlook (Canberra) (April 1964), XVIII, 1.

Another dimension of the territorial concept of Indonesia emphasical by both Sukarno and Suharto is an inseparable relationship between land and water ("tanah eir"). According to this idea, the seas and straits do not separate but connect their islands and unify their nation. This unity of land and water territories of Indonesia was emphasized by the archipelago concept. Based on these imperatives, end in immediate response to political dissidence in the islands of Sumstra and Sulawesi. President Sukarno procleimed Indonesia as an archipelago state on 13 December 1957. Indonesia's control over the straits of Malacca, Sunde was frequently asserted by Sukerno in his speeches, policies and foreign-relations. This doctrine was used as a two-pronged strategy to take the edvantage of the geostrategic location and discourage big-power domination in the area. Sukerno also went to the extreme position by declaring Indian Ocean as "Indonesian Ocean".

The Suberto regime has, no doubt, upheld end used this Archipelago principle, but in a more pragmatic way. Suberto

the archipelago was defined as a "group of islands and other natural features which are so closely interrelated and that the component islands and other natural features from an intringic geographical, economic and political entity, or which historically has been regarded as such in Mochater Kusumaatmadja, "Indonesia and the Law of the Sea Issue", Indonesian Querterly (Jekerta), vol.III, no.2 (January 1975), p.57.

god rid of Sukarno's obsession for "Greater Indonesia", nevertheless, perpetuated Indonesia's interests over the strategic water-ways and important straits. Moreover, the strategies adopted by the two leaders were different.

For instance, Suberto wanted to exercise control over the Melecca strait in order to restrict the strategic mobility of maritime powers, because they posed a threat to Indonesia's security and to his own designs of regional order. The Indonesian Government was also concerned to prevent pollution in the straits. As a result, Indonesia with the co-operation of Malaysia signed a joint declaration on 16 November 1971, and claimed that the straits of Malacca and Singapore were not an international waterway. This assertion or claim was demonstrated in its insistence, with its ally Malaysia, not only on the regulation of traffic by the coastal states but also on the restricted right of innecent passage for all vessels through the straits.

Singapore, too, agreed to co-operate for safe navigation through the etraits.

It may be pointed out here that 'the Melacca strait joint policy' would have been inconcaivable under Sukerno, requiring consistent support of Melaysia and Singapore.

^{5.} Allen M. Sievers, The Mystical World of Indonesia; Culture & Economic Development in Conflict (Beltimore; Johns Hopkins University Press, 1974), p.249.

As opposed to Sukarno's <u>Konfrontasi</u>, Melaysia was acknowledged by the Suharto regime as the sovereign state in the Malay Peninsula. So also, Singapore was recognised as an island-state.

gesture. This act of independence was not only intended to caleguerd its territorial integrity but also to prove Indonesia's goodwill towards her Southeast Asian neighbours. Both Halaysia and Indonesia expressed their concern over the big-power rivalry in the Indian Ocean. An important element in President Suberto's approach was his warnings against the Soviet naval presence in the Indian Ocean. Though his main intention was to warn the Soviet Union preferred to convey the message through a general notice.

West Irian Issue

Sukerno's urge for 'Greater Indonesia' found its concrete menifestation in his West Irian compaign in his broad policy of 'anti-imperialist crusade' or 'enti-colonialism'.

At the time of Indonesian independence, the West Irian problem was postponed and was supposed to be resolved through negotiations within a year. A series of negotiations which

^{6.} Ibia.

followed with the Dutch and appeals made to the United Nations beginning in 1954, did not produce any concrete gains. 7 However, Sukerno's escendeny to political power in 1956 brought a new dimension to West Irian struggle. December 1957, following enother failure to gain UN genetion. Indonesia nationalised all Dutch enterprises in the country end evicted all Dutch personnel except a few "experte". With the introduction of these anti-butch measures. Indonesia had embarked on a confrontationist policy which was to be steadily intensified. And Sukerno, who emerged after 1956 as Indonesia's principal foreign policy spokesman, made clear by mid-1960s his determination not to stake Indonesis's claim to West Irien on hopes for "a gift from the imperieliste".8 His multi-pronged strategy of confrontation elso included mass mobilisation, calls for volunteers and limited lendings of Indonesian troops in West Irion.

At the end of 1961 a Trikora, or People's Triple Command, under Ceneral Suberto, was established to liberate West Trian.

^{7.} Ibid., p.187. For further details on the West Irian dispute, see R.C. de Iongh, "West Irian Confrontation" in T.K. Ian, ed., <u>Sukarno's Guided Indonesia</u> (Brisbane, 1967).

^{8.} F.B. Weinstein, Indonesian Foreign Policy and the Dilemma of Dependence: For Sukarno to Soeharto (Ithaca, N.Y., 1976), pp. 164-65.

At the same time, Sukarno also continued his diplomatic efforts. Indemesia sought assistance for a massive arms build-up, at first, unsuccessfully, from Weshington and subsequently, successfully from Moscow. But, then, the United States realized its mistake, and fearing that Indonesia might join the Communist camp, began to exert pressure on the Netherlands to yield to Indonesian demands. Finally, the agreement was reached on August 1962, to transfer West Irian to UN control and then to Indonesia. In his efforts Sukarno combined an aggressive posture with appreciable diplomatic tact. Although this was projected as a "diplomatic victory" for Sukarno, it created serious economic dialocation.

There was an undertaking in the 1962 agreement to permit the people of West Irien to perticipate in the act of 'self-determination' by 1969 to decide on whether they desired to remain under Indonesian rule. But after Indonesia's withdrawal from the UN, this became doubtful if the new leadership would regard United Nations condition.

President Subarto, however, completed these formalities by arranging on Indonesian-type musicroweh. 10

^{9.} For details, see G.J. Pauker, "General Heaution's Mission to Moscow", Asian Survey (California), vol.1, no.3, (March, 1961), pp.13-22.

^{10. &}lt;u>Musiarawah</u> is an Indonesia type of decision-making which sime at producing a consensus.

Another example of territorial expansion, under the 'decolonization' programme, was the Portuguese East Timor. 11 This was declared by Suharto on the 27th province of Indonesia in July 17, 1976. But this time, Indonesia is "security concerns" seemed to be different from that of the West Irian case. Although Sukarno emerged as the champion of "Decolonisation process", yet he did not highlight the East Timor issue. This was so because of two important reasons:

- 1) The adjacent territory was of minor importance to the Indonesian leaders.
- ii) They were pre-occupied with their anti-Dutch campaign and Konfronteel against Meleysia. ¹² In addition, Indonesian officials stated that they laid claim only to those territories which comprised the former Dutch East Indies. ¹³ Even during early years of Suherto's regime, Indonesia maintained a low-profile on this issue till 1974.

^{11.} The 300-mile-long Timor island is in the eastern part of the Indonesian archipelago. Its western part belongs to Indonesia, the eastern part was a Portuguese colony.

^{12.} For details, see Robert Crawford and Perumala Dayanethi, "East Timor: A Study of Decolonisation", India Guarterly (New Delhi), vol.XXXIII, no.4 (October-December 1977), pp.419-31.

^{13.} The United Nations Year Book (1961), pp.52-53.

But when in late 1974 the Portuguese colonial edministration indicated its intention to withdraw from Best Timor, President Subarto showed unusual concern over the territory. Among the Government's most immediate strategic consideration, two factors were important. Piret. in Indonesia's perception. East Timor, led by Marxiet-oriented "Revolutionary Front" (Pretilin), could have served as a base for communist insurgencies and infiltration throughout Indonesia. The Communism had also been considered as an ideological threat to Suharto's regime. Secondly, Indonesia's surrounding ocean area were not to herbour the influence of foreign navel power, nor be used to Indonosia's disadvantage. Moreover, East Timor lies on the straits of Ombai, the most direct deep-water passage (through the Indonesian archipelago) between Australia and Japan, and one of three struits linking the Persian Gulf with Japan, deep enough to accommodate the newest generations of super tenkers. If it was to gain independence, it would be an unpredictable neighbour occupying a strategic position on Indonesia's southern flank. A weak and fledgeing nation.

^{14.} Kelyani Bandopadhyaya, "Indonesian Foreign Policy in the post-confrontation era: 1966-1977", IDSA Journal (New Delhi) (Oct. 1977), p.171.

^{15. &}quot;The Key of necessity in caution", Far Restern Economic Review (hereinafter FEER) (Hengkong), "Review Focus, Indonesia '74" (15 Nov. 1974), p.5.

conscious of Indonesia's influence in the region, it could be tempted into alliances with outside powers - a potential Gibralter at one gate to the Indonesian archipelago. 16
Indonesia, thus, became increasingly worried about the Fretilin forces in Timor.

In late 1975, following the Civil War and attempted coup by the enti-Communist forces, Fretilin proclaimed the establishment of an independent Republic of East Timor. And the Indonesian forces, still labelled 'volunteers' by Jakerta as in the days of confrontation moved to the attack. It was the fear of the communists that prompted the Suharto regime to undertake its first large scale military operations since independence. On December 7, with several thousand paratroopers and marines - officially called "volunteers" - Indonesia invaded East Timor and seized control of Dili and Timor's second city, Bancan.

Indonesia's intervention in East Timor brought a great deal of criticism to Subarto regime from abroad and, revived painful memories of confrontation and gave rise to unfounded feers about an expansionist Indonesia. Critics charged that the former Portuguese territory had fallen prey to "Javanese

^{16.} Ibid.

imperialists and the Indonesis was "disgusting".

Portugal immediately broke off diplomatic relations with Indonesia on December 7, 1975, accusing her of "armed aggression". China, Australia and the United States criticised the use of force, so also did the UN Trusteechip Committee. The anti-colonial committee of the General Assembly voted for a resolution, 72-10 with 45 abstentions, calling on Indonesia to withdraw all its forces without any delay. 18

In May 1976, the Security Council, with the US abstaining, voted against Indonesis's position. And on May 31, 1976,
the pro-Jakerta "provisional Government of Best Timor"
issued a patition seeking full integration with Indonesia.
Subarto sent a parliamentary delegation to "escertain the
wishes of the people", and after being ressured by the
parliamentarians on this point, he proclaimed East Timor as
27th province on July, 1976.

From Indonesian viewpoint, it was a precautionary step in the direction of its security. Subarto's 'threat

^{17.} FEER. Asia 1977 Year Book, pp. 186 & 169.

^{16.} Louis Helsez, "Another Best Timor Charade", FEER (10 December, 1976), p.34.

^{19.} PEER, n.17, p.186.

perception', erising out of communism and 'security risks' prompted him to take a firm stand on the issue. Both the 'West Irian' and 'East Timor' issues would appear to suggest similar situations but the perception of danger to security by Sukarno and Suharto were, however, different. And Suharto could mobilise the support of his near neighbours which would have been impossible for Sukarno. Three of Indonesia's ASEAN partners - Malaysia, Theiland and the Philippines - were among the 11 nations which voted in favour of Indonesia in the UN. 20 Suharto, after the integration of East Timor, tried to normalize relations with the neighbouring states.

DIPPERENT APPROACHES TO THE MALAYSIAN PEDERATION

Sukarno opposed the formation of Maleysia, which took place on September 16, 1963. Various reasons have been advanced to explain Sukarno's metives underlying his 'Crush Meleysia' campaign or <u>Konfrontaal</u>. These reasons can be

^{20.} Singapore, contrary to Subarto's expectations, was one of 38 countries which abstained. Ibid., p.189.

^{21.} For details, see Donald Hindley, "Indonesis's Confrontation with Malaysis: A Search for Motives", Asian Survey IV (June 1964). See also D.E. Westherbee, "Indonesis and Malaysia: Confrontation in Southeast Asia", Orbis, vol.VII, no.2 (Summer, 1963).

grouped into four categories:

- e) Sukarno rejected the legitimacy of new Melaysia on the ground that it represented a neo-colonislist conspiracy to preserve British interests. Sukarno criticised Britain's alleged decolonisation plans; branded them as "recolonisation" and warned that economic power and defense of Melaysia would still be in the British hands.
- b) Apart from this, the creation of Malaysia was perceived as threat to the Indonesian Revolution because it
 would provide enough opportunities for imperialist subversion
 in Indonesia.
- c) Others still view it as a 'diversionary approach'
 adopted by Sukerno to escape from criticisms on economic
 crisis at home, because the concern for Malaysia arose very
 late. As Weinstein observes:

"There had been virtually no public comment in Indonesia about the plan to unite the three British Borneo territories of Sarawak, Brunci, and North Borneo with Singapore and Malaya until an anti-Malaysia revolt broke cut in Brunci in December 1962".23

^{22.} H.P. Jones, The Possible Dream (Singapore: The Hoover Institution, 1973), p.270.

^{23.} Weinstein, n.8, p.167. For further details, see Weinstein, "The Uses of Foreign Policy in Indonesia; An Approach to the Analysis of Foreign Policy in less Developed Countries", World Politics, vol.24, no.3, (April, 1972), p.583.

d) B.K. Gordon traces the origin of the confrontation to the expansionist drive of Indonesian nationalism. According to his assumption, the 'confrontation' strategy was directed in the fulfilment of the task of 'Greater Indonesia'. But this view has been rejected by many scholars for lack of convincing evidences.

However, the Brunci revolt of 1962 drastically changed Indonesia's attitude towards Melaysia. Crushing Melaysia, regardless of the cost, appeared to become as great an obsession as "West Irien campaign" had been, with the principle of "anti-imperialist" crusade. Sukerno followed a similar strategy combining a tough line in negotiations with the throat and use of force. As in the West Irien struggle, the intimidation had two dimensions: 1) Sporadic attacks across the border in Borneo; and 11) Mobilisation in the domestic front to create anti-Melays sentiment. 25

^{24.} Bernard R. Gordon, "The Potential for Indonesian Expansionism", Pacific Affairs (Vancouver), vol.36, no.4 (Winter 1963-64), pp.383-92.

^{25.} J.R. Angel, "Indenesian Foreign Policy since Independence: Changing preoccupations in pursuit of progress", The Yearbook of World Affairs (London, 1977), vol.31, p.58. For a detailed description of events, see Ide Anak Agung Gde Agung, Twenty years of Indenesian Fereign Policy 1945-65 (The Hague and Paris: Morton, 1974), Ch.14.

destroyed British forms and other western enterprises.

In the international field, Sukerno intensified his activities in Afro-Asian and non-aligned circles, made efforts to mobilise these movements in support of the anti-imperialist crusade. But, Sukerno's adventurist policy received only limited support from the non-aligned group of nations. It reached a climax when Malaysia was elected to the UN Security Council. In his militent reaction, Sukerno denounced the United Nations as 'imperialist dominated' and, therefore, announced Indonesia's withdrawal from the organization. Thus, by late 1965, Indonesia was in great turmoil, facing criticisms both from home and abroad. It was a failure for Indonesia both militarily and diplomatically. Even, diplomatically, Malaysia gained more sympathy in the UN than Indonesia.

With advent of New Order, confrontation against Malayaia was terminated by General Suharto. The representative of Malayaia and Indonesia met in Bangkok (19 May-1 June 1966) and started negotiations for peaceful settlement of the

^{26.} Sukarno's views were sharply expressed in his 1960 speech to the UN General Assembly. Weinstein, n.8, p.170.

dispute. 27 And in the wake of the accord of August 1966 which senctioned the end of hostilities, thore arose in time a degree of political and military co-operation between governments in Jakarta and Kuela Lumpur which can only be described as a defecto alliance. A security errangement was concluded between Indonesia and Malaysia during 1967 with the object of ensuring joint action in countering Communist insurgency on both sides of a common border in Northern Borneo. In April 1972, a new accord was concluded which not only expanded and reinforced the security errangement of 1967 but else raised the level of co-operation between the two countries. In 1975, Indonesia and Malaysia also agreed to defence and security co-operation to meet the common threat from Communist guerilles. 28

^{27.} G.P. Shattacherjæ, Southeast Asien Politics: Meleysia and Indonesis (Calcutta: Minerva Associates Publications, 1976), p.182. The confrontation policy egainst Maleysia was officially abandoned in August 1966, while full diplomatic relations between Indonesia and Meleysia were restored on August 31, 1967, and a few days later between Indonesia and Singapore.

^{28.} General Meradden, Indonesian Defence Minister, said that defence co-operation between Indonesia and Melaysia was no longer limited to joint border operations but it had been extended to exchange of operational experience, training and holding of joint exercises by the armed forces of two countries. Bangkok Post & New Strait Times. Reportage compiled in News Review on Japan. Southeast Asia and Australia (IDSA) (Jan. 1976), p.60.

joint ventures have indicated the closeness of relationship between the two neighbours. The New Order has moved a long way from the confrontationist policy.

THE REGIONAL ORDER

An assessment of Indonesia's security concerns in relation to her Southeast Asian neighbours indicates Suherto's growing interest in a favourable regional order. "Although Indonesia started out in the early 50's to be a good neighbour, it did not remain so. There was fear and suspicion of Sukarno and his motivations". Sukarno, by antegonizing Malaysia, Singapore and other neighbouring states, created a hostile environment, hardly conducive for regional co-operation or for building-up a stable regional order. A comperison between the two leaders would reveal the difference in their perception and strategies towards neighbours.

When ASA³⁰ (Association of Southeast Asia) was organised on July 31, 1961, in Bangkok, Indonesia did not join Thailand, Nalaya and the Philippines. Any regional organization that did not include the largest state of the region.

^{29.} H.P. Jones, The Possible Dream, p.415.

^{30.} ASA was essentially a forum for economic end cultural co-operation emong the member-states.

however, was bound to suffer limitations. Indenesis did not participate in other regional activities such as SEATO and ASPAC (Asian and Pacific Council). Indenesis, of course, joined in ECAFE (Economic Commission for Asia and the Far East) and other regional groups of UH agencies, but these were secondary level operations in which Sukarno showed little interest. It was less enthusiastic about regional "alliance" than the other actors in the region.

Its participation in Haphilindo was half-heartad, while Sukarno himself had doubte about his own participation in it. According to Gordon, "Maphilindo was never taken seriously by the Indonesian leaders". In the total of 21 regional organizations examined for the period of 1962 to 1969.

Indonesia participated in only 14, as compared to Singapore in 15, Malaysia in 17, Thailand in 19 and the Philippines in 20. Its participation in Maphilindo, as noted by Gordon, was no more than a facade and "Prosident Sukarno has resisted 'regional approach'. He has insisted that Indonesia must work only within the much wider Afro-Asian bloc..."33

^{31.} Jones, n.29, p.415.

^{32.} See Gordon, n.24, p.392.

^{33.} Ibla., p.394.

In the context of regional order, Sukarno pursued an active involvement with other extra-regional powers. During this period, Indonesia stayed away from Malayeia-Singapore-Theiland-Philippines groupings, and instead built her own string of "alliences", i.e. the so called Jakarta-Paking-Pyong Yang-Hanoi-Phnompenh Axis) Sukarno was in favour of large grouping, almost global in nature, in order to strengthen her policy in Southeast Asia.

In the wake of the dramatic changes following the abortive 1965 coup the confrontation against Melaysia was ended in 1966 and Indonesia's relations with Kuela Lumpur, and to a lesser extent, with Singapore, grew more cordial. As U.S.-Indonesian relations improved, the U.S. allies such as the Philippines and Theiland were no longer considered by Indonesia as dangerous and reactionary (as Sukarno had perceived them). 34

With the change of priorities, Indonesian efforts for leadership in world affairs through the NEFO, Afro-Asian and non-aligned movements were replaced by more restrained behaviour at regional leadership. In its efforts to mould

^{34.} Robert C. Horn, "Indonesia's Response to Changing Big Fower Alignments", <u>Pacific Affeirs</u>, vol.46, no.4 (Winter 1973-74), p.518.

the pattern of regional order Indonesia preferred to act in concert with her neighbours through peaceful means. As a result, the former Association of Southeast Asia (ASA) was replaced by ASEAN 1 August 1967 under the initiative of President Sociation. ASEAN was formed primarily to promote aconomic growth, social progress and cultural ties, but the security aspect, too, found a place in the declaration.

A common 'threat perception' to the region resulted in a consensus among the member-states against external interference. In 1971, Indonesia alongwith other members, agreed to Malaysia's proposal for neutralisation of Southeast Asia and promised to take necessary steps to ensure the entire region of Southeast Asia was a sone of Peace, Freedom and Neutrality, free from any form or manner of interference by outside powers. 37

^{35.} The ASEAN, as an association of five regional states Malaysia, Indonesia, Singapora, Philippines and Theiland - came into existence by virtue of Bangkok Declaration of 8th August 1967. For the complete text of
the ASEAN Declaration of 1967, see <u>Indonesian Quarterly</u>
(Djakerta: Centre for Strategic and International
Studies), Special Issue, vol.IV, nos 2-4 (1976), pp.105-07.

^{36.} The Bangkok Declaration, for exemple, stated, "...they (ASBAN Members) are determined to ensure their stability and security from external interference in any form or manifestation in order to preserve their national identities..." Ibid., pp.105-07.

^{37.} For the full text of the Kuela Lumpur Declaration, 27th November 1971, see 1516., pp.108-10.

Looked at in terms of strategy, ASEAN was considered by Indonesia as the appropriate vehicle through which a willing acceptance of Indonesia's political primary within Southeast Asia might be facilitated among the states of the region. It was also conceived "as the instrument through which Indonesia and her neighbours may provide, in time, for a system of regional security without dependence on the intrusive presence of extra-regional powers". This would as well protect Indonesia from the problems of subversion and insurgency.

The Doctrine of "Regional Resilience"

The doctrine of "Regional Resilience" was an extension of Indonesia's <u>Ketahanan Nasional</u> or "national resilience" doctrine propagated by Suharto government in the late 1960s. President Suharto coined this term mainly in terms of country's need for defence and security. But according to its Indonesian exponents, "National Resilience" did not simply equate with a strategic capability to defend one's own territory and in the process manage one's own resources.

^{38.} Michael Leifer, "Indonesia's Regional Vision", The World Today (London) (October 1974), p.422.

^{39.} For details, see Justus M. van der Kroef, "Indonesie's National Security: Problem and Strategy", Southeast Asian Spectrum (Bangkok: SEATO) (July 1975), pp.37-48.

It required the psychological commitment of the people to the nation state. And it was through national resilience of each individual member state, the collective resilience of ASEAN had been sought to be achieved.

By the early 1970s, General Maraden Pangabean, the Senior Indonesian military commander and Defence Minister, had proposed that Southeast Asia should fuse its individual national "resiliences" so as to create a "regional resilience", reflecting a "common stand and action in Southeast Asia" in various spheres, including "regional defence policies". **O*

The implication of these assertions was a regional management of regional affairs. In November 1975, President Suharto declared that the Southeast Asia could be jointly managed by the "nations concerned", thus permitting them to determine their own futures. **I* In the 1970s, he came to see much of his country's security problems in terms of regional security.

After the fell of Indo-Chinese states, the ASEAN members became more apprehensive of possible Communist subversion by Indo-Chine states. This sense of insecurity was expressed in the "Declaration of ASEAN Concord" of the Beli Summit (held

^{40.} Justus M. van der Kroef, "ASEAN and U.S. Security Interests", Strategic Digest (New Delhi) (1978), p.5.

^{41.} Ibia.

on 23 and 24 February, 1976). The "Freety of Amity and Cooperation in Southeast Asis" also emphasised this concept. It stated.

"The High Contracting Perties in their efforts co-operate in the fields of prosperity and security shall endeavour to co-operate in the fields for the promotion of regional resilience, based on the principle of self-confidences, self-reliance, mutual respect, co-operation and solidarity which constitute the foundation for a strong and viable community of nations in Southeast Asia".43.

Apart from her efforts in building national resilience
through ASEAN, Indonesia has been trying since early 1970s
to promote country-to-country relations among ASEAN members.
The Bali Declaration provided for the continuation of co-operation on a Non-ASEAN basis between the member states for
security in accordance with their mutual needs and interests.
These bilateral efforts in co-operative activities included
the exchanges of information and intelligence, the holding
of military exercises and joint operation in border are as
and so on. As discussed earlier, the special relations
between Malaysia and Indonesia were expressed by agreements
on territorial waters limit, border trade agreement and their
joint action against Communist guerilles.

^{42. &}quot;Declaration of ASEAN Concord", Indonemian Quarterly, vol. IV, nos 2-4 (1976), pp.110-15.

^{43.} For the full text of the Treaty of Amity and Co-operation, see 1016., pp.116-21.

Gradually, Suharto began to accept the reality of Communist-dominated Indo-Chine and sought to co-operate with the new governments there, particularly with Vietnam. He welcomed contacts between the Indo-China governments and Indonesia, but at the same time was cautious about the attitude of the new regimes in those countries. He was conscious of the entegonism between the communist and non-communist states in the region. Indonesia did not perceive any threat of direct aggression from Indo-China, but it was concerned about the possible infiltration of waspons, so the nevy proceeded to upgrade its potrol and surveillance capabilities.44 The Indo-Chinese refugee problem also caused concern emong the Indonesian officials. The Indonesian attitude towards refugees was also partly reflected by the belief that most of the refugees were ethnic Chinese, a revelation which had already constituted a "problem" in Indonesia.45 This situation in Indo-China prompted the ASEAN countries to be more co-ordinated. If not united, in its policy towards non-ASBAN states.

Besides, Indonesia's relations with its ASBAN partners

^{44.} FEER, 1977 Yearbook, p.191.

^{45.} For details on Indonesian Policy towards Indo-Chinese Refugees, see "Indonesia 1979", Southeast Asian Affairs (1980), pp.137-39.

were in good shape, although Subarto expressed concern about continued political instability in Thailand. In general, however, Indenesia has been maintaining friendly relations with its ASSAN members. Relations with Singapore were essentially sound and business like, although a little bruised following differences in Sast Timor. On the ICAP (International Civil Aviation Policy) issue, Singapore was a principal "beneficiery" but Indonesia supported Singapore, indicating its friendly relations with the island state. 17

Indonesia's attempt in strengthening regional co-operation as a security move, however, had been disturbed to some extent by Indonesian actions in Portuguese East Timor.

Indonesia's Response to Major Powers

Both Sukarno and Suharto faced an international system dominated by the major powers where "the strong seek to exploit the week". AB The motives end diplomatic behaviour of both the superpowers and China had been perceived with

^{46.} FERR, n.44, p.191.

^{47.} It was believed that the Australian low eir feres to Europe effected Singapore (SIA) rather than other ASBAN countries. However, Indonesis went along with Singapore asking Australia to review its policy. For details, see Southeast Asian Affairs (1980), p.139.

^{48.} Weinstein, n.8, p.66.

suspicions by the two leaders. "Any big power is a potential imperialist nation", said Sukarno's Foreign Minister Subandrio. However, assuming the exploitative nature of the international system, Sukarno and Suharto behaved differently, and showed their respective preferences in their foreign relations.

B) The United States

The Western powers, perticularly the US, had been the targets of Sukarno's abuse as the reactionary and doomed "Old Established Forces". The American "presence" in Indonesia, however, reduced drastically from its peak in the mid-1950s. 49 From the end of the Indonesian revolution to the fall of Sukarno in 1966, good will towards the United States continued to erode. This was significantly influenced by three American actions; its efforts to draw Indonesia into alignment with the west in the early 1950s; support of anti-dykerts rebellions in 1958; and failure to support Indonesia's claim to West Irien until 1962. Moreover, this anti-American feeling of Sukarno was further heightened by America's support to the formation of Malaysia. 50 In a public meeting Sukarno

^{49.} Robert C. Horn, "Indonesia's Response to Changing Big Power Alignments", <u>Pacific Affairs</u>, vol.46, no.4 (Winter, 1973-74), p.517.

^{50.} The USA was, from the very beginning, favourably inclined towards Melaysia, though she had few contacts with that country.

eaked the Americans 'to go to hell with your aid' where the U.S. Ambassador himself was present.

The abortive 1965 coup brought a reversal in Indonesia's U.S. policy. From 1969, the "debates" concerning Indonesia's diplomacy and her responses to international changes, centered initially on the "special relationship" with the US. Concern was increasingly expressed about the dependence on foreign aid and the ability of foreign investors. The Even before President Nixon's enunciation of a lower American profile in Asia, President Subarto thus expressed his anxiety about the future of US. role:

"The encouraging situation in Indonesia - stability in politics, economics and the military - (sic) is ironic now that the American people are tending to withdraw their assistance. It is unfortunate that new Indonesia has the opportunities to grow and the American people want to decrease their oversess aid ".52"

During these years, Jekerta sought to maintein a solid working relationship with the US for two main reasons. One was the urgent need to meet the foreign exchange crisis; and another was Subarto's desire to see some U.S. presence mainteined in Southeast Asia to strengthen Indonesia's security against any Communist sphere of influence. This

^{51.} FEER, Nov. 7, 1970, pp.32-33.

^{52.} New York Pimes (New York), 23 July 1969.

attitude was further encouraged by Nixon's visit to Indonssis in 1969 and also by Subarto's reception in the US in 1970.

Subarto was vehemently criticised for the "pro-western orientation" or "one-eidedness" of his foreign policy.

Indonesia in the recent years, therefore had made efforts to diversify its foreign-relations with both West and Communist countries. Nevertheless, the special relationship that has existed between Washington and Djakarta since the establishment of the New Order in March 1966 still remains. 53

B) The USSR

In contrast to the United States, Soviet diplomacy towards Indonesia during Sukarno's period evoked very little criticism in Indonesia. There was virtual unanimity that the Russians had rendered useful military and diplomatic support to Indonesia's campaign for West Irian in time.

They also supported Sukarno against the rebellions of 1958.

interest in mainteining the stability and security of Southeast Asia and, therefore, of Indonesia - the largest country in the area in view of the Soviet military build-up in the Indian Ocean. Indonesia negotiated the purchase of various military equipments from the US; it wanted to sugment its patrol and surveillance capability, improve its communications network and upgrade its troop transport. See also Ali Mosrtopo, "Future Indonesian-US Relations: A View from Jakerta", Pacific Community (Tokyo), vol.7, no.4 (July 1976), pp. 577-85.

Further, though the 'crueh Maleysia' campaign put Soviet diplomacy in a more difficult position, yet they did not fail to support Indonesia. The Soviet delegate condemned Maleysia as a 'neo-colonislist creation'. This was elso possible due to Sukarno's learnings towards PKI in the domestic front. All these favourable Soviet policies towards Indonesia helped Sukarno to see the Soviet Union with less suspicion.

In the post-coup period, relations with Communist states had deteriorated concurrently with the marked improvement in ties with the West. The army's anti-Communist bias and their desire for a revived PKI, retarded the Indonesia-USSR relations, more particularly after the coup.

But since 1969, there have been some signs of development between the two countries. The Soviets began to tone down their attempts to instigate PKI, and assured the Indonesian leaders that the Soviet Union stood for non-intereference in the internal affairs of other states. The Soviets also agreed to negotiate enother resheduling of Indonesia's debt in the Fall of 1969 and in August 1970 concluded the agreement.

Subarto also discontinued criticizing the USSR for lacking "understanding about developments in Indonesia". In

his 1972 independence Day Address, Suherto called specifically for good relations with the USSR and said that hostility to Communism within Indonesia did not mean that the government opposed establishing friendly relations with countries of Communist ideology. 54

But then, Suberto regime was very cautious in intensifying their efforts to build closer relations with Moscow.
Moreover, even alightly critical Soviet comment about
Indonesian foreign policy has hampered Suberto's efforts
to build up a more positive relationship with the USSR
while still maintaining close relations with USA. Suberto
regime was suspicious of Breshev's collective security
proposal and also expressed concern over Soviet naval
presence in the Indian Ocean. Since 1956, relations with
the Soviet Union have been sustained at a moderate level
but subject to considerable strain and strategic considerations.

C) China

China has always been regarded as a crucial factor in Indonesia's security problems. China's politics, strategies and tactice had exercised and would continue to exercise a major impact on Indonesia's security. This problem has

^{54.} Robert C. Horn, n.49, p.522.

two dimensions: (1) Communist, and (11) Subversive activities through the Chinese minority. Despite these basic security problems the two leaders, Sukarno and Suharto, followed different strategies and perceived the problem differently.

During the Guided democracy period. Sukerno successfully curbed anti-Chinese activities. He brought the turbulent 1959/1960 campaign under control, and acted most forthrightly when further trouble erupted in May 1963 following a state visit by former Chinese President Liu Sheo-ch'i. Bluntly sccusing 'counter revolutionary' domestic elements (including outlawed Masjumi and socialist party) and 'foreign Subversiveness' (meening the US or CIA) of master-minding the events, he demonstrated the importance he attached to growing ties with Chine. High level visits between the two countries became frequent and declarations of mutual support for specific policies and for 'anti-imperialist campaign' proliferated. Indonesia and China were even indirectly collaborating militerily, since the Indonesian guarillas in the Borneo territories were fighting beside Peking-backed local Communist forces. 55 By 1964, he not only had come to rely on Paking's

^{55.} J.R. Angel, "Indonesia's Foreign Policy since independence: changing preoccupations in pursuit of progress", The Year Book of World Affairs, vol.31 (1977), p.59.

support for his aggressive foreign policy but some observers believed the two countries had reached an 'understanding' whereby they would co-operate to exclude western influence from Asia, giving Indonesia hegemony in the Maphilindo (Maleysia-Philippine-Indonesia region). 56 By August 1965, Sukarno was able to announce that he was "building an anti-imperialist exis, namely the exis of Djakerta-Phompenh-Hanoi- Peking-Pyongong the most natural exis formed by the course of history itself". 57

The friendship and warm relations between Indonesia and China during Sukarno's time can be attributed to the following factors:

1) The Chinese fully backed Jakarta in its campaign for West Irian and its opposition to the 1958 rebellions. In his Crush Malaysia and anti-colonial policy, Sukarno found an anthusiastic ally in People's Republic of Chine. (Peking's strong and unconditional support for Indonesia's 'confrontation' against the newly formed Federation of Malaysia was a pivotal factor in this direction, since Sukarno was descredited in the West.) The identity of

^{56.} Peter Polomka, Indonesia Since Sukerno (Australia: Penguin Books Australia Ltd., 1971), p. 170.

^{57.} Angel, n.55, p.60.

perception and shared objectives, further brought the two countries closer in relations.

- 11) Sukarno, unlike the Subarto regime, was not that afraid of Communism, rather he sought help from Chinese supported PKI for his political survival.
- 111) The 'Chinese model' had greatly influenced Sukarno during his trip to Peking in 1956. His Presidential visit was, therefore, regarded by Ide Anak as a 'real mile stone in Indonesia's political development in domestic field and in the conduct of its Foreign Policy'. 58 He found that he had much to learn from Communist systems. 59

The deterioration in Sino-Indonesian relations in the two year period from October 1965 through October 31, 1967, when diplometic relations were suspended, marked one of the more remarkable reversals in Suharto's diplomacy. The so-called axis which Sukarno had forged with Peking and Pyongeng was repudiated, all diplomets were called off and Chine was viewed with more feer and suspicion by the Indonesian

^{58.} Anak, n.25, p.251.

^{59.} The visits of President Sukarno to three major countries in the world - the US, the USSR and China provided excellent opportunities for him to compare the prevailing state systems. Sukarno was impressed by the success of China in building up a well disciplined national life under a strong and stable leadership.

leaders. At the same time, the Chinese press attacked Subarto government as 'fascist' and authoritarian regime. Thus, a series of antagonistic actions and policies finally culminated in "Sino-Indonesian hostility".

The army leaders still believe that there was complicity of China in <u>Gestapu</u> and that China is still promoting subversion through propagands, support to PKI, and encouragement to the Kalimantan guerillas. Adam Malik was reported to have stated that "There is evidence of subversive activities against the present New Order and administration".

The bitterness of Sino-Indonesian relations was particulerly revealed at the time of UN voting on the China issue.
Both in November 1966 and November 1967 Indonesia voted in
favour of a defeated US resolution describing China's entry
into the UN as an important question. In 1968 and 1969
Indonesia was listed as 'absent' in the UN General Assembly
at the time of voting on the China issue. In 1970, however,
when the question of China's admission to UN came up for
voting in the UN General Assembly, Indonesia was listed as

^{60.} Sievers, n.5, p.248.

^{61.} FEBR, 1968 Yearbook, p.196.

"present, but not participating". 62 (During the pre-coup period Indonesia had, been a strong advocate of Peking's entry into the UN).

During 1970s Indonesia began tentatively to extend "diplomatic feelers" toward what seemed to be a more reasonable China. Though Indonesia welcomed the Nixon-Chou En-lai Shanghai Communique of February 1972, yet it was hardly enthusiastic about Sino-Indonesian "normalization". With regard to the possibility of resuming normal diplomatic relations with China, President Suharto, during his independence day speech of 1975, remarked that,

"Countries which still herbour PKI former leaders or openly or openly endorse the revival of the PKI in this country, we consider as interfering in our domestic affairs and as being unfriendly". He further said, "In this respect we must recognise the present obstacles in resuming diplomatic relations with the Puople's Republic of China".63

And Chine's criticism on East Timor issue as "maked aggression" or "massive invesion", no doubt, added fuel to the fire.

Further, when Sino-American normalization of relations was announced and diplomatic ties were established on 1 January 1979. Indonesia was also not onthusiastic about this. In

^{62.} For details, see Justus M. van der Kroef, "Before the Thew Recent Indonesian attitude towards People's Chine", Asian Survey, vol.13, no.5 (May 1973), pp.517-19.

^{63.} PEER (Hongkong, 1977 Yearbook), p.190.

the eyes of most Indonesian leaders, the gains from normalisation might not be very beneficial. Indonesian remains even more sceptical about the possible Chinese intention of unfreezing their relationship. It does not seem to share China's enthusiasm.

To sum up, China has been perceived by the Suharto regime as a potential rather than an actual threat to Indonesia given its limited capability to project military power from a distance. Yet, Indonesia is still conscious of its possible and growing influence in Southeast Asia region.

The presence of Communist faction, with its link with Chinese Government is described as a crucial factor that has prompted the Suharto regime not to rush into resumption of diplomatic ties. Moreover, China's perceived ability to instigate 'subversive activities' through the overseas Chinese community, has, to a large extent, determined the seriousness of 'threat perception'.

Strategies of Non-elignment

Indonesia's security should be understood elso in the context of non-elignment as it has been nationally endersed as a basic tenet of Indonesia's foreign policy. The

strategies of non-elignment eignify something more then more effirmations of an "independent" role in foreign policy. It emphasises 64

- 1) a commitment against military alliances with great powers in the context of either great power or regional rivelries;
- 2) "the necessity to increase involvement through establishing diplomatic ties with as many states as possible,
 and occasionally to become involved as mediators in
 bloc conflicts"; 65
- 3) the concern for the security of other states and a commitment to non-use of force to change existing boundaries.

In the light of this 'time-tested approach', the perceptions, strategies and the deviations from the 'ideal', of the two leaders, Sukarno and Subarto will be compared. During Guided democracy years, Sukarno redefined Indonesia's 'independent-and-active policy' mainly in terms of his militant anti-colonial policy. In September 1960, addressing the United Nations, Sukarno called for the creation

^{64.} K.J. Holsti, International Politics (New Jersy: Prontice Hall, 1972), edn 2, pp. 105-13.

^{65.} Ibid., p.123.

of a new world order in a speech which blended Indonesian nationalism, Afro-Asianism, anti-imperialism and non-alignment. For Sukarno, imperialism always peach a serious threat to an Indonesia surrounded by hostile western bases and exploitative economic interests. 66 And in his crusade to build the world anew, he found the Communist countries to be his enthusiastic ally.

Sukarno's militancy found its clear manifestation at the Belgrade Conference in 1961. In this conference, there were two conflicting forces, one led by President Sukarno and the other by Prime Minister Jawaharlal Nehru. Sukarno pleaded for a militant anti-colonial policy in alliance with the Communist countries. But in Nehru's perception, the main objective of the non-aligned conference was to promote peace through negotiations.

Though the conference could not errive at any consensus, yet it was a great success for President Sukarno. As in Belgrade, so also in Cairo (1964), a number of African states supported the militent enti-colonial policy of Sukarno. Prominent among those countries were Algeria, Burundi, Congo, Chana, Guinea, Nali, Tangnyika. It is important to note that Sukarno indicated a clear partiality

^{66.} Weinstein, n.8, p.167.

for the Soviet Union and Chine. For instance, at the Belgrade Conference, Sukarno did not criticise the Soviet nuclear explosion; and supported Soviet proposal of troike by which the Secretary General of the UN was sought to be replaced by three persons, one representing the Western bloc, another representing the Communist countries, and the third representing the non-aligned states.

Similarly, when China exploded her first nuclear device only six days efter the Ceiro Conference was over, Indonesia welcomed it as a great achievement of an Asian country. And in the Sino-Soviet dispute, Sukarno extended unconditional support to China. As mentioned earlier, Sukarno found China as his greatest ally in pursuing his militant struggle between the irreconcilable "New Emerging Forces" (NEFOS) and "old Established Forces" (OLDEFOS). By 1964, non-elignment and peaceful co-existence had been explicitly rejected and confrontation and militancy instituted in their stead.

The New Order of Suherto followed a number of reversals in its foreign policies. The 'enti-imperialist crusade' ended, the Jakarta-Peking axis was rejected, the CONEFO was abandoned and Indonesia returned to the United Netions. On April 4, 1966 Foreign Minister Adem Melik announced that Indonesia's foreign policy was one of non-alignment but it would be sub-ordinated to overall national interests.

Justifying this change, he said that Sukarno's foreign policy was "excessively geared to the pursuit of empty prestige abroad in almost total disregerd of the realities which virtually bandoned the principles of non-alignment, a policy which in the end led to Indonesia's growing isolation from its friends in both East and West as well as from its friends in the non-aligned world, culminating in Indonesia's walk-out from the United Nations". Sukarno followed an exaggerated form of independent and active foreign policy, as a result Indonesia's national interests suffered. 67

Once again, Indonesia resumed its 'independent-andactive' foreign policy conceived by PM Hatta in September
1948. But this return to nonelignment was not marked by
genuine enthusiasm for the movement as such. Indeed, it
came to be distinguished by a sense of distillusionment
encouraged by the political conduct of its supporters,
especially in Africa. This was felt strongly by President
Subarto following his experience in Lusaka non-aligned
Conference in 1970. The lack of enthusiasm was also marked
in another instance. In August 1972 the Indonesian delega-

^{67.} Adem Malik, "Indonesia's Foreign Policy", Indonesian Guarterly (Jakarta), vol.1, no.1 (Oct. 1972), p.27.

tion walked out the meeting of non-aligned states in Georgetown, Gyana, in protest against the seating of representatives of the Provisional Revolutionary Government of South Vietnem.

In contrast to Sukerno's pro-Chine bias, President
Subarto, with his enti-Communist feeling, indicated, again,
a clear partiality, though towards the United States. The
public statements by Subarto and the practice, however,
created a great deal of ambivalence on its independent
behaviour. Indonesia's vacillating attitude on the admission
of China to the UN is a point in this context. The partielity towards the US and ambivalence on various international
issues were reflected in two major instances, the Arab-Israeli
Conflict and Vietnem War.

Sukarno, most forthrightly supported the Arabs in their conflict with Israel. To him, Israel was an extension of Western imperialism, therefore, should be fought by entimperialist forces. They were not allowed to participate in the Asian Games held in Jakerta in 1962. But under President Suharto, Indonesian support for the Arabs became considerably less pronounced. There was hardly any enthusiasm among the Indonesian leaders for this conflict. While Malik agreed that Israel should withdraw from all occupied Arab territory

and recognise the "legitimate rights" of the Pelestiniens, he also added that the Araba had to be realistic enough to accept "the existing situation". Thus, its earlier stand was diluted and tempered by calls for "realism" and moderation" on the part of Araba. 68

Under Sukarne, Indonesia outspokenly supported the "struggle for national independence" being waged by North Vietnamese and the National Liberation Front (NLF). He condemned the United States as the aggressor in Vietnam and the Saigon government as American puppet. In 1964 Indonesia reised its relations with Henoi to ambassador level, which prompted Saigon to break diplomatic relations with Jakarte. During Suharto's period, Indonesia's stance shifted from unconditional support of North Vietnam and NLF to a deliberate ambiguous policy of urging the settlement of the Vietnam problem by the Vietnamese themselves without outside intervention. 69

All these instances, however, should not lead us to conclude that Indonesia unhesitantly supported the West. The "dilemmes" could be seen all along with the government. In the New Order, the priority for foreign aid and investment

^{68.} Weinstein, n.8. pp.125-30.

^{69.} Idid., pp.130-50.

has led them to accommodate and compromise on certain lasues. They expressed their commitment to the principle of non-alignment because it represented an effirmation of independence for a country with a longetanding suspicion of colonialism and the motives of the great powers. The New Order has, nevertheless, retained some of the characteristics advanced during Sukerno's period despite its pro-

In the line of the independent-and-active foreign policy, neither Sukerno nor Suharto joined any military alliances with any of the ideological blocs. The South East Asia Treaty Organisation (SEATO) was outrightly rejected by Sukerno. President Suharto, while emphasizing his concept of "national resilience", expressed similar views on this aspect. He said that military pacts had proven "not to be an effective form of defence, as they would weaken our national resilience and identity". Formal military alliances were seen as a threat to self-reliance because weaker participants were inevitably compelled by such alliances to do the bidding of their stronger partners. 70

However, the principle of independence from military

^{70.} Justus M. van der Kroef, "Indonesia: Strategic perceptions and foreign policy", Asian Affairs (February 1975), p.165.

pacts did not deter Indonesia from seeking military aid or co-operation when necessary. Indonesia, at the time of West Irien campaign entered into an arms deal with the Soviet Union. As a result of this arms deal, Indonesia received a huge quantity of Russian military equipment and assistance from Russian military experts. It also provided for the training of Indonesian military personnel in the Soviet Union and other Communist Countries on the use of the new equipments. 71

The total military and technical aid to Indonesia during the period 1949-61 was only \$ 29.5 million, but for 1962 alone it was \$ 16.3 million and \$ 13.2 million for the period 1963-65. This sudden increase in the military and technical aid to Indonesia during 1962-65 can be explained by the steady rise in the power of the Indonesian Communist party and the US attempts to curb Communism and progressive forces in Southeast Asia. 72

During Subarto's period, Indonesia received and has been receiving military aid and co-operation from the United

^{71.} Cuy J. Pauker, "General Nasution's Mission to Moscow", Asian Survey, vol.1, no.1 (Merch 1961).

^{72.} Belades Ghoshal, "Indonesia's New Order under Subarto", India Quarterly (New Delhi), vol.35, no.4 (Oct.-Dec. 1979), p.446.

states. After the coup, the US militery eid continued to increase, totalling § 124.6 million for the five year period 1971-75. Nelayeis and Indonesis entered into defence agreement in April 1975 to overcome Communist subversion, infiltration and other illegal activities and later agreed to allow each other's navel patrols to enter other's territorial waters in Sarawak and Kelimantan in pursuit of Communist infiltrations. The Indonesis also co-operated militarily with Australia in exchanging defence personnel for training. There were also suggestions to convert ESEAN into a military allience. But President Subarto in his 'Address of State' on 16th August 1976, rejected this idea and rather offered "friendship and co-operation" to the neighbouring countries and other regional groupings.

Despite these security arrangements, the Subarto regime was formally opposed to a military alliance with any major power. In the regional context specifically with Malaysia, however, Indonesis has maintained a flexible attitude in

^{73.} Ibid.

^{74.} FIER (31 May 1975).

^{75.} For instance, Indonesia's Defence Minister General Maraden Panggabaan suggested a distinctive future strategic and military role for the organisation in an address to the National Defence Institute in 1974. Van der Kroef, n.70, p.161.

military agreements and pacts. As discussed earlier,

Sukarno resisted regional approach, bought sought military

co-operation during West Irien and 'Crueh Maleysia' cam
paign. Suharto, under his 'national resilience', has

sought to strengthen his country's defence and navel build
up in the ocean area.

CHAPTER III

DIPLOMACY OF ECONOMIC DEVELOPMENT

The pursuit of economic objectives through political means has been a prevalent practice among the nation-states. The underdeveloped countries inevitably need capital, machinery and technical assistance to develop their economies. So there is a necessity to depend upon foreign eid and investment. But, the aid programmes contain a wide variety of economic "strings" or conditions that the recipient must meet if its wishes to receive grants, losns and technical assistance. Very often foreign aid is used as an instrument of policy to influence the behaviour of recipients. Policy makers, therefore, are entengled in the "dilemma of independence". And it had been so in case of both the Indonesian leaders, Sukarno and Suharto.

The major concern of this chapter is to analyze the approach, strategies and performance of the two Indonesian leaders in the pursuit of 'diplomacy of economic development'. The main questions are: 1) How did the two leaders respond/react to foreign-investment and aid? 11) The promises and performance of Sukarno and Suharto also need to be compared.

^{1.} For details, see K.J. Holsti, <u>International Politics</u> (New Jersy: Prentice Hell, 1972), p.267; & for details, see Ch.9.

SUKARNO'S AGGRESSIVE STANCE IN ECONOMIC POLICY: FOREIGN INVESTMENT

In the days of Sukerno's pre-eminence, most of the foreign-owned enterprises in Indonesia were taken by the state. And socialism came to be adopted as the official ideology under Sukerno's 'Guided economy' in 1959. In view of a "just and prosperous society" he called for a new economic structure that would be free from the vestiges of imperialism and feudelism. In his perception, the foreign investment in Indonesia had served the interests of the colonial powers by providing i) a market for the goods of the industrialised countries, ii) a source of their raw materials, and iii) a place for the investment of their capital.

During the period of liberal democracy (1950-57), Indonesia was moving allowly in respect of Indonesianization,

^{2.} Fresident Sukerno enunciated Manipol-Usdek to describe the broad outlines of Guided Democracy. The five essential elements were:

U the Constitution of 1945

S Indonesian socialism

D Guided Democracy B Guided Boonomy

K Indonesian identity.

The goals of Guided economy were defined in the Eight Year Plan as "Indonesian Socialism is socialism, as meant by that term in the West, hermoniously blended with Indonesian elements of social justice and national identity as expressed by Gotong-Rojong and the family system. Gotong-Rojong refers to communal co-operative system.

while the Sukarno regime adopted aggressive methods, including expropriations. The takeover by the government came in two waves in 1957-58 against the Dutch and in 1963-65 against the British and the Americans. Needless to add, the harsh aconomic measures during this period were used as political weapons to acquire West Irian from the Dutch and to gain support from anti-colonialist forces in his 'Crush Malaysia' campaign.

Back in 1956, the Indonesian government abrogated the political union with Holland, and also repudiated the debt of about \$ US 1,046,000,000 it had assumed under the agreement with the Hague. In December 1957, all Dutch commercial enterprises and plantations were expropriated by the government. The contracts between the Royal Dutch Airlines and Caruda Indonesian Airlines were annulled, interinsular shipping, then in the hend of the Dutch Shipping Company KPM, was disrupted with the cancellation of the licence for his company. The expropriation of Dutch enterprises in

R.C. de Iongh, "West Irien Confrontation" in T.K. Ten, ed., Sukarno's Guided Indonesia (Brisbane: Jacaranda Press, 1967), p.105.

^{4.} Ibid.

^{5.} The expropriated Dutch property, worth about & US 2 billion, was placed under the management of the army.

1957-58 brought a great range of properties into the hands of the state, but the most important were the agricultural estates, three large trading banks, and the trading companies (which had many subsidieries in other sectors). Some factories (paper, textiles, electrical equipment printing and beer) were included, though many of the leading firms in manufacturing were mainly non-Dutch in ownership and therefore escaped for the time being.

In 1963 a new wave of nationalizations began, involving first British, and then in 1965 all remaining foreign property. The list of acquisitions included a number of plantations (mainly rubber end tea), two British banks, several cigarette factories (British-American and Belgien), a tyre factory (American) and food and vegetable oil industries.

Despite Sukarno's campaign against foreign investment, serious efforts were made by the policy makers in early 1960s to devise less objectionable arrangements. The 'traditional hostility to foreign investment had to be modified because the Indonesian economy was declining. This was so due to several factors: 1) The inexperience of the new managerial

^{6.} L. Castles, "The Fate of the Private Entrepreneur" in T.K. Ten, ed., n.3, p.76.

^{7.} Ibid., p.76.

personnel caused production to slump, 11) there was little new investment to develop state enterprise, 111) corruption and inflation had become worse, thereby added to economic instability. All these reasons prompted the government to look for new errangements under which the shortages could be compensated.

The Eight Year Davelopment Plan (1961-69), thus, ralied heavily on anticipated foreign capital to finance Indonesia's economic development. The new plan evolved the concept of 'production-sharing', whereby foreign investment was regarded as a redeemable loan, repayable in shares of output. As Gibson sums up.

"In production-sharing projects all expenditures involving the use of foreign exchange are to be met by the foreign creditor and all expenditure involving the rupiahs are to be met by the Indonesian participant. In other words the foreign creditor is to provide all imported capital, whether fixed or working, during the period of association (such as machinery, tools, lubricating oil, auxiliary raw materials, spare parts), while local raw materials, lebour and management, as well as non-imported capital goods (such as timber for construction, are provided by the Indonesian participant".9

However, the new investment policy was 'controversial'

^{8.} Credite on the basis of product-sharing were officially defined as foreign credits provided for a specific project, the credit to be repaid within a stipulated time with an agreed percentage of the product of the project.

^{9.} Joyce Gibson, "Foreign Enterprise end Production-sharing" in T.K. Tan, ed., n.3, p.90.

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and was subject to a variety of interpretations. 10 As Sukarno admitted himself in 1965, ambiguous references to a "mobilization of natural resources" as the major source of finance for the Eight Year Plan had in fact masked a decision to base Indonesia's development on foreign investment. 11

A brief survey of the 'production-sharing' policy, in its execution, would reveal interesting facts. First, the total amount of foreign capital that had been offered to Indonesia through production-sharing agreements was very small - \$72 million as compared with an estimated total debt of \$2400 million. Secondly, the new plan could not attract many foreign investors except the Japanese. (See Table I.) And lastly, the projects were limited to a narrow range of extractive industries, with particularly heavy concentration in timber and vegetable soils. (See Table II.) On the whole this policy did not win general acceptance; and the progress was very slow.

^{10.} Douglas S. Paeuw, "From Coloniel to Guided Economy" in Ruth T. McVey, ed., Indonesia (New Heaven: HRAF Press, 1963), pp.228-31.

^{11.} F.B. Weinstein, Indonesian Foreign Policy and the Dilemma of Dependence: From Sukarno to Soeharto (Ithaca, N.Y.: Cornell University Press, 1976), p.214.

Table I: FOREIGN CAPITAL COMMITMENTS BY COUNTRIES

	(\$ million				
Country	Capital Commitment				
Japan South Korea East Germany West Germany Notherlands Bulgaria Australia Svitzerland	30.35 ¹ 13.90 ² 9.51 7.40 4.42 2.86 2.46				
Total	72.00				

Source:

Made up of:
(% million) nickel (\$1.35); timber, East Kalimantan
(\$7.20); pearls (\$1.20); sugar (\$12.50); timber and
ship-yard, Maluku (\$2.65); timber, Contral Kalimanten (\$1.99); timber, South Kalimantan (\$3.36). The
figure excludes (1) North Sumatra Oil Development
and (2) \$23 million of the \$30 million for the East
Kalimantan timber project (see A.N.U., Bulletin of
Indonesian Economic Studies, No.3 Feb. 1966, pp.6063, 65-68). It includes three timber projects not
perered; to in Bulletin, No.3, namely those in Maluku and Central and South Kalimantan.

2This is enother timber project which was not mentioned in the survey.

"It will be financed by Japanese war reparations to South Korea and the product will be marketed there". (Secretary Production-Sharing Credit Committee; interview, Djakerta, 17 May 1966).

Source: Report of Production-Shering Credit Committee, February, 1966. Cited in T.K. Ten, ed., Sukerno's Guided Indonesia (Brisbane: The Jacarende Press, 1967), p. 157.

Table II: FOREIGN CAPITAL COMMITMENTS BY INDUSTRIES

		(§ million)
Commitments	Number of Projects	Poreign Cepital
Pimber	.5	29.10
Essential Oila Minorals	10 2	19.25 8.75
Other	2	14.90
	19	72.00

Source: Compiled from Report of Production-Sharing Credit Committee, February 1966. Cited in T.K. Tan. ed., Sukarno's Guided Indonesis (Brisbane: The Jacaranda Press, 1967),p.158.

Moreover, the foreign investors had a tendency to equate production-sharing with profit sharing. This argument had some valid reasons. It was apprehended that the Japanese credits, in the long run, would increasingly assume the character of equity investment due to 1) the high price of the capital, end 11) Indonesis's marketing dependence on the foreign investors. The western powers, however, were less enthusiastic about these projects.

Thus, Sukerno was disillusioned with production-shering policy. He defined this basic problem in these terms:

"At every move we make for economic reconstruction and up-building, we find that they (referring to the imperialists) exploit their technological superiority to

manipulate conditions in order that our nations can be kept internally subservient to their selfish interests"12

The limitations of Indonesia's economic capability,
Sukerno's pre-occupation with grand political goals and ruthless expropriation of the foreign properties without suitable
alternatives - all led to the decline of the economic condition.

Sukerno's Attitude towards Foreign Aid

The Guided democracy years were generally marked by a growing consciousness of the dangers involved in foreign investment and aid. President Sukerno, in his 'retooling drive' celled for 'self-reliance' in political, economic and cultural matters. He urged his people to dispose the idea of economic development with foreign assistance. While he emphasised on 'self-reliance', he did discard inter-nation-co-operation based on equal standing and mutual adventage. 13 In fact, the Eight Year Development Plan in 1960 acknowledged the need for foreign credits.

On President Kennedy's initiative, an American Economic Survey Team, led by Professor Don D. Humphrey of the Fletcher

^{12.} Sukarno's Address to the Conference of the People of Indo-Chine, 1965. Quoted in J.D. Legge, Sukarno: A Political Biography (Allen Lane, London: The Penguin Press, 1972), p.344.

^{13.} T.K. Ten, "Sukernian Economice" in T.K. Ten, ed., n.3, p.40.

School of Lew and Diplomacy at Tuffs University, was sent to Indonesia in August 1961. The Humphrey team cautiously recommended that restricted aid should be given subject to the Indonesian economy's progressing in accordance with the main provisions of the Eight-Year Plan. It recommended new aid programmes in the amount between \$ 325 million and \$ 390 million over a five year period, with approximately one-third to be multinationally financed and the rest picked-up by the U.S. by mid 1962. But, there was hardly any excitement in this new economic programme.

Sukarno became suspicious about the increased American aid and alleged that the Americans accompanied the sid with continual exhortions and stringent conditions. This consciousness was heightened by U.S. insistence on the termination of Indonesia's confrontation with Malaysia. In a sharp reaction, President Sukarno told the US Ambassador Mrs.

Howard Jones that

"When any nation offers us aid with political strings attached, then I tell them (referring to the American aid) Go to hell with your aid".15

In order to reduce dependence on Western eld. Sukerno

^{14.} Howard Pelfrey Jones, Indonesia: The Possible Dream (Singapore: Hoover Institution, 1971), p.315. For details, see pp.314-18.

^{15.} Ibid., p.3.21.

sought aid from the Communist bloc. In November 1964 an aid agreement with China was concluded. He regarded this aid as preferable to any from the West because he considered it be largely 'mithout ties'. Moreover, China had been the strate-gic ally of Indonesia in its campaign for, West Irian, 'Crush Malaysia' and NEFOS. Of course, the Chinase required 'economic self-reliance' on the part of the recipient country.

Indonesia also received aid from the Soviet Union and other East European countries. By the end of 1965 Indonesia had accumulated a foreign debt, including both economic and military aid, of § 2400 million, of which § 1400 million was exact to Communist countries. (See Table III.) It is also worth pointing out that aid received was predominantly military aid related to the West Irian campaign. The Soviet Union supplied the Indonesian forces with military equipments

^{16.} It was one of the 'eight principles' that guided China's international programme. The eight principles, expounded by Chou-En-Lai during his visit to Mali in January 1964, were: 1) equality and mutual benefit, 2) respect for recipient's govereignty, 3) lenient terms of credit, 4) self-reliance of receiver, 5) quick yielding small investments, 6) high quality material, and equipment supplied at current world market prices, 7) high qualified technical personnel from donor's country, 2) living standard of expatriate technical personnel equivalent to the native experts. See M. Gurtov, "Communist China's Foreign Aid program". Current History, 49(289) (September 1965), pp.150-54 and 181.

Table III: FOREIGN DEBT AS OF 31 December 1965

ountry	(million &
Communist	
ISSR	990
ngoslavia	115
olend	100
Bechoslovekie Best Germany	77 72
lungery	19
lomen 16	16
hina	13
Other .	. 2
otal	1,404
leetern	
18	179
Veet Germany	122
rence	115
Italy Inited Kingdom (including Hongkong	91 42
ietherlands	28
Switzerland	28 3
other	7
Potal	587
leian ·	
lapan .	231
akistan	20
India	10
Potal	261
<u>African</u>	
JAR	4
International Agency	
IMP	102
Franc Total	2,358
urce: Bulletin of Indonesian Econe (June 1966), p.5.	

such as TU-16 long range bombers, which it had provided to no country in the Soviet-Chinese bloc at that time. 17

Despite Sukerno's preference to acquire sid from the Socialist countries, Indonesia was not free from the dependence on the West. Of the \$ 470 million in foreign credits believed to have been secured in 1965, 74 percent came from the non-Communist countries, with Japan the largest single contributor. 18 Indonesia also continued to sell raw materials to the West.

To sum up, the 1958-65 period was economically dismal for Indonesia by any measure. Per capital national product was below its 1958 level in all the succeeding years of this phase. By 1966, the inflation reached 650 percent; and debt payment due in 1966 was \$ 530 million - 78 percent of the value of exports in that year. At the end of Sukarno's period, the country was practically bankrupt, with foreign debts amounting 2,400 million US dollars; and much of it owed to the Soviet Union for military equipment. This figure can only be understood when compared with Indonesia's

^{17.} Herbert Feith, "Dynamics of Guided Democracy" in Ruth T. McVey, ed., <u>Indonesia</u> (HRAF Press) (1963), p.355.

^{18.} Bulletin of Indonesian Economic Studies, no.2 (Sept. 1965), pp.5-6, and no.3 (Feb. 1966), pp.15-16.

financial capacity. Domestic manufacturing was operating at only 20-30 percent of the real capacity; the government rice godowns were empty following the prohibition of further rice imports decreed by President Sukarno in 1964. Due to heavy food shortages, the foreign exchange earnings were channelised for food imports.

Further, the nationalisation of Dutch estates and business houses followed by the shattering of other commercial ties reduced the volume of her trade with Natherlands. As a result, it was cut-off from capital sources and even more important, from technological and managerial knowhow. Foreign exchange deficits had to be covered with short-term commercial loans - then were referred to as "deferred payments". Moreover, the foreign aid was utilized for prestige projects and consumption rather than for development.

The determinants of economic performance in the 'old order' were political rather than of economic nature. The 1958 rebellion in Jave and Sumetra, the West Irian campaign, the confrontation with Melayela which called for heavy

^{19.} Mark M. Pitt, "Alternative Trade Strategies and Employment in Indonesia" in Anne O. Krueger, Hel B. Lery, Terry Monson and Narongchai Akrasanee, ed., Trade and Employment in Developing Countries (Chicago: The University of Chicago Press, 1981), p.184.

public expenditure, put a grave strain on Government budget. 20 These issues continued to delay any prospect of economic reform and the state of economy was reflected in high levels of inflation. Thus, at the end of Sukarno era, Indonesia found herself in desperate economic straits.

CHANGING PRIORITY IN THE NEW ORDER: FROM POLITICS TO ECONOMICS

In the days of Sukarno's Guided Democracy, economic development was thoroughly subordinated to politics. The abortive coup of September 30, 1965, drastically eltered the situation. Political and economic stabilization were considered inseparable. In economic policy Indonesia under the New Order leadership made a radical departure from the romantic priorities of the Sukarno Government and came to recognise the necessity of external assistance for development. Subarto's commitment to economic development became the main line drawn to distinguish the New Order's policies

^{20.} Kelyani Bandopedhya, "The Indonesian Economy in Transition: From Guided Democracy to New Order", India Quarterly (Oct.-Dec., 1977), p.443.

^{21.} This policy is called <u>Devi-Dharma</u>, Two Duties, while its execution has the name <u>Flatur-Karya</u>, Four Tasks. It was formulated by General Subarto (later President) in his End of the Year report for 1966. The first Task was to improve the living standard of the people, especially with regard to food and clothing. For details, see O.G. Roeder, The Smiling General: President Sosharto of Indonesia (Djakarta: Gunung Agung Ltd., 1970), edn 2, p.172.

from that of Sukarno's and the acquisition of large amount of foreign aid was seen as the only way to make that promise of development credible and justify the army's legitimacy to rule. This apart, the pressures to seek external assistance was more intense than the previous government because of the disastrous condition of the Indonesian economy in 1966.

In the initial years of post-Sukerno era, the concern was more with reinvigorating the pace of economic growth than with equalizing or monitoring distribution. During the transitional phase of "stabilization" (1967-69) and under the Repelita I (1969-73), the main goal of the new regime was to "restore normalcy" and reinstate Indonesia's international credibility. In an effort to build confidence among western creditors and potential donors, the Suharto government rejoined the United Nations and the International Monetary Fund, and ended its Konfrontasi with Malaysia and promised that it would return all foreign enterprises confiscated during Sukarno's adventure, and accepted an IMF stabilization programms. And the enactment of the 1967

^{22.} Geoffrey B. Heinsworth, "Economic growth and poverty in Southeast Asia", Pacific Affairs (Vencouver), vol.52, no.1 (Spring 1979), p.27.

foreign investment lew provided new incentives to the foreign investors and donors.

With the aid of a group of western-trained economists,

Subarto began to tackle the immediate economic problems of
his country. Efforts were made to reschedule the outstanding
foreign debts and to acquire foreign credits.

In September 1966, a stabilization and rehabilitation plan endorsed by the International Monetary Fund (IMF) was put into effort. The stabilization policy involved a set of economic measures: a balanced budget, a tight money policy (which the government preferred to call a selective credit policy) and a more liberal and foreign exchange policy.

Indonesia's adoption of current orthodoxies in economic management and in the foreign policy produced a desired response. At the end of 1966, a consortium of western-aligned countries (including Japan) named as the Inter-Governmental Group of Indonesia (IGGI)²³ was set up to provide economic assistance to Indonesia for reconstruction and development.

^{23.} Indonesia first had contacts with the 'Donor Club' during the early period of Suherto government. The Pasis Club and the Tokyo Club were finally merged into IOGI. The USSR rejected memberahip in the 'Tokyo Club'. In mid-November, however, the Soviets also agreed to a debt rescheduling.

In first five years of the New Administration succeeded in obtaining a substantial sid from the consortium of western nation and Japan. The IGGI (with the US and Japan supplying approximately 1/3 each) granted \$ 200 million to Indonesia for 1967, \$ 360 million for 1968 and \$ 500 million for 1969. 24 Table IV indicates IGGI aid commitments to Indonesia in 1970-76.

With the help of IGGI aid and assistance, Indonesia was able to tide over her economic difficulties. The rate of inflation was brought down from 650 percent in 1966 to around 15 percent in 1970. The favourable development in the Indonesian economy was further indicated by increase in exports, mainly in exports of petroleum. A large number of oil companies started exploring for petroleum under new arrangements. And exports in 1969 became equal to the achievements of 1955 only, one of the last "normal" years before Sukarno experimented with "Guided Economy" - a serious reminder of the still precarious economics. 25 In manufacturing, foreign investment contributed nearly half of all new investment between 1967 and 1973. Much of this investment

^{24.} Robert C. Horn, "Indensela's Response to changing Big Power Alignmente", Pacific Affairs, 46(4) (Winter 1973-74), p.517.

^{25.} O.G. Roeder, The Smiling General: President Scenarto to Indonesia (Djakerta: Gunung Agung Ltd., 1970), edn 2, pp.176-77.

Table IV: INTER-COVERNMENTAL GROUP ON INDONESIA (IGGI) AID COMMITMENTS

Donors	1970-71	1971-72	1972-73	1973-74	1974-75	1976-76**
Australia	18.0	19.0	28.9	31.3	30,1	34.0
Aus tri a	-	***	-	•	0.5	•
Belgium .	3.6	4.9	6.1	19.5	10.5	9.0
eritein -	11.4	23.2	26.0	30.5	•	25.3
Cenede	5.0	8.0	19.0	67.0	•	40.0
7rance	16.5	20.6	28.2	39.2	37-1	•
Italy	0.8	0.2	•	6.2	*	•
lapan	140.0	155.0	207.0	207.2	140.2	140.0
ictherlands	29.9	34.2	44.1	54.3	67.1	52.0
ow Zealand	0.5	0.5	1.8	3.5	4.7	7.2
witzerland .	•	•	•	•	449	•
nited States	24.7	230.5	268.0	150.0	176.0	50.0
lest Germany	35.4	38.7	47.0	60.1	73.2	42.5
sien Development Benk nternational	20.1	30.0	25.0	33.3	85.0	120.0
Development Agency	74.9	110.0	120.0	135.3	250.00	400.0
Topal	380.8	674.8	821.1	827.0	874.4	920.0

Source: 1967-69: USAID, donor-by-donor commitments not available: 1970-75: Benk Indonesia: 1975-76: Bappenes. Cited in Lim Joo-Jock Christine Tan, ed., Southeast Asian Perceptions of Foreign Assistance (Singapore: Institute of Southeast Asian Studies, 1977), p.9.

^{*} With International Bank for Reconstruction and Development (IBRD).

** Austria. France, Italy and Switzerland have not stated their commitments.

N.B.:Indonesian fiscal year 1 April-31 March.

took place in activities where protection was greatest or where entry of new items was controlled.26

ECONOMIC DEPENDENCE AND DIPLOMACY

The aid-oriented policy of the New Order brought considerable criticism from a broad spectrum of Indonesian leaders. Some critics questioned the entire atrategy of basing economic development on foreign credits and investment. 27 But Subarto continued to follow his strategy of development. He clearly summed up Indonesia's cituation:

"For the mement, there are only two alternatives to exploit Indonesia's natural wealth. We can keep it idle until... Indonesia have enough capital, skill and technology to exploit it, or we can be aware of (Indonesian) shortcomings and co-operate with other people who are capable on the basis of mutual profit. 28 For me the second alternative is clearly preferable". 28

Thus, the Indonesian decision-makers regarded the transfer of resources as a positive asset because the resources obtained from abroad helped in increasing the capacities of the nation. The new administration resorted to considerable rhetorics to the effect that aid would never be permitted to play more than a supplementary role in Indonesia's development. And

^{26.} Merk M. Pitt, n.19, p.182.

^{27.} Weinstein, n.11, p.241.

^{28.} Quoted in S. Iskendar, "Indonesian Prospects", FEER (Nov. 4, 1972), p.45.

Suharto's economic diplomacy proved to be a success in the initial years of the New Order.

Critics further argued that the government had moved too close to the West and at high cost to the country's political and economic independence. They even felt that their economy had become allied to and dependent upon imperialist economic power. 29 It was feared that one-sided reliance on US economic aid would restrict the range of Indonesia's foreign policy operation. However, this kind of 'threat perception' was ignored by the President Suberto for various politico-economic ressons. First, the USA was the main source for financing the economic rehabilitation and etabilization programme. mentioned before, the USA elongwith other West-European countries provided massive economic assistance to the Subarto government through the IGGI. And these were the countries which first postponed the repayments of debt incurred by the Sukerne's 'Old Order'. The prompt and vital esciptance extended by the US administration during the ricecrisis of late 1967 was of great help to her. 30 Not surprisingly, relations between Indonesis and the US and to lesser

^{29.} Peter Polomka, <u>Indonesia Since Sukarno</u> (Australia: Penguin Books Australia Ltd., 1971), pp.130-31.

^{30.} Kalyani Bandopadhya, "Indonesian Foreign Policy in the Fost-Confrontation Bra: 1966-1977", IDSA Journal (Oct. 1977), p.159.

extent between Indonesia West European countries improved considerably thereafter.

Secondly, there was also a political dimension to this new alignment with the West. In the New Order period, the anti-Communist leadership was quite suspicious of outside subversion; therefore, they could hardly have expected financial assistance from Communist powers. Neither, the Communist powers were prepared to provide economic aid on a scale comparable to the West. Thus, the imperative of economic rebebilitation and development, together with the desire to protect the country from suspected Communist subversion kept Indonesia aligned to the USA in the second-half of the 1960s.31 Even after the stabilization phase, the US has not only been one of the leading foreign investors but it has also been the prime sid donor through IGGI. (See Table V.)

Table V: US ECONOMIC AID TO INDONESIA, us piscal ybars 1966-72

Cummulative	1966-69	1970	1971	1972	Total
U.S. aid under IGCI Food Grants ⁸ Technical assistance	399.5 25.5	174.5	160.4	175.2 8.2	959.5 48.4
grant		4.5	7.9	4.5	28.2
Total U.S. grants	34.7	12.7	16.6	12.7	76.6
Total U.S. ald	434.2	187.2	177.0	187.9	1,036.1

Source: U.S. A.I.D./Jakarta. Cited in Allen M. Sievers. The Mystical World of Indonesia (Baltimore: Johns Hopkins University Frees, 1974), p. 380.

apublic Law 480, title II.

^{31.} Ibia.

The post-coup administration was also criticised for its economic dependence on Japan. Many Indonesian leaders viewed Japan as more dangerous than US because of its tied project aid and other aconomic conditions. Very few of the Indonesian leaders felt that Japan really wanted to see a strong Indonesia. Moreover, the Japanese businessmen were accused as 'unscrupulous', 'expansionists' and 'exploiters' by a number of Indonesian leaders. Japan was seen as a potential danger to Indonesia for both historical and economic reasons. Their exploitation during the colonial period, imposition of economic conditions in IGGI aid and the perception of 'Japanese expansionism' made the critics suspicious of their intentions.

Despite these apprehensions among many of the Indonesian leaders, President Subarto sought for Japanese essistance. Under his leadership, Japan became the largest non-food donor, and as a foreign investor she became close second to the USA. It was also turned into one of Indonesia's major trading partners purchasing 70 to 80 percent of Jakarta's petroleum

^{32. (}When) 75 percent of the foreign policy clite had expressed confidence that the US denies strong Indonesia, only 23 percent were willing to make such settlement with respect to Japan. Weinstein, n.11, p.101.

^{33.} For further details, ibid., pp.98-103.

exports and some quantities of timber, copper end other raw materials. In 1972, Subarto obtained a \$ 200 million, in addition to IGGI assistance for the development of oil resources and a \$ 100 million advance payment for Indonesia-guaranteed deliveries of 58 million kilo liters of land sulfer oil over a 10-year period. Gradually Japan became more interested in direct investment, rather than in trade and aid. Japan's economic assistance and investment in the Asshan hydro electric project of East Sumatra was of grant importance for Indonesia's economic development.

Apart from Suharto's efforts to maximise all available foreign aid, and investment; the Indonesian oil bonanza substantially raised the country's budget revenues. With foreign assistance, the New Order had adopted rapid oil exploitation, as one of its policies to 'liberalise economy'. During the Bukarno years of 1960-66, annual growth rate in oil production had been a modest 2 percent. But the New Order's better 'investment climate' for foreign oil companies, annual crude oil output graw seven times the old rate at 15 percent year. As a result, Indonesia produced impressive

^{34.} For statistics on Japanese-Indonesia trade over the past so many years, see O.G. Roeder, "Fruits of Industry", FEER (March 4, 1972), pp.59-60.

^{35.} Horn, n.24.

GNP growth rates and numerous prestigious capital-intensive industrial projects. But. unfortunately, the surplus from oil revenues was squandered on 'white elephant' projects. consumption of luxury goods. There was also a great deal of misappropriation by the powerful generals and bureaucrata. The mismanagement of the economy manifested itself in the Pertemina erisis of 1975. All the important oil firms in Indonesia, including Pertamine - the state owned oil company have been heavily indebted to western investors, especially to the USA. Upto 1976, over 40 oil companies, mainly American, signed "production-sharing" contacts with the government and invested over § 3 million in oil exploration and development. 36 The World Bank observed that the net oil exports accounted for over helf the nation's exports. and domestic revenue, 65 percent of public investments and 13 percent of GNP and commented that 'the economy is extremely exposed to oil sector developments.37 And in spite of widespread criticism against foreign investment. Indonesis still felt the need for more aid and investment from the USA and Japan. From 1974 to 1979. Indonesia's outstanding

^{36.} Robert F. Ichord, Jr., "Pacific Basin Energy Development and US Foreign Policy", Orbis, vol.20, no.4 (Winter 1977), pp.1025-1043.

^{37.} FEER, 27 June 1979.

external debta became more than doubled from US § 9.2 billion to US § 19.5 billion. It is estimated that the outstanding debta will be again double in seven years' time. 36 Sukerno's widely criticised borrowings, when compared with the above figure seem small.

However, no one can doubt the economic strides by the Suherto regime. The etabilization of macro-sconomy is not a minor success, when compared with the total colleges of economy at the end of Sukarno period. With the help of IGOI and western economists the government was able within a few years to curb inflation, schieve major improvements in transport end communications, increase production and raise export earnings, particularly from oil, other minerals and timber. All these, however, have been primarily through the injection of large doses of foreign aid and investment, the oil bonenza rather than through domestic mobilisation of resources and elimination of corruption in public life. 39 has a result, Suharto's development strategy has resulted not only in the economic dependence of Indonesis on the foreign

^{36.} Ho Keon Ping, "Back to the Drawing Board", FEER (27 June 1979), pp.86-93.

^{39.} Baladas Choshel, "Indonesia's New Order Under Suberto", India Cuerterly, vol.35, no.4 (Oct.-Bec. 1979), pp.444-45.

investors and eid-giving countries but also in political dependence. This heavy injection of foreign aid is bound to be reflected in Indonesia's conduct of external relations. With increasing dependence on foreign aid and investment, it could be justifiably argued that Indonesia's diplomacy under Suherto has severely limited its options.

CONCLUSION

The advent of the New Order marked a fundamental shift in Indonesia's national policies and external relations away from what may be called the "put-politics-in-command" view to the "put-economics-in-command" approach. If "independence", "revolution" and "confrontation" were the key words for Sukerne; "development", "compromise" and "resilience" eraths key words for President Suherto.

The degree of change which has been expressed in the style and substance of the Indonesian diplomacy since the abortive coup of 1965 is, no doubt, quite striking. The difference between Sukerno and Suharto in their perceptions, styles and diplomatic strategies also corresponds to their antecendents, psychological meda and ideological preferences. Though touched upon from different angles, these factors need a comprehensive treatment.

Sukerno's charismatic personality, his grandice organizational designs, demagogy and, perhaps, idiosyncracies - all pointed toward a foreign policy marked by militance in the pursuit of national independence. He projected himself as the Bapak Revolusi or national leader, excited the populace into a perpetual revolution and led his country into foreign policy adventures. Moreover, he was faccinated by "expressive

politics", "elogeneerings" end rhetorics. He had the Aback of persuading the Indonesian people that he understood their wants, fears and hopes. For him, strong leadership meant flemboyance, boldness and unpredictability. All these factors were bound to be reflected in his diplomatic strategies. These deep psychological needs manifested themselves in many of his 'erratic' policies. And it is evident that Sukerno's personality would have made it difficult for him to mould his foreign policies to the prescriptions of western donors. Indonesia's economic history during 1959-1965 would be incomprehensible to anyone who feiled to realise how Sukerno was ready to sacrifice his country's immediate economic wellbeing in order to uphold, both at home and abroad, the political ideals he regarded as the essence of the continuing Indonesian revolution. He could not comprehend the economic realities on the basis of national pride and ideals. He was fascinated by the rementiciem of revolution and bored by economics. Sukerno's political style was manipulative rather than organisational; so he was most effective in undefined eltuations.

Subarto, in contrast, projects an image of simplicity, reliability and stability that has considerable appeal to foreign creditors and investors. He lacks the exhortative skills of Sukarno to use those attributes to his advantages.

So his personality seems for better suited to an eid-oriented policy. His concern for economic development rather than foreign adventures manifested itself in the expression: "give us the strength to give substance our independence through development". He does not seem to be led by those psychological drives which Sukerno had for self-assertion and national propring.

Used closely together with personality factor is ideology. The inverd nature of Suberto's foreign policy has been charply contracted with Sukerno's ideological formulations. During the Guided Democracy years, the struggle between 'New Emerging Forces' (NEFO) and 'Old Established Forces' (OLDEFO) was depicted as the major source of world conflict. Though Sukorno claimed an ideological bias, a closer examination of his acronyme between 1960 and 1965 would reveal that he did not have a systematic and coherent ideology; ideas jumped around in all directions or were, usually, not very easily fitted together. In case of Sukarno's foreign policy, ideology had been very often used as an instrument to justify his specific actions both at home and abroad. Under the "antiimperialism crusades, he justified his confrontation against Malayeis, formation of NEFO and the expropriation of the Dutch enterprises. The combination of 'Nationalism, Islam and Marxian' was essentially used to compound a strategy which

A. A.

Sukarno so skillfully pursued.

In the New Order, Sukarno's 'idealism' was sought to be replaced by 'pragmatism'. The decline of ideology in the New Order should not lead us to conclude that Suharto has abandoned the use of ideology. In fact, even his regime tries to seek legitimacy and sustenance on ideological grounds by condemning the old order and stressing the continuity with an essentially pre-colonial past. With the growing challenges of Islam, President Suharto, in the recent years, has emphasized the Pantisalle ideology. The conscious creation of a mational ideology by both Sukarno and Suharto can be considered as a teak of nation-building and the welding together of a national consensus.

Another dimension that illustrates the different epprosches of both the leaders is the degree of political competition. Sukerno, in the most important period of his political career, did not have a party machine to carry out his will. Since he did not identify himself with any political party, he was always in dilemmas for his political survival. He was functioning in a more competitive political system than Suharto. As a result, Sukerno resorted to foreign policy adventures and, in the process, adopted many erretic policies. The Suharto regime works within an organisational structure backed by military power. The less competitive climate of the New Order has led Subarto to focus on development rather than independence.

The policies edepted by both Sukarno and Suharto were a combination of number of strategies. Though it is difficult to single out any one variable to explain the change, the foregoing study indicates that the complex interplay between deminant personality traits of the principal actor and the challenges to legitimacy faced by the regime is the most crucial element when a diplomatic strategy is devised.

Ideology is often relegated to the background.

The deterioration of Sukerno's position in the mid-1960s abould not obscure the fact that he played a pivotal role in generating a sense of unity and national awareness, giving Indonesia for the first time a widely accepted forces of attention. To be frank, Indonesian foreign policy was more free and active during Sukerno's period. Today, however, it stands a better chance of giving Indonesia a leadership role in regional affairs. But one apprehends that the excessive dependence on the West might endanger its security.

A comparative study of the diplomatic etrategies scopted by Sukarno and Suharto proves to be entremely atlantage and thought-provoking. Contrary to conventional wisdom, which

better a country's national interests, it seems that intengible personality traits and even distorted ideological bisses can also under certain circumstances be skillfully exploited to attain foreign policy objectives. This fascinating and complex subject, which is of particular interest to many developing nations, certainly deserves to be studied at greater length and intellectual rigour.

APPENDICES

APPENDIE I

PRESIDENT SUKARNO'S BASIC IDEOLOGICAL FORMULATIONS

Sukarno's Guided Democracy developed a terminology of its own that was in everyday use in Indonesia, but which was baffling to the outsider.

The Pantjosile

The basic official ideology of the Indonesian nation is the Panticelle (Senakrit for "Five Principles", Pantic meaning five and alla meening principles). It was enunciated by Sukarno in a speech on June 1, 1945, two months before the declaration of Indonesian independence. According to the legend that has grown up around this formulation, the President "communed with God" under the etarts for two nights before the speech. The principles were derived, according to Sukerno. vie divine inspiration from the prophet Mohammed. They are: (1) belief in God: (2) internationalism: (3) nationalism: (4) covereignty of the people, and (5) social justice. These principles received wide renown when they were endersed at the first Bendung conference, in 1955, and publicised to some extent by Prime Minister Nebru of India. Sukerno, in a speech before the General Assembly in 1963, proposed that the UN also adopt them as a standard. Remarkably suited to the

Indonesian environment, they represented a mix of democracy, Islam, mysticism, and nationalism. Although not stated in the form of principles as we would understand them, each of these had meaning for the revolutionary society for which they were designed. Something was there for everyone - everyone, that is, except the Communists. Because of the emphasis on belief in God, the <u>Pantiasila</u> was utilized by the religious and non-Communist elements in the Indonesia political scene in opposing the Communists, and also as an offset to the later formulations under Guided Democracy - <u>Manipol-USDEK</u> and Nesakom, which, stressed by Sukerno, were widely touted by the Communists.

"Sovereignty of the people" underwent considerable change in character over the years. In Sukarno's original speech in 1945, the emphasis was definitely on elections and representative bodies. As time went on, that connotation was obliterated and "people's sovereignty" became merely a dialectical abstraction theoretically embodied in the rubber-stemp consultative bodies that replaced the previously elective Perliament and Constituent Assembly.

Menipol-USDEK

In July 1959, Sukerno ennounced that the Indonesian nation had "gone estray", and that its Western-style political institutions were not adapted to the Indonesian environment.

He dissolved the Parliament and Constituent Assembly, which had been drafting a new constitution, and declared that the was taking direct control of the government as his own Prime Minister and assuming the redirection of the course of the revolution.

Manipol is an abbreviated form of "Political Manifesto". It is the term used to describe Sukarno's speech of August 17, 1959, entitled "The Rediscovery of Our Revolution", officially designated by Sukarno as the "Political Manifesto of the Republic of Indonesia".

Five points were emphasized as the new course for the revolution to take. USDER is an ecronym of the initial letters of the five concepts in the Indonesian language.

The concepts:

1. Return to the 1945 Constitution. This was a rudimentary document used during the fight for independence; it gave the President supreme power in every field. Its adoption involved the abandonment of the parliamentary system of government and the substitution of a strong executive form, but without any system of checks and balances such as that included

^{1.} The Indonesian words represented in USDEK are: <u>Underg</u>
2 Dasar 1945, Sosialisms Indonesia, Demokrasi Terpimpin,
Ekoni Terpimpin, and Reprioadian Indonesia.

in the United States Constitution. The 1945 Constitution was originally intended as a transitional document until governmental institutions could be established; but widespread disaffection with the results of the parliamentary system and an almost mystical desire to return the "pure" age of the revolution and the unity that obtained at that time gave Sukarno a ready-made opportunity to remove all restraints upon his own power.

- 2. Indenesian socialism. This represented a kind of visionary Marxism rooted in Indonesian customs but which presumably draw from the experience of all countries, west and East.
- 3. Guided Democracy. Sukarno-guided, this concept contrasted with liberal parliamentary democracy and, after July 1959, became an "anti-revolutionary" target of derision.
- 4. Guided Beonomy. A formulation of this concept was never set forth, but it involved the government's taking over all major enterprises.
- 5. Indonesian identity. This was a glorification of Indonesian culture and history, with emphasis on expunging alien, and particularly Western, cultural inroads into the society.

Although a nonrational, mystical pseudo philosophy, this combination of concepts served its designers well as the symbol

of Indonesia's subsequent political development. Advocates of more moderate policies or of any check on government behaviour were branded as "anti-Hanipolist", a frequent charge used by the PKI against its enemies and equated with being unpatriotic.

Neeskom

Inderesian political unity must be a cooperative coshination of all the major elements in the society, Sukarno
declared, Sukarno declared. There were three: nationalist,
religious, and Communist. Resakon is an acronym of those
three words. This was an easet to the Communists, which
they fully exploited in demanding participation in bodies
or activities from which they had previously been excluded.
They branded any criticism of Communism as "anti-Resakon"
and therefore in opposition to President Sukarno and the state
philosophy. The goal of the PKI for years was a Nasakon
Cobinet, defined by PKI leaders as the sharing by the Communists in a ruling triumvirate, but it was never achieved.

Nekolim

This was an acronym standing for "neo-colonislists, colonislists, and imperialists", the combination viewed as the archenemy of the nation and opposed to the Indonesian revolution; during the Maleysian confrontation, all those

who supported Malaysia were conveniently included in this grouping. "Nekolim" could be applied to any significant continuing relationship between a former colonial territory and a Vestern power that included major cultural interchange, foreign business investment, or military pacts. Thus Malaysia was described as a neo-colonialist arrangement because, although the British had given up political control of Malaysia, they were still economically dominant in the country and shared responsibility for the nation's self-defense.

agavipa

All of Sukerno's major speeches were given catchword titles. The 1964 etato-of-the-nation address on Independence Day, August 17, was entitled "Tehun Vivera Pericologo" ("Year of Living Dangerously"), nicknamed "Tavip". This speech represented a major new enti-Vestern shift in the Indonesian national policy and a much greater alignment with the Asian Communist regimes.

NEFO-OLDFO

These two acronyme - now disappearing from the Indonesian language - represented a crystallization of Sukerno's concept of the world. According to him, it was divided into two groups - the "old established forces" and "new emerging

forces". Sukarno dismissed the Eget-West struggle, that is, Communist versus enti-Communist, as no longer significant for newer nations.

The incorporation of this idea into Indonesian political theory resulted in Sukerno's abandoning his earlier "independent and noneligned" foreign policy as he concentrated his efforts on dominating the "new emerging forces". These forces were generally defined to include the less-developed nations of the world, and more specifically the nations of Africa. Asia, and Latin America, plus the Communist bloc. Sukerno had earlier concluded that peaceful co-existence was not possible between unequals and that confrontation and struggle were inevitable between the two groups until the "old established forces", 1.e., the exclusive source of imperialism and colonialism, were cruebed. They were delinested in various speeches to include the United States and Western powers. A nation like Jepan defied classification. Sukarno did concede, however, that there might be NEW elements in the OLDFO nations (e.g., Negross in the United States, or Communists or left-wingers in some other country); hence his use of "forces" rather than "countries".

Sukerno meinteined that since "neutrality is impossible", Indonesia had a secred responsibility to struggle aggressively

ned by Nekolim. The rejection of peaceful co-existence brought Indonesia into disagreement with other noneligned countries, such as Egypt, India, and Yugoslavia, Indonesia's natural rivals for leadership of the Afro-Asian nations. Sukerno's reasoning fitted nicely, however, into Peking doctrine. In the latter years of Guided Democracy, until the unsuccessful coup on September 30, 1965, Chinese and Indonesian foreign policies exhibited a tendency to mech closely.

(Note: CONEFO stands for "Conference of New Exerging Netions".)

Cited in H.P. Jones, Indonesia: The Possible Dress
(Singspore: The Hoover Institution, 1973), pp. 449-62.

APPENDIX II

CONTRASTS BETWEEN SINGAPORE AND INDONESIA

SINGAPORE

INDONESIA

POPULATION, INCOME:

Very small population, city state, relatively wealthy

Large population, dispersed over a large area and predominantly rural, very poor

MACROECONOMIC PERFORMANCE:

Low inflation, strong foreign exchange rate, low unemployment

High inflation rate, foreign exchange rate subject to some uncertainty, high disguised unemployment

INTRASTRUCTURE:

Physical, human and financial infrastructure very good

Physical infrastructure aubstentially improved in recent years, but still poor; human and financial infrastructure remain poor

AGRICULTURE:

Quite unimportent

Remains the single largest sector; fluctuations in the agricultural sector are en important source of economic instability

LABOUR:

Adequate supply of skilled latour; unskilled latour in increasingly short supply; accommodating trade unions have an important institutional role; invard migration of labour to meet shortages in supply

skilled lebour in equtely short aupply; excess supply of unskilled lebour; trade unions unimportant; outflow of lebour in search of jobs.

STRATEGY OF DEVELOPMENT:

- (a) Outward-looking
- (b) Welcomes foreign investment and climate for foreign investment is good
- (c) Trade policies are very open, with international trade equal to over 100% of GDP
- (d) Open economy (e) Government role seen as creating general conditions for growth; private enterprise to play main role
- (f) State enterprises play service role, with no important industrial state enterprise. Full cost operations
- (g) Emphasis on entrepreneurchip

WELFARE:

Widespread welfare services

Few welfere services in many areas; majority of the population has poor housing, very inedequate medical services, poor water supply: and no electricity in homes

GOVERNMENT:

Strong. effective. a "hard" state

In practice, not so strong, many countervailing sources of power within the society; a "soft" state

ECONOMIC PLEXIBILITY:

Good deal; factors of production relatively mobile

Little flexibility: cogmented factor markets often restrict movement between sectors and regions

(a) Tendency to be inwardlooking

(b) Welcomes foreign investment in principle, but overall climate for foreign investment is a difficult one

(c) Trade policies are in practice restrictive

(d) Rether protected economy

(e) Government role often more important than private enterprise: private enterprise activities often restricted by government interference:

permits required, etc.
(f) State eneterprise is importent in a wide range of activities; subsidized, not operating/on a full cost basis

(g) Difficult for enterpreneure

EQUIPY:

Good, improving

Unsatisfactory, little evidence of overall improvement in recent years, and clear deterioration in some areas.

Source: Peter McCawley, "The Devaluation and Structural Change in Indonesia", Southeast Asian Affairs (ISBAS, Singapore) (1980), p. 198.

GLOSSARY

INDONESIAN SLOGANS, TERMS, ACRONYMS AND ABBREVIATIONS

BHINNEKA TUNGGAL IKA Unity in Diversity

CONEFO

Conference of New Emerging Forces (A multi-national organization of countries and peoples, proposed by Sukarno to countervail the U.N.; See elso: 'MEFO')

DWIKORA (Dwi Komendo Rekjet) The People's Twofold Command (ordered by Sukarno in September 1964): 1. increase the resiliency of the

Revolution.

2. support the revolutionary struggle of the people of Maleya, Singapore, Sabah. Sarawak and Brunel.

GANEFO

Cames of the New Emerging Forces (held for the first time in Djakarta, November 1963)

GESTAPU or G-30-S (Gereken September Tige Pulu)

The 30 September, 1965 Coup

GOLKAR (Golongan Kerya)

Functional Groups

GOTONG ROJONG

The Traditional System of Mutual Aid based on 'Love Thy Neighbour' principle

MAPHILINDO (Meleye-Philipine-Indonesia) Sukarno-pioneered political-economic concept to bring the three countries into a loose federation

MUSJ AWARAH

Deliberation and consultation until unenimity of opinions is reached

NASAKOM (Nasionalisms, Agems dan Komunisms) Sukerno's doctrine to blend Nationalism, Religion and Communism into one basic philosophy of State

NEPO

New Emerging Forces ('Progressive revolutionary nations and forces who want to build the world enew, free from exploitation by NEKOLIM' = Sukarno) NEKOLIM

lonialisme dan Impsrielieme)

(Neckolonialisms. Ko- Sukarno's accronymization of the 'destructive forces in the world desirous of exploitation of (ex-colonial) national

and regions!

OLDEFO

Old Established Forces ('Nations and forces with vested interests in the prolongation of colenial and imperialistic exploitation . + Sukerno)

REPULITA

Five Year Development Plan

ABRO

(Orde Lema)

New Order (new state of condition and thinking in post-Gestapu Indonesia pioneered by the CENERATION 166 and further implemented by the 'AMPERA'

Cabinet)

ORLA

(Orde Lama)

Old Order (pre-Gestapu regime led by Sukarnol Subandrio, c.s. end guided by ideologies such as NASAKOM and others)

PANTJA STLA

The Five Principles of the State Ideology:

1. Belief in God, 2. Netionalism

3. Humanism (Brotherhood). 4. Democracy.

5. Social Justice

TRIKORA

(Tri Komendo Rekiet)

The People's Triple Command (West Irian Compaign):

1. prevent the establishment of the State of Papua,

2. hoist the 'Red and White Plag' in West Irlan.

3. prepare for general mobilization

USDEK

Acronym containing the first letters of MANIPOL's five principles: the 1945 Constitution.

(Undeng-undeng. Dager 1945. Sosialiame a la Indonesia,

Indonesian Socialism.

Demokrasi Terpimpin, Guided Democracy,

Ekonomi Perpimpin, Guided Economy, Kepribudian Nacional) National Identity.

TITLES OF PRESIDENT SUKARNO'S PRINCIPAL SPEECHES:

Proclamation Day (August 17) Addresses

1959 - MANIPOL
(Menifesto Politik)
'The Rediscovery of Our Revolution, the Political
Menifesto of the Republic of Indonésia'

1960 - DJAREK
(Djalannja Revoluci Kita)
'The March of Our Revolution'

1961 - RESOPIM
(Revolusi-Socialisme-Pimpinan Nasional)
'Revolution, Indonesian Socialism and National
Leadership'

1962 - TAKEM (Tahun Kemenangan) 'A Year of Triumph'

1963 - GESURI (Centa Sucre Revoluct Indonesia) 'The Recounding Voice of the Indonesian Revolution'

1964 - TAVIP (Tahun Vivere-Pericolose) 'A Year of Living Dangerously'

1965 - TAKARI (Tahun Berdikeri) 'The Year of Self-Reliance'

1966 - DJANGAN SEKALT-KALI MENINGCALKAN SEDJARAH (Not acronymized) 'Never Leave History'

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