

**INDONESIAN FOREIGN POLICY UNDER THE NEW ORDER
IN ASIA-PACIFIC REGION, 1977—1987**

Dissertation submitted to the Jawaharlal Nehru University
in partial fulfilment of the requirements
for the award of the Degree of
MASTER OF PHILOSOPHY

CECEP EFFENDI

**CENTRE FOR SOUTH, CENTRAL, SOUTH-EAST ASIAN
AND SOUTH-WEST PACIFIC STUDIES
SCHOOL OF INTERNATIONAL STUDIES
JAWAHARLAL NEHRU UNIVERSITY
NEW DELHI-110067, INDIA**

JULY 1990

To The Wa uyo s Family : Mas Imam, Mbak Deli,
Aji an Udi who for almost three years
have opened their house for me
at the time of distress
and at the time of
joy



जवाहरलाल नेहरू विश्वविद्यालय
JAWAHARLAL NEHRU UNIVERSITY
NEW DELHI-110067

DECLARATION

Certified that the dissertation entitled "Indonesian Foreign Policy Under The New Order In Asia-Pacific Region, 1977-1987" is in partial fulfilment of the degree of Master of Philosophy of this University. This is an analytical study and has not been submitted for any other degree of this or any other University.

We recommend that the dissertation be placed before the examiners for evaluation.

Bhagwan Dass Arora
Dr. Bhagwan Dass Arora

(Supervisor)

Mukherji
Prof. I.N. Mukherji

(Chairperson)

PREFACE

CONTENTS

	PAGES
PREFACE	i-iii
CHAPTER I INTRODUCTION	1-55
CHAPTER II POLICY OF FOREIGN CAPITAL	55-81
CHAPTER III ROLE IN SOUTHEAST ASIA	82-131
CHAPTER IV ASIA-PACIFIC SECURITY PERSPECTIVE	82-179
CHAPTER V CONCLUSION	180-189
BIBLIOGRAPHY	190-198

PREFACE

PREFACE

Attempting a study of Indonesia's foreign policy has turned out to be not so easy task. As a newly emergent nation striving to achieve economic development but at the same time highly sensitive about its nationalism, Indonesia vacillated between the policy of confrontation and peaceful coexistence. Peace and stability were indispensable for her economic development. Yet her status as the fifth largest and third potentially richest country in the world and her geo-strategic location at the cross-roads of international communication prompted her militant and nationalistic leadership under Sukarno to seek leadership role among the Asia-African nations.

It took a new regime under Suharto's leadership to lead Indonesia into a more realistic role. Suharto's government followed an open door policy which gave priority to peace and friendship. The aggressive foreign policy of Sukarno was replaced by a policy of economic development. Indonesia now adopted a more friendly posture towards its neighbours. Indonesia helped to establish the Association of Southeast Asia Nations (ASEAN) in August 1967 which was initiated to ensure peace, stability and security in the region. In the interest of Indonesia's economic development plans, the Suharto's government tilted towards the United States, Western Europe and Japan.

This study is primarily an exploratory and analytical

account of the developments in Indonesia's foreign policy and the factors which necessitated these developments. Apart from Indonesia's policy of foreign capital, her role in Southeast Asia, it also deals with Indonesia's perspective on security in Asia-Pacific region. The period analysed in detail is from 1977-1987. This period has been chosen for its domestic and international significance. In 1977 the second general election under the New Order government was held which gave a decisive victory to the ruling party and provided Suharto with a legitimacy to govern the country for the second consecutive term in office. In the same year the ASEAN Summit was held in Kuala Lumpur. In 1987 the third ASEAN Summit was held in Manila at the time when ASEAN continued to be grappling with the problems arising from Vietnam's occupation of Kampuchea and ties between Thailand and China were growing and in domestic politics, Suharto was again chosen as President of the Republic for fourth consecutive term in office after a landslide victory in the general elections.

The materials consulted in preparing this dissertation have been primarily secondary in nature, mainly in the form of published books, articles, etc.

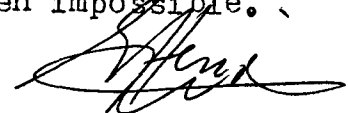
I am deeply indebted to Dr. Bhagwan Dass Arora under whose guidance this study has begun and completed. His generosity in time and efforts, his critical evaluation and

helpful suggestions and his highly motivating encouragement whenever my spirit ran low, have contributed in no small measure to the relevance of the materials in every chapter that follows. His gentle heart, patience and understanding is and will always be my source of inspirations in the future as teacher in the University as an ideal type of a teacher in the true sense.

I would like to express my sincere gratitude to some Indonesian families in New Delhi who have always been very generous and helpful to me. First of all to Bapak and Ibu Ngadino, particularly to Gono who have always opened their house and treated me as member of their own family. To Mas Sucipto Hadi who has treated me as his own younger brother and opened his house at the time of distress. To Bapak and Ibu Abu, Mas Ziya and Mbak Ulya who have reminded me of my obligation as a muslim. To Bapak and Ibu Herianto and their children, Neneng, Susan and Yudhis for their generosity and excellent foods. To Mas Bambang and Mbak Wiwik who have offered me to stay in their house at the critical juncture of my dissertation work.

Of course, my deep debt of gratitude is due to my parents, Dr. Usman and Ibu whose bore with my long absence from home and without whose love, affection and inspiration the present dissertation would have been impossible.

New Delhi : 23-7-1990



CECEP EFFENDI

CHAPTER I

INTRODUCTION

INTRODUCTION

With 13667 islands scattered over an area of around 73, 000 sq. km, Indonesia is the largest archipelago in the world. Approximately 3, 000 of its islands are inhabited by about 172, 631, 000 people. A country with tropical climate Indonesia experience heavy rainfall and is full of tropical forests. Cwing to volcanic eruptions, the land is considerably fertile in some islands, especially Java and Sumatra, and the concentration of population is also mainly in these two islands. Indonesia is endowed with rich mineral resources especially oil, rubber and tin and forest products.

Indonesia is located on the famous Asian sea trade route, the Malacca Straits, which it shares with Malaysia and Singapore. It provides a link between East and West Asia. By virtue of its location, Indonesia has long been a center of commercial and cultural interaction between the Hindu, Islamic and Western civilization. Hindu, Budhis and Islamic religions have exercised tremendous influences on the Indonesian people, which are visible even today. Indonesia also occupies an important strategic position in as much as it is located between the Indian and Pacific Oceans and the two continents, Asia and Australia.

Indonesia's foreign policy has undergone turbulent experiences since its declaration of independence on August 17, 1945 to the emergence of New Order government on March 11, 1966. This turbulent experiences can be divided into

three distinct historical stages, namely the period of struggle for independence (1945-1949), which shaped and moulded Indonesia's definitions and orientations of its foreign policy posture. This was followed by the constitutional democracy period (1949-1957) in which each successive government tried hard to strike a sort of balance between the basic principle of Indonesia's "independent and active" foreign policy and the need to acquire foreign economic aid from the Western donor countries, particularly the United States, during the cold war era. Simultaneously, each successive government also tried to compel the Dutch to surrender West New Guinea (West Irian) to Indonesia as part of its sovereign national territory. This was followed by the phase of Guided Democracy (1959-1965) in which President Sukarno vigorously pursued the foreign policy of flamboyance and confrontation. Although, through this policy he succeeded in forcing the Dutch to give up West Irian and hand it over to Indonesia, the foreign policy during this phase led to a disaster one. Sukarno continued the policy of confrontation now directed against Malaysia and thus isolated Indonesia from international community. The disastrous effects of this policy resulted in the emergence of the New Order regime which swiftly and drastically changed the course of Indonesia's foreign policy. ✓

This chapter will discuss each of the three important stages of Indonesia's foreign policy. This would be followed

by a discussion on the determinants of Indonesia's foreign policy. Analysis of theoretical approaches, which are to be used in this study, will follow. The approaches are mainly based on the perspective of the national interests, the role conception of the state and the perception of the place of the state in its regional context. Finally, including the idiosyncratic factor which played an important role in this field.

Struggle For Independence (1945-1949)

The period of struggle for independence is a central episode of the Indonesian historical-political experience. It is also a powerful element in the Indonesian perception of itself.

It is during this phase that the basis of Indonesia's policy was shaped and moulded. At the time when the overriding goal of Indonesian politics was the achievement of unchallenged independence from the Dutch, Indonesia's foreign policy pursued a course that left Indonesia's fate dependent upon the outsiders. There were two important streams of thought during this crucial and turbulent period on how to achieve international recognition for the newly born republic proclaimed on August 17, 1945. The main group on this side was representative of Indonesia's most cosmopolitan elites which firmly believed on the hope that international pressure would force the Dutch to recognize Indonesia's independence. This group, led by Sutan Sjahrir included some of Indonesia's most westernized intellectuals well equipped to deal with foreigners. On the other side, was the radical and young militant group led by

Tan Malaka, the former Indonesian Communist Party leader who returned secretly from exile in 1942. In August 1945 he revealed his identity and immediately attracted large following. Tan Malaka called for an all out armed struggle to win complete independence. He gave a forceful call for the confiscation of the foreign factories and plantation estates and urged the masses "to fight as lions." He warned that the Dutch would not leave until would be forced to do so. He also rejected the negotiation with the Dutch as long as the Dutch troops remained in Indonesian soil.¹

Tan Malaka's view attracted wide support from the political and military leader, including from the Army Chief Commander, General Sudirman who was highly respected among the fighters. However, Prime Minister Sutan Sjahrir with the backing from President Sukarno and Vice President Mohamad Hatta had opted for diplomacy as the road to recognition of independence. Sjahrir's task was to mobilize international support which would finally compel the Dutch to recognize Indonesia's sovereignty. At the same time, Sjahrir who was deeply impressed by Western military power, was extremely aware of the fact of Indonesia's **weakness** which left no choice but to pin its hope to the United States which would live up to its anti colonial rethoric and force the Dutch to transfer the sovereignty.

Although, both Sjahrir and his critics had different ideas

 1 Tan Malaka, "Fighting Diplomacy," Herbeth Feith and Lance Castle, eds., Indonesian Political Thinking 1945-1965 (Ithaca: Cornell University Press, 1970), pp. 44-48.

on how to gain international recognition, they had to operate within the fragile parliamentary system in which various political groups competed for political powers. Sjahrir and his group within the Indonesian Socialist Party (PSI) which had already occupied the seat of power had vested interests in preserving some measures of stability and order rather than following a course of armed struggle.

However, Sjahrir's idea of diplomacy was less appealing for the political leaders with exhortive political skills and military leaders who were eager to fight. The self-reliant road was more appealing because it demanded the kind of political leadership they were best suited to give.

In March 1946, Sjahrir had secretly agreed with the Dutch chief negotiator Dr. H.J. Van Mook to negotiate on the basis of the de facto Republican sovereignty in Java, Madura and Sumatra alone. In exchange, the Republic had to recognize the Dutch sovereignty elsewhere. However, further talks in the Netherlands did not achieve any substantial agreement. This convinced many Republican leaders, particularly those who followed Tan Malaka's line of thought, that the Dutch would not act in good faith, an impression which was soon strengthened when Van Mook unilaterally decided to set up a federal Indonesia under the Dutch control.²

In November 1946, Sjahrir finally concluded its first diplomatic agreement with the Dutch. In October negotiation had

2 M.C. Ricklefs, History of Modern Indonesia (London: Macmillan Asian Historical Series, 1981), pp. 210.

already begun and cease fire was agreed upon in Java and Sumatra. On November 12, at Linggadjati near Cirebon the Dutch recognized the authority of the Republic over Java, Sumatra and Madura and both sides agreed to cooperate in the creation of a federal United States of Indonesia in which the Republic would be one of the State and the Dutch Queen was to become symbolic head of the Dutch and Indonesian Union.

However, Sjahrir soon after the signing of Liggadjati agreement had to face universal opposition to the concessions he had made in the agreement and in subsequent talks on its interpretations. This led to his resignation as Prime Minister. He was succeeded on July 3 by his more radical Minister of Defence Amir Sjarifudin who was equally acceptable to the outside powers because of his wartime record. Haji Agus Salim was appointed as Foreign Minister. In response to the United States pressure and a promise of economic aid, Amir Sjarifudin went even farther than Sjahrir in offering concessions to the Dutch.³ Sjahrir went to the United States to represent the newly born Republic at the United Nations as its Chief Representative.

Meanwhile, the Dutch had already decided in May 1947 that they would attack the Republic directly. On July 20, 1947 the Dutch launched their first "police action." The Dutch troops almost occupied all important cities such as Jakarta and Bandung and from

3 Franklin B Weinstein, "Indonesia," in Wayne Wilcox, et. al. Asia and The International System (Cambridge: Winthrop Publisher Inc. : 1972), pp. 112.

Surabaya they went to Malang and Madura. In Sumatra, The Dutch occupied all important areas such as oil installations in Padang and Palembang, plantation areas in Northern Sumatra, mainly Medan and Tapanuli.

The Dutch police action had its repercussions elsewhere. The Government of India and Australia brought the matter of Dutch military action before the United Nations Security Council. Sutan Sjahrir was invited to give a speech in the Security Council deliberations. This led to the formation of the United Nations Good Office Committee (consisting of Representative from Belgium, Australia and the United States). Although the Committee did not possess any power, nonetheless it constituted a protective device of a kind against unilateral annexation by the Dutch.

At the end of July 1947, the Dutch agreed to accept the United Nations's call. In October the same year a United Nations Good Office Committee reached Indonesia to assist the Republican-Dutch negotiations for a new ceasefire.

In January 1948 new agreement was reached aboard the United States Naval ship "Renville" in Jakarta Priok harbour. This agreement recognized a ceasefire along the so-called Van Mook line an artificial line which connected most of the advanced Dutch points despite the fact that many Republican lead areas remained in the rear. In exchange for substantial territorial concessions which reduced the Republican territory only to Central Java, East Java and Madura, Prime Minister Amir Sjarifudin got the promise

of plebicit in the Dutch-controlled area, with the understanding that the United States would ensure that it was conducted fairly.

Prime Minister Amir Sjarifudin encountered with an avalanche of critics who charged him with having compromised the country's independence. This led to the fall of his Cabinet. President Sukarno was aware of difficult position in which the Republic found itself and thus endeavoured to turn it into another direction by appointing Mohamad Hatta to head an emergency "Presidential Cabinet" responsible not to the Central Indonesian National Committee (KNIP) but to himself as President. Hatta got strong support from the Indonesian Nationalist Party (PNI) and the Indonesian Muslim Council (Masjumi) and Amir Sjarifudin led the Left Wing into opposition.⁴

In the beginning of August 1948, Muso a leading Communist Party leader who had gone into exile in the Soviet Union after the failure of 1926 Communist uprising against the Dutch returned home. The Left Wing began its fateful effort to regain power. Amir Sjarifudin and other Communist Party leaders accepted Muso's leadership. They began their agitation by occupying a small town in East Java, Madiun and establish what they called Soviet Republic of Indonesia. This agitation got the support from Radio Moscow in its broadcast.⁵

4 Michael Leifer, Indonesia's Foreign Policy (London: Royal Institute Of International Affairs, 1983), pp. 17.

5 Michael Leifer, Ibid., pp. 21.

Prime Minister Hatta sent the government's main battle force to crush the uprising. Muso was shot dead in a skirmish and Amir Sjarifudin was later to be shot along other prominent leaders of the Communist Party. However, Aidit, Nycto, Lukman and other younger leaders fled to China or Vietnam. They were to play a prominent role in the 1965 abortive coup and would have the same fate as their predecessor.⁶

Hatta's government strengthened its domestic position. It also got sympathy from the United States. This was the year when the Cold War had begun. This was also the beginning of Berlin blockade by the Soviet Union, the start of the Communist insurrection in Malaya, rebellion of Red Flag in Burma and the continuing advanced by the Communist side in China. Within this framework, the Indonesian Republic had shown itself to be anti Communist and in the minds of the American strategic thinkers who were already preoccupied with the Cold War tensions worthy of American support. However, the uprising of the Indonesian Communist Party at the time when the Republic was being challenged by the Dutch on all fronts, led to a bitter memory and hatred of Communist ideology especially among the soldiers who fought them in Madiun and later became prominent figures in the New Order government.

On December 1, 1948, the Dutch launched their second "police action" which proved to be both a military and political

 6 Arnold Brackman, Indonesian Communism - A History (New York: Praeger Publisher, 1963), pp. 20.

catastrophe for them, despite the appearance of being an easy victory. The Republican government leaders had allowed its leaders to be captured in the hope that world opinion would be so offended that the Dutch military action would turn into a diplomatic defeat. Most of the prominent leaders such as Sukarno, Hatta, Haji Agus Salim, Sjahrir were captured and were sent to the Bangka Island in the Southern part of Sumatra. However, their prediction turned to be correct.⁷

In the United Nations Security Council there was a furore. The United Nations Good Office Committee had been only a few miles away from Jogjakarta when the Dutch had struck the city. The American opinion was also outraged. On December 22, the United States suspended further transfers of aid funds to the Netherlands. Simultaneously, the Dutch found themselves unable to cope with the guerilla warfare under the leadership of charismatic General Sudirman.

In large measure because of the absence of political competition and direct involvement of personal prestige of Sukarno and Hatta, two agreements concluded in the Indonesian - Dutch negotiations bore fruitful result. From August 23 to November 2, 1949 a Round Table Conference was held at the Hague. A loose Union was agreed upon with the Dutch Queen as the symbolic head.

Although the Round Table Conference did provide the transfer of sovereignty to Indonesia, it also contained some extremely

7 -----
George Turnan McKahin, Nationalism and Revolution In Indonesia (Ithaca : Cornell University Press, 1972), pp. 290.

onerous provisions, the most significant of which were, first Indonesian government's assumption of the debt of the previous Dutch administration and second, the retention by the Dutch of West Irian which would become a subject of negotiation a year later after the signing of the Round Table Conference agreement.

Sukarno was appointed as President of the Republic of the United States of Indonesia and Hatta became Prime Minister as well as its Vice President. The government was obliged by the Round Table Agreement to provide various guarantees for the Dutch investments in Indonesia. This was seen by many Indonesia as unreasonable restriction upon the country's independence and sovereignty.

The Constitutional Democracy (1949-1957)

If the struggle for independence phase was marked by the struggle between the intellectuals, moderate group and the radical-militant group, the period between 1949-1957 was mainly characterized by competition between those who believed that Indonesia should pursue a more active and dynamic foreign policy in the world politics by espousing the cause of the newly independent states and those who believed that Indonesia should conduct a more moderate foreign policy based on the fact of Indonesia's economic weakness so that Indonesia's foreign policy should aim at acquiring more foreign economic aid and assistance from either Western or Communist countries. This represented

competition between two groups described by Herbeth Feith as the solidarity makers and the administrators, which became the dominant feature of this period.⁸ Another important factor which also needs to be mentioned here was the fragility of the political system. There were about 60 political parties in which four political parties played a dominant role, namely the Indonesian Nationalist Party (PNI), Majelis Sjuro Muslimin Indonesia (Masjumi, the Nahdatul Ulama (NU) and The Indonesian Communist Party (PKI). Coalition between these political parties was bound to be fragile and Sukarno's frequent intervention in contradiction to the tradition of parliamentary democracy in which President was merely a symbolic head of the state made the situation worse.⁸

Hatta retained office as Prime Minister with the newly formed United States of Indonesia. Although he was extremely familiar with the Western political outlook, he rejected his identitification with it. He pursued a foreign policy of non-alignment which had been encouraged by India's Prime Minister Jawaharlal Nehru who had strongly helped Indonesia's cause for national independence. However, Hatta had to give up office in the beginning of 1950 when the unitary state of Indonesia was established. Mohamad Natsir, former Minister of Information and leader of the Masjumi party became his successor.

⁸ Herbeth Feith, The Decline of Constitutional Democracy In Indonesia (Ithaca: Cornell University Press, 1962), pp.145.

Natsir Cabinet (September 1950-March 1951)

The following failure in forming a coalition with the Indonesian Nationalist Party, Mohamad Natsir, well-known as a man of principle, formed the cabinet with the support of the Indonesian Socialist Party.

Economically, Natsir government faced the most favourable circumstances during the period of constitutional democracy for the Korean War boom in commodity had increased the export earnings and the government export duties until mid 1951. Mohamad Natsir appointed Mohamad Roem as Foreign Minister. The latter had played a central role in the negotiations with the Dutch and had served as Indonesia's first High Commissioner in The Hague. However, Natsir and his foreign minister virtually followed the same kind of policy which had been adopted by its predecessor Hatta.⁹

Quite interestingly, however, it was under Natsir, Indonesia began making efforts to establish diplomatic relations with the People's Republic of China soon after the Communist victory in that country. Indonesia was one of the first country which gave recognition to the Communist regime in Beijing. Moreover, trading ties with the Soviet Union and East European countries were also opened. This was done in order to show Indonesia's independent and active foreign policy. However, Natsir government refused to acknowledge the Bao Dai regime in Saigon who was perceived by

9 Herbeth Feith, n 7., pp. 175. Se also Leifer, n 4., pp. 30.

Jakarta as merely an agent of the French colonial interests. It was also under Natsir cabinet that Indonesia joined the United Nations. Indonesia became the sixtieth member of the United Nations on September 28, 1950.

The main problem that Natsir government had to face was the Irian problem. Initial discussions with the Netherlands began in Jakarta in March 1950. The meeting resulted in an agreement to set up a joint commission to visit the area and report back to the full conference of both countries by the end of the year. This was done before the Republic of the United States of Indonesia became a unitary state. The assumption unitary status by the Republic strained its relations with the Dutch. This was mainly because of the involvement of Captain Westerling, a Dutch nationalist who had attempted to launch a coup attempt in a movement which was known as APRA (Angkatan Perang Ratu Adil) in collaboration with some important figures in the government including Sultan Hamid II of West Kalimantan. This movement was crushed by Siliwangi Division and Westerling escaped while Sultan Hamid II was executed.¹⁰

That the government faced with the return of West Irian to Indonesia, President Sukarno's involvement in the problem gave it an urgency which could not be ignored. Sukarno warned that Indonesia would fight until the end of time so long as one part of the country was not free. However, this speech ran counter

10 M.C. Ricklefs, n 2., pp. 230.

to the main policy of Natsir government which firmly believed in moderation and negotiation. Meanwhile, the diplomatic attempt led by Foreign Minister Roem in December did not achieve any substantive gains. Both the parties had failed to agree and produced separate reports.

The stubborn attitude of the Netherlands government was supported by the American government's stance of neutrality. This neutrality concealed the fact of United States understanding that the interest of the inhabitants of West Irian would be best served by the continuation of Dutch control there in some form. The United States government might think that the newly born Republic facing with the political instability might not be able to serve the interests of the people in West Irian. In addition the Dutch had found an ally in the conservative government of Liberal Party in Australia under Robert Menzies which entertained a fear that Indonesia might extend its claim to the eastern half of the Island of New Guinea which was under the Australian control.¹¹

The failure of negotiation on West Irian issue did not change the government policy towards the problem. However, this soon became the main target of attack both from the opposition parties and the President himself. Sukarno had made it clear that he wanted to use the opportunity to sever the Indonesia-Dutch Union and to challenge the Dutch economic interests in Indonesia

11 Leifer, n 4., pp. 30.

in a public speech. However, this was denied by Natsir who believed that it was the Cabinet duty to decide whether or not the President be allowed to deliver such a speech. This denial hurt Sukarno badly and he threatened to resign and lent his support to opposition parties in the Parliament.

Instead of taking immediate action, Natsir decided to set up a committee headed by a well-known jurist (Prof. Dr. Supomo) to review the provisions of The Round Table Conference. Natsir did not have the desire to abrogate Dutch-Indonesia relations at the time when the Dutch government had promised to provide US \$ 70 million foreign aid to the country. However the pressure was too much to resist and the government resigned from office in March 1951.¹²

Sukiman Cabinet (April 1951-February 1952)

Natsir was succeeded by a fellow Masjumi leader, Dokter Sukiman Wirjosandjojo from the conservative wing of the party. He was able to build a coalition partner with the Indonesian Nationalist Party which many thought to be the natural form of the Indonesian government. Dr. Sukiman also got strong support from President Sukarno. In exchange, Cabinet provided the President with a larger budget and a freehand to make speech.

The conservative bias of the Sukiman cabinet was clearly seen when he ordered the arrest of the Indonesian Communist Party

12 Ibid., pp. 32.

(PKI) members and leaders. The Party was charged of being involved in an uprising in Bogor and Medan in June and August 1951. However, the main leaders of the party such as Aidit, Nyoto and Lukman went into hiding and reconsidered their strategy.¹³

Further evidence of conservative bias and the weight of American influence had been indicated by the Cabinet decision to send Foreign Minister Achmad Subardjo to attend the San Fransisco conference on peace treaty with Japan. Earlier, Burma and India had rejected the invitation on the basis that the occasion was intended as the cornerstone of United States Cold War strategy in Asia.

However, foreign policy initiative which was of greater importance and had a disasterous impact on the cabinet was the conclusion on Cabinet behalf in January 1952 of an agreement on economic and military assistance between Foreign Minister Achmad Subardjo and the American Ambassador in Jakarta, Merle Cochran. Subadjo had described the offer of military assistance as arriving at the right psychological moment given the measure of internal challenge posed by the insurgent Darul Islam in Western Java.

The United States aid to Indonesia under the Mutual Security Act of October 1951 was justified by the Truman administration's policy that :

13 M.C. Ricklefs, n 2., pp. 231.

In Indonesia, the United States should strengthen the non communist political orientation of the government, promote the economic development of Indonesia and influence Indonesia towards greater participation in measures which support the security of (Southeast Asia) and Indonesian solidarity with the free world.¹⁴

However, the most derogatory part of the Mutual Security Act was contained in point four of the agreement according to which Indonesia was bound to :

make full contribution, consistent with its political and economic capacity, its population, natural resources, facilities and general economic situation, to the the development and maintenance of its defenders and to the defensive strength of the free world. ¹⁵

Moreover, in concluding the agreement Foreign Minister Subardjo had acted hurriedly without prior consultation with his cabinet colleagues. He did not also consult with the Prime Minister about the terms of the agreement.

When the news of the treaty became public, the government had to face embarrassment and got discredited. Sukiman Cabinet was obliged to accept the responsibility of the conduct of its foreign minister who had violated the basic principle of the Indonesia's foreign policy by aligning the country with one of the super power. Dr. Sukiman had to give up office in February 1952. He was succeeded by Wilopo from the moderate wing of the Indonesian Nationalist Party.

 14 Kalyani Bandyopadhyaya, Political Economy of Non Alignment Indonesia and Malaysia (New Delhi: South Asia Publisher, 1990), pp. 19.

15 Ibid., pp. 20.

Wilopo Cabinet (April 1952-June 1953)

Wilopo Cabinet was again based on the coalition between Majelis Sjiuro Muslimin Party (Masjumi) and Indonesian Nationalist Party (PNI). However, two parties had been reluctant partners since the beginning. PNI was growing suspicious of the islamic motivations of some Masjumi leaders and was looking for support from the Indonesian Communist Party which now changed their strategy and adopted more moderate line.

Wilopo cabinet continued the work which was left unfinished by its predecessor. The Agreement of Mutual Security Act was replaced by another arrangement whereby unspecified amount of economic aid was offered under the Technical Cooperation Administration. In return Indonesia agreed to act in conformity with the United States's obligation in promoting international understanding. In 1953 the total United States aid under the Technical Cooperation Administration approximated US \$ 23. 8 million.¹⁶ This agreement was ratified by Parliament without undue difficulty.

Wilopo cabinet was put under pressure to start negotiating for opening diplomatic relations with the Soviet Union. The Soviet Union had recognized Indonesia as early as January 1950 but diplomatic relations had not yet begun. Although diplomatic initiative was taken by the Cabinet by sending a delegation to Moscow, many politicians believed that an exchange of ambassador

16 Kalyani Bandyopadhyaya. n 14., pp. 19. See also Leifer., n 4 pp. 36.

with the Soviet Union would be regarded as a solid proof of Indonesia's foreign policy of non alignment. However, the idea to open diplomatic relations with the Soviet Union was blocked by the Masjumi members in the Cabinet. This led to a friction between the Masjumi and PNI in a fragile coalition. PNI began to look for support from the Indonesian Communist Party which had begun to support the PNI and revised their attitude towards President Sukarno in an attempt to overcome the taint of Madiun affair of 1948. Moreover, President Sukarno had become more assertive after he was able to disperse the military display in front of the Presidential Palace which demanded the dissolution of the Parliament. In the process, the government sacked Army Chief of Staff Major General Abdul Haris Nasution. This experience made Sukarno more confident in asserting himself against a cabinet which wished to confine him to a constitutional role.¹⁷

Wilopo Cabinet was forced to give up office in June 1953 after its policy regarding the expulsion of the farmers in North Sumatra created an uproar in the Parliament. As part of the attempt to earn foreign exchange, the government had returned some of the land which belonged to plantation companies in the pre-war period. However, most of the land had been occupied by the farmers who used to work as labourers in those lands. In March 1953 when the police tried to dislodge the farmers from those

17 M.C. Ricklefs, n 2., pp. 233. See also Herbeth Feith, n 7., pp. 380.

lands, five farmers were killed. The Communist Party's labour unions used this opportunity to discredit the government. A bitter parliamentary attack was launched in May by the opposition parties and some disgruntled members of parliament from the Indonesian Nationalist Party towards the government which in their views had supported the colonial interests.

During three and a half years period of constitutional democracy, each cabinet from Hatta to Wilopo had tried to conduct Indonesia's foreign policy within the limits of its basic principles. However, the need to acquire foreign economic aid and rehabilitated the country put them in a delicate choice. Adding to their difficulty was the fragility of the coalition and the political system in which the government had to depend not only upon parliamentary forces but also where an extra parliamentary forces represented by President Sukarno had a determining role to play. This explains why most of the cabinets lasted only a very short period of time.

TH-3521

Ali Sastroamidjojo Cabinet (July 1953-July 1955)

After over six weeks of bargaining and five attempts at various combinations, a PNI cabinet supported by Nahdatul Ulama and some minor parties was formed. Ali Sastroamidjojo who had been serving as Indonesia's Ambassador to the United States was recalled home to take up the post of Prime Minister.

During Ali's tenure as Prime Minister, greater importance was attached to foreign policy. His experience as student for

DISS
327.598
Ef37 In



TH3521

several years in the Netherlands and as Ambassador to the United States was a relevant factor in the nature of change. He also exhibited a strong sense of entitlement on behalf of Indonesia. However, Ali cabinet had to face worse economic situation and the growing challenge from the insurgent groups in outer islands particularly in Aceh and in Western Java.

Ali Sastroamidjojo's major achievement in foreign policy was, of course, the renowned Asian-African Conference in Bandung in April 1955. Ali's wish to make Indonesia an active leader of Asian-African block of leaders was strongly endorsed by Sukarno. The grand event of Asian-African conference had diverted the public attention from more difficult problem domestically.¹⁸

At the end of April 1954, Ali Sastroamidjojo joined with his counterparts from Ceylon, Burma, India and Pakistan in Colombo where they had called for a halt to the conflict in Indochina. Ali had suggested that he and his colleagues should sponsor a larger gathering of independent Asian and African states with the purpose of promoting relaxation of Cold War tensions and sustaining the challenge to socialism.

Initially, the response from other Prime Minister was not enthusiastic, particularly from Indian Prime Minister Nehru. However, his mood was soon to change following the visit by Chinese Prime Minister Zhou En Lai to New Delhi in June 1954.

18 Herbeth Feith, n 7., pp. 382.

He then recognized the advantage of encouraging the benign attitude and outlook of new China. Ali's government became the political beneficiary of a temporary convergence of Indian and Chinese interests.

A preliminary meeting of the original Colombo Powers was held in Bogor in December 1954. It was decided then that the invitation to the conference in the following April would be extended to thirty Asian and African nations, including those of China, North and South Vietnam.

This historic diplomatic occasion attended by such international figures as Chou En Lai, Nehru, Nasser and U Nu brought distinction to Indonesia and political glory to its Prime Minister. The Bandung conference was a remarkable piece of political theater which justified Indonesia's claim to be treated as a country of consequence.¹⁹

The presence of Chinese delegation provided an opportunity to repair an important political relationship which had been soured since the period of revolution. Indonesia had recognized the communist regime in Beijing since 1949 and in 1953 Indonesia had sent its first Ambassador, Arnold Mononutu replacing the former charge of affairs. Central to this relationship was a major domestic problem, namely the status of resident Chinese community in Indonesia. Apprehension that they might serve as

19 Michael Leifer, n 4., pp. 40.

alien fifth column had been sustained by China's retention of traditional nationality law which employed the concept of *jus sanguinis* whereby racial identity defined citizenship. The Indonesian government had also been disturbed by the refusal of a significant proportion of the resident Chinese community who had been refusing to take up Indonesia's citizenship since independence. Prime Minister Sukiman in 1951 had restricted the role of Chinese Embassy in Jakarta because of fear Chinese influence among the overseas Chinese community in Indonesia.²⁰

Talks began in Beijing in November 1954 and continued in Indonesia prior and during the course of the Bandung Conference. On April 22, 1955 Prime Minister Zhou En Lai and Foreign Minister Sunario signed a treaty in which Indonesian Chinese were obliged to choose either Chinese or Indonesian citizenship within two years but under the terms which made it difficult for them to choose the Indonesian citizenship.

Despite his remarkable achievement in diplomatic field, Ali Cabinet fell from office because of dispute over the appointment of the post of Army Chief of Staff. The dismissal of Major General Nasution had rendered the post vacant for sometimes and Ali had decided to appoint Colonel Bambang Sutoyo, a Sukarno loyalist and Commander of the Army School of Staff and Command

20 Kalyani Bandyopadhyaya, n.l4., pp. 20.

in Bandung but with little reputation during the revolution. His appointment was rejected by the Army headquarter which demanded the reinstatement of Nasution. This led to a tussle between the Army and the Cabinet. In the event, Ali Cabinet had to give up office in July 1955.²¹

Burhanudin Cabinet (August 1955-March 1956)

The Masjumi leader, Burhanudin Harahap, took office when the attention of all political forces were concentrated upon the imminence of general elections. Nevertheless, his immediate action was resolving the crisis over the appointment of Army Chief of Staff. He soon appointed Major General Abdul Harris Nasution as demanded by the Army headquarters and crisis blew over.

Burhanudin Harahap cabinet confronted the issue of West Irian by a change in diplomatic style. His objective was to improve diplomatic relations with the Western countries including Australia which had been the main supporter of the Netherlands's claim on West Irian at the United Nations. This diplomacy bore some results. Australian Foreign Minister R.G. Massey undertook a visit to Jakarta in February. A better understanding was also reached with the United States. Secretary of State John Foster Dulles visited Jakarta in March after attending SEATO conference in Karachi, Pakistan. Shortly, before Dulles's

 21 Herbeth Feith, n. 7., pp. 580. See also M.C. Ricklefs, n.2 pp. 237.

visit to Indonesia, the State Department in Washington had announced the delivery to Indonesia of American foodgrains under the PL 480 programme to the value of US \$ 90 million to be sent over two year period. During his visit Dulles reaffirmed the United States interest in Indonesia's nation building process, assured her of United States economic aid and invited President Sukarno to visit the United States.²²

Nonetheless, this better understanding did not help Indonesia in forcing the Netherlands to give up its claim over West Irian. This served to intensify domestic opposition to the negotiation being conducted by the Burhanudin government. Finally on August 13, the Indonesian government announced its unilateral withdrawal from the Netherlands-Indonesian Union. The initiative had been described as Indonesia's first breach of legality in defiance of the Dutch since revolution.²³

The first ever general elections which was conducted under the Burhanudin government in September 1955 showed of voters high turn out. Over 39 million voters voted representing 91. 5 percent of those registered. They offered the freest choice among an unrestricted range of parties all of which campaigned vigorously. It was also constituted a major failure for the Masjumi and the PSI which had been dominated the cabinet. The majority of votes and four-fifth of the Parliamentary seats were shared among the PNI,

22 Kalyani Bandyopadhyaya, n.14., pp. 23.

23 Michael Leifer, n. 4., pp. 42.

Masjumi, PKI and Nahdatul Ulama, the four major political parties.

The election also sharpened the division between Java and outer islands. Masjumi emerged by far the strongest party in outer islands, while PNI, PKI and Nahdatul Ulama basically Java-based parties. Rather than resolving all political issues the elections only helped to draw the battle line more precisely. This was bound to have serious consequences during the next phase. Burhanudin Harahap was obliged to give up office soon after the elections in March 1956. He was succeeded for the second time by Ali Sastroamidjojo as Prime Minister.

Ali Sastroamidjojo Cabinet (March 1956-
March 1957)

Ali Sastroamidjojo was able to form a government on the basis of coalition of three biggest parties in Parliament, namely the PNI, Masjumi and Nahdatul Ulama. However differences between the coalition partners were so great that the Cabinet could hardly function.

Despite the fact that foreign policy was a major preoccupation in Ali's second Cabinet, it did not achieve anything substantial due to the shortage of time. However, it completed the work of its predecessor by securing the passage of a new Bill which abrogated the Round Table Conference agreements in their entirety. Nonetheless, economic relations with the Netherlands were not severed.

In August 1956 Ali Cabinet repudiated the portion of national debt assumed in 1949 which was calculated to represent the Dutch military action against the Republic in 1946 and 1948. This action was encouraged by the Egyptian leader Nasser's nationalization of Suez Canal in the previous month. However, it was taken after government had got the assurance from the International Monetary Fund (IMF) that it would provide Indonesia with substantial aid.

It was during Ali's second cabinet in May 1956, President Sukarno made an extensive tours to the Soviet Union and East European countries. During Sukarno's visit to the Soviet Union, the Soviets offered a long term low interest loan which amounted to US \$ 100 million as technical and economic aid to Indonesia. The loan agreement was signed in September 1956. It was reported that Indonesia refused to accept a larger Soviet Union loan just for maintaining the delicate balance of non alignment.²²

In March 1957, Ali Sastroamidjojo's second cabinet had to resign as a result of growing tension between the center and outer islands. This tension led to a dramatic event when most of the Commanders of the armed forces in West, North and Southern Sumatra formed the Revolutionary Government of The Republic of Indonesia (PRRI) with Padang as its capital. The rebels in the beginning approached Hatta to lead their separatist movement. However, Hatta, the symbol of outer islands, rejected the offer. The rebels got the support from the Masjumi and PSI parties and

 24 Kalyani Bandyopadhyaya, n.l4., pp. 23.

this was clearly seen when Sjafrudin Prawiranegara, a Masjumi leading figure was appointed as Prime Minister of the Revolutionary Republic. The situation became more threatening when the regional commanders of the armed forces in Northern Sulawesi expressed their support to the rebels in Sumatra.²⁵

In order to cope with the situation, President Sukarno with the backing of the armed forces at the center proclaimed a state of siege and emergency all over the country. This marked the end of the constitutional democracy period.

The collapse of constitutional democracy period was marked not only by the imposition of a state of siege and emergency but also by the resignation of Vice President Hatta in July 1956. Publicly, Hatta expressed that since the general election had already been conducted, the country should choose its new President and Vice President. However, analysts firmly believed that the main reason behind his resignation was that he could not get along with more assertive attitude of President Sukarno which in his view could lead to an authoritarian regime. Hatta had been regarded as a representative of non-Javanese interests at the center and his departure from office caused concern in the outer islands.²⁶

In February 1957, President Sukarno in his public speech demanded the introduction of an alternative political system to

25 A comprehensive discussion on transition period from 1957-1959 can be found in Daniel S Lev, Transition to Guided Democracy (Ithaca: Cornell, Modern Indonesia Project Monograph Series, 1966).

26 M.C. Ricklefs, n.2., pp.241.

replace the constitutional democracy which according to him was a system alien to the Indonesian values and responsible for the country's ills. He urged for the introduction of a new political system which was based on the spirit of Indonesian people.

The imposition of a state of siege and emergency had brought together the central command of the armed forces and President Sukarno in a kind of relationship in which they worked together for the first time to change the entire structure of constitutional democracy. This new structure was reflected with the appointment of a functional cabinet under the leadership of Dr. Ir. Djuanda Kartawidjaja as Prime Minister. Djuanda had been in almost every cabinet since 1945 and was respected as an able and sensible man with an understanding of economics. The Minister for Foreign Affairs was Dr. Subandrio, a former ambassador to London (1947-1954) and Moscow (1954-1956). Dr. Subandrio was to become a central figure in the intrigues and conflicts of these years. Both of them were well-known for their loyalty to President Sukarno.²⁷

The immediate problem that Djuanda cabinet had to solve was the challenge from the outer islands. This became serious because of the involvement of the United States which tacitly provided support to the rebels in Northern Sulawesi by allowing them to use United States Naval base in the Philippines. This tacit

27 M.C. Ricklefs, n.2., pp. 246.

support was clearly proved when the United States government rejected the Indonesian request to buy arms and ammunition from the United States. This prompted the government of Indonesia to send a delegation under the chairmanship of General Nasution the Army Chief of Staff and Ministry of Defence to the Soviet Union and East European countries to buy arms and ammunition. General Nasution visited Moscow in June 1961 and an agreement was signed for a long term Soviet aid amounting to US \$ 450 million. In addition, the Soviet Union also provided all kinds of arms and ammunition for all branches of the armed forces by October 1961, Indonesia not only became the largest non-communist recipient of military aid from the Soviet Union but also the largest recipient of economic credits after India and Egypt.²⁸

Along with the security preparedness to face the challenge from the rebels in Sumatra and Northern Sulawesi, the government of Indonesia also adopted a new legal framework to prevent the rebels from getting military help from foreign powers. In its declaration on December 12, 1957, the government extended its territorial waters up to 12 miles and also maintained :

All waters, surrounding between and connecting the islands constituting the Indonesian state, regardless of their extension or breadth are integral part of the internal or national waters which are under the exclusive sovereignty of Indonesian state,²⁹

28 Kalyani Bandyopadhyaya, n.14., pp. 67.

29 The idea of claiming the territorial sea waters up to 12 miles limit had been propounded by a young lecturer of law Mochtar Kusumaatmadja of University of Padjajaran, Bandung who twenty years later became Indonesia's Foreign Minister. See also, Leifer, n.4., pp. 49.

The impetus to put this declaration on regards international forum were concerned came from the forthcoming first international conference on the Law of the Sea sponsored by the United Nations. However, the most immediate cause was the deployment of Dutch naval ships close to Indonesia's shores as well as the presence of American naval destroyer in Lombok and Makasar Straits at the time when the country was being challenged by the separatist movements in Sumatra and Northern Sulawesi. This had caused serious concern in Jakarta.

Equipped with the Soviet arms supply and a new legal basis Djuanda government embarked on a military expedition under the command of Colonel Achmad Yani to crush the separatist movement. In less than a month, the rebels were defeated and the integrity of the country was maintained.

Guided Democracy (July 1959-September 1965)

Declaration of a state of siege and emergency in the wake of the challenge from the separatist movements in Sumatra and North Sulawesi was followed two years later by the proclamation of a Presidential decree which revoked the provisional constitution of 1950. In its place, on July 1959, reinstated by decree 1945 Constitution which had been drafted among others by Sukarno himself and had been promulgated soon after the proclamation of independence on August 17, 1945. The 1945 Constitution had been drafted in a haste when the Japanese occupation forces were about to be defeated and provided enormous powers to the President. In his decree,

President Sukarno had justified his action as an alternative to an imported liberal democracy and as a return to the true spirit of Indonesian national revolution.³⁰

The Guided Democracy period was characterized by intense and bitter competitions between two powerful political forces, namely the Indonesian armed forces, particularly the army and the Indonesian Communist Party (PKI). President Sukarno and the armed forces had been in close collaboration to install a new political system against the pressures from the Parliament and the declining political parties. Two main opponents of the system, the Indonesian Socialist Party (PSI) and Majelis Sjuro Muslimin Indonesia (Masjumi) had been tainted by their involvement in the separatist movements in Sumatra and North Sulawesi. Most of their leaders either had been jailed or exiled or had escaped abroad. Meanwhile, the army had under the leadership of General Abdul Harris Nasution become a cohesive forces. This had been the result of many officers having been involved in the separatist movements. The ability of the armed forces to crush these separatist movements had been the main source of their justification to play a prominent role.³¹

The Indonesian Communist Party (PKI) was another powerful political forces. Since the bitter experience of 1952 when Sukiman cabinet had ordered the arrest of most of the PKI leaders, PKI had

30 Herbeth Feith, "The Dynamics of Guided Democracy," in Ruth Mc Vey, Ed., Indonesia (New Haven: Yale University Press, 1963) pp: 105.

31 Most of the middle rank officers who would become the main contenders in the rivalry within the armed forces had been removed by Nasution after the collapse of PRRI such as well known Col. Alex Kawilarang and Col. Achmad Hussein, both of whom had been Nasution's arch rival earlier.

had changed their tactics by embracing Sukarno as political protector and the main source of their strength in playing a significant role in the Guided Democracy. At the same time, Sukarno needed to get closer to the PKI since PKI had provided Sukarno with with the mass base which he could use as a counter vis-a-vis the more powerful Indonesian armed forces. Sukarno manipulated these two political factors for his own benefit and stood at the apex of these two contending forces. In the light of this delicate balance, Sukarno used foreign policy as the safest mean for seeking revolutionary legitimation without having to jeopardise the delicate relationship between the two forces. As has been described by Michael Leifer :

Sukarno used foreign policy issue to sustain national unity and to underpin a pattern of power of which he was the principle beneficiary. In this undertaking, he employed political skills with which he was richly endowed. He was magnetic personality and a master of political communication in the Indonesian milieu. 32

Sukarno used his rethorical powers to express a personal and national frustration which was reflected in part in inability to restore the territory of West Irian to the Republic. The struggle for West Irian and the confrontation with Malaysia had been the dominant themes of Indonesia's foreign policy under Guided Democracy. On these two main issues, Sukarno had played a prominent role, though with different results one ended with triumph and the latter led to his downfall as President of the Republic.

32 Michael Leifer, n.4., pp. 56.

Struggle for West Irian (1959-1962)

The West Irian question had been one of the main pre-occupation of each successive cabinet during the constitutional democracy from Hatta cabinet to Ali Sastroamidjojo's second cabinet. However, none of them had been able to restore the territory into the Indonesian fold. All of these cabinet had adopted diplomacy as their means to achieve their objective and none of them succeeded. This was due to the belligerent attitude of the Netherlands government and the reluctance of the United States to support Indonesia's claim. However, by 1960s, the international constellation of forces had changed in Indonesia's favour.

Sukarno, in his strategy to gain the territory, had adopted a coercive diplomacy to engender a sense of international crisis. The groundwork for this type of diplomacy had already been laid as early as the late 1950s. This could clearly be seen when General Nasution led Indonesian delegation to the Soviet Union and East European countries in arms-purchasing mission where he concluded agreements for additional credits to the order of US \$ 450 million. By the end of 1961, much of the order including MIG-19 fighters and TU-16 long range bombers as well as Sverdlov class cruiser and missile-firing patrol boat had already arrived. The flow of heavy military equipment was followed by growing warmth in relations between Indonesia and the Soviet Union. In February 1960, Khrushchev visited Jakarta. There were even reports

about the possibility of the Indonesian government allowing the Soviet Union to build a naval base at Ambon harbour.³³

Domestically, both political forces had to follow Sukarno's strategic thought for completely different reasons. For the Indonesian armed forces, Sukarno's obsession with West Irian could serve the armed forces interests in the expansion of military budget and huge arms transfers from the Soviet Union and East European countries. Meanwhile, for the PKI there was no other option except to follow Sukarno's strategy in the hope of accelerating an anti-imperialist shift in foreign policy orientation which at the end would lead Indonesia closer to the communist countries and served PKI'S domestic political interests.

The changing administration in the United States also in a way helped Indonesia's claim over West Irian. Three months after the inauguration of President Kennedy, President Sukarno went to Washington and was received with cordiality by the new President in the White House. President Kennedy indicated his willingness to send an aid survey delegation to Indonesia to assess the possibility of American assistance for Indonesia's eight year plan. The six member team headed by Professor D.D. Humphrey came out with a strong recommendation to provide economic aid as well as financial assistance to Indonesia up to US \$ 390 million.³³

Indonesia's cordial relations with the United States had helped to isolate the Netherlands. Simultaneously, in Netherlands

33 Kalyani Bandyopadhyaya, n.14., pp. 67.

doubts had been raised about the wisdom of the Netherlands policy which had led to the liquidation of all its business in Indonesia. There was also growing awareness of the demerits of sustaining expensive commitment to West New Guinea in the light of the shift in the balance of local military advantage and the possibility of armed conflict with Indonesia.

On August 17, 1960 Indonesia severed diplomatic relations with the Dutch. This was followed by air dropping of troops in the late 1960s which began infiltration into West Irian. Among those who did so was Major Benny Murdani who twenty years later became Indonesia's Minister of Defence. Although militarily it had no decisive impact, yet it marked a new stage in the conflict. This action was precipitated by the Dutch action in strengthening their military position in West Irian and hastening moves towards Papuan self-government, thus escalating the gravity of situation.

In order to show to the world that Indonesia was ready to use coercive force to achieve its goal, Sukarno by the end of 1961 issued a call for all Indonesians to join People's Tripple Command better known as TRIKORA (Tri Komando Rakyat). Concurrently, Dr. Subandrio, Indonesia's Foreign Minister and Sukarno's spokes man warned the United States about the prospect of Communist advance if the dispute was not resolved in Indonesia's favour. This helped in convincing President Kennedy to resolve the West Irian problem immediately.

Robert Kennedy, President Kennedy's younger brother and the

Attorney General of the United States, was sent to Jakarta and The Hague to persuade both the countries to avoid escalating the conflict into arms clashes and promoting negotiation. The conflict was thus put under the United Nations arrangement in which U Thant the United Nations acting Secretary General acted as mediator between the two sides with the help of American senior diplomat Ellsworth Bunker to settle the dispute.

In the event, Indonesia accepted a direct mode of transfers and provision for some expression of self-determination by the West Irian people. A final accord was concluded on August 15, 1963 which allowed Sukarno to express his triumph at Indonesia's twenty seventh independence day address.³⁴

Confrontation with Malaysia

The triumph of West Irian convinced President Sukarno of the usefulness of coercive diplomacy and obsessed him with further revolutionary triumph which in his perception was his own personal achievement. This craze for revolutionary triumph was expressed in August 1960 when he declared "I am obsessed with the romanticism of revolution." However, this time his obsession with revolutionary spirit was directed against Indonesia's closest neighbours and kinsmen, the Malaysians. The confrontation with Malaysia was launched hardly six months after the settlement of the West Irian problem.

 34 Justus Van Der Kroef, "The West New Guinea Settlement : Its Origin and Implications," Orbis, Vol. 7, no. 1 (Spring, 1963) pp. 125.

It is not easy to understand the logic behind this policy of President Sukarno in the light of the fact that Indonesia had not initially opposed the creation of Malaysian state in the Malay peninsula. Nonetheless, we could talk about at least three important causes which led to the launching of confrontation policy with Malaysia.³⁵

Firstly, the formation of a federation of Malaysia initially was the British idea at the backdrop of the spread of communism in Southeast Asia. The Indonesian Communist Party (PKI) which had very close ties with the Malayan Communist Party (MCP) perceived that the creation of a federation of Malaysia would become a bulwark against communism in the region. The PKI had as early as 1961 denounced Malaysia. Secondly, Indonesia was disturbed by the security arrangements whereby Britain retained authority over Singapore naval base which could be used not only for the defense of Malaysia but also for the defense of Southeast Asia. This had been precipitated by Prime Minister Tunku Abdurrahman's moral and material support to the rebels in Sumatra in the late 1950s. Third, domestically, competition between the Indonesian armed forces and the Communist Party of Indonesia was reaching a point of no return. The Army was afraid of the spread of communism at a time when the army was beginning to lose predominance role following Sukarno's lifting of martial law in the beginning of 1963.³⁶

 35 A comprehensive discussion on Indonesia confrontation with Malaysia could be found in J.A.C. Mackie, Konfrontasi : The Indonesia-Malaysia Dispute 1963-1966 (Kuala Lumpur : Oxford University Press, 1974).

36 G. Vijayachandra Naidu, "Foreign Policy of Indonesia During Guided Democracy," M.Phil Dissertation (New Delhi: School of International Studies, Jawaharlal Nehru University, 1981)., pp. 43.

Indonesia's confrontation with Malaysia theoretically was an integral part of its vigorous fight against the elements of colonialism and neo-colonialism which had been the main theme of Indonesia's foreign policy since the establishment of Guided Democracy in July 1959.

Initially, Indonesia had showed a friendly attitude towards the project of Malaysia. This was expressed when Foreign Minister Dr. Subandrio attended Malaya's independence festivities in August 1957 and expressed the hope that Indonesia and Malaya would maintain close relations because of their similarities in ethnic, cultural and religious attachments. This was followed in November 1957 by the visit of the Malayan delegation led by Deputy Prime Minister Tun Abdul Razak. Even Prime Minister Djuanda visited Malaya in April 1959 to sign a "Treaty of Friendship" between two closest countries. (However, this posture was soon changed with the outbreak of an uprising in Brunei under the leadership of A.M. Azhari.³⁷)

President Sukarno who had been longing for more revolutionary romanticism used this occasion as a pretext to declare his policy of confrontation with Malaysia. He supported the Brunei uprising which in his opinion expressed their opposition against British colonialism scheme in Malaya. Sukarno clearly expressed this when he told the visiting Yugoslav's Vice President that the Brunei uprising was part of the movement of the New Emerging Forces (NEFO)

37 G. Vijayachandra Naidu, Ibid., pp. 50.

Indonesia expressed its support and sympathy for the rebels from a variety of political sources. In this context, the confrontation included everything short of direct armed conflict. This meant boycotting Malaysia from international forums and conferences that were being held in Indonesia and suspending all economic activities with Malaysia. Indonesia even went to the extent of training guerillas to fight against Malaysia along the border between Indonesia and Northern Kalimantan. However, this did not prove to be successful in the face of effective containment by the British forces deployed in Northern Kalimantan.³⁸

Although, Indonesia's persistently conducted its confrontation policy with Malaysia, yet it attended Manila Summit meeting which was held in August 1963. However, before the summit took place, a conference between Malaysian government and the British government had already decided that Malaysia would come into being on August 31 1963. The decision of the London conference infuriated Sukarno who perceived it as a violation of the Manila accord whereby Malaysia would be formed only after the wishes of the people of Sarawak and Sabah were ascertained by the United Nations.

At the Manila Summit meeting between Indonesia, Malaysia and The Philippines an agreement was reached. Malaysia had agreed to allow the United Nations fact-finding mission to ascertain the wishes of the people of the territories concerned prior to the

³⁸ Bhattacharjee, Southeast Asian Politics: Indonesia and Malaysia (Calcutta: Minerva Publications, 1976), pp. 167.

establishment of Federation of Malaysia. The acceptance of this agreement was greeted in Indonesia as a diplomatic success. However, this did not change Indonesia's confrontation with Malaysia. Sukarno on his return to Jakarta announced that the policy of confrontation would continue despite the agreement in Manila.

The United Nations fact-finding mission arrived in Sarawak on August 16, however, Indonesian and the Philippine representatives had only arrived on September 1964. The United Nations ^vtram report was in favour of the formation of Malaysia Federation and the sizeable majority of the people in Sabah and Sarawak expressed their wish to join Malaysia. Several weeks before the announcement of the result of the United Nations fact-finding mission by the United Nations Secretary General, Tunku Abdul Rahman had already announced that Malaysia would be inaugurated on August 29. This again made Sukarno extremely furious and considered it a clear violation of the Manila accord.³⁹

Indonesia soon severed diplomatic ties with Malaysia by asking its ambassador in Kuala Lumpur, Lieutenant General G.P.H. Djatikusumo to pack home. This was followed by mob attacks on the Malaysian and British Embassies in Jakarta by the PKI youth wings. Tunku Abdul Rahman responded by severing Malaysia's relations with Indonesia. At this critical juncture, Indonesian Ministry of

39 George McTurnan Kahin, "Malaysia and Indonesia," Pacific Affairs Vol. 36, no. 2 (Summer, 1964), pp. 263.

Defense General Abdul Harris Nasution stated that Indonesia would prepare guerillas for liberation of North Kalimantan.

At the initiative of the United States President Lyndon Johnson, a tripartite meeting was held in Bangkok between Indonesia, Malaysia and the Philippines. Sukarno agreed for ceasefire although he also declared that Indonesia's confrontation with Malaysia would continue. The meeting broke down without achieving any substantive agreement. Another meeting which was arranged in Tokyo by the Philippines's President Diosdado Macapagal also did not achieve anything.

The confrontation, however came to an abrupt end by a sudden change in Indonesia. On September 30, 1965, The Indonesian Communist Party with the support of some disgruntled elements of the Indonesian armed forces launched an abortive coup. This coup not only led to the downfall of President Sukarno from the pinnacle of the Indonesian political system but also to dramatic changes in the course of Indonesian domestic and foreign policy.

Immediately, anti-communist campaign was launched vigorously by Lieutenant General Suharto with the support of the Indonesian student unions and the Indonesian Islamic parties. Sukarno was forced on Marc 11, 1966 to give up his office and stripped all of his political powers. This paved the way for General Suharto to become Indonesia's second President after twenty years of Sukarno's undisputed presidency.⁴⁰

⁴⁰ The abortive coup of September 1965 must be treated with caution. This is because of the intricacies of the political scenes, the contacts and friendships and hatred which linked most of the major participants to one another and the suspect nature much of the evidence, make it difficult that the full truth will ever be known.

Basic Determinants of Indonesia's
Foreign Policy

A discussion on basic determinants of Indonesia's foreign policy should at least point out four important factors, namely geography and natural resources, the history and culture, military and economic capabilities.⁴¹

Geography and Natural Resources

Indonesia's extensive natural endowment is seen as one of the most important factors which provide Indonesians with confidence about their country's place in the world politics. It is also seen as enhancing the prospects that efforts to acquire foreign economic assistance would succeed. The national territory, extending over 3, 000 miles from the tip of Sumatra to West Irian, a military and politically strategic location astride key trade routes at the cross roads of Southeast Asia, a population of about 172, 631, 000 (1986 data) people, by far the largest in the Southeast Asian region. A wealth of oil forests, rubber and other mineral resources are generally viewed as long term assets which would assure Indonesia an important role in international politics, beside bringing prosperity to its own people. However, this natural endowment also compelled Indonesia to seek foreign economic assistance since the country is unable to explore its own resources by its own means. The country's strategic place in international trade together with

⁴¹ Franklin B Weinstein, "The Foreign Policy of Indonesia," in James Rosenou, Ed., International Politics and Foreign Policy (New York: Freepress, 1972), pp. 243-245.

with its natural richness facilitates an aid-oriented foreign policy by attracting the interest of outside powers.

History and Culture

Nationalist historical writings have made the Indonesia's elites generally aware that the influence of what is now Indonesia has extended abroad at times. The glory of Sumatra based empire of Sriwijaya which reached its peak in the ninth century and Majapahit which reached its zenith in the fourteenth century. It is, for them, a source of inspiration and national pride to know that Majapahit had a territory encompassing most part of Southeast Asian region including West Irian. National pride deriving from this experience has been reinforced by the remnants of Borobudur and Lorojongrang which showed the ingenuity of Indonesia's glorious past. This was intensified to sharpen Indonesia's patriotic feeling during Sukarno's presidency and created a sense of superiority vis-a-vis its neighbours. An additional dose of pride feeling come from the belief that Indonesia has always been a pioneer among nations struggling for the fullest measure of independence. The element of internal strength tends to reduce fears of economic domination by foreign powers, simultaneously, however makes Indonesians extremely sensitive to infringements on national sovereignty and dependence on outsiders. Indonesian history has shown a series of warning about the dangers to the nation's independence since the coming of the Dutch in 1602 up to the abortive coup of 1965.

Economic Capabilities

Indonesian economy since 1950 has experienced enormous difficulty owing to a number of basic problems of which the most prominent are overpopulation and underemployment, especially in Java, a dependence on world market for its natural resources, particularly oil and natural gas as well as other forest products. These become more acute by the lack of technical expertise, strong industrial basis and inadequate economic infrastructure. Although the New Order government has seriously and steadily improved Indonesia's economic performance, however the basic problem remain. Indonesia with US \$ 520 income per capita now belong to the middle income country. However, as compared to other Southeast Asian countries, excluding Indochina states, it is still the poorest. This also has been more overburdened by the increasing foreign debt incurred from monetary institutions such as World Bank and The International Monetary Fund, which ultimately influenced the direction of Indonesia's foreign policy orientations and priorities.

Military Capabilities

Indonesia has a sizeable number of armed forces (280. 000 personel), while the navy and the air force have already acquired modern ships and aircrafts from the United States, Australia and West Europe. Indonesian leaders believe that Indonesia's separation from the Asian mainland provides a substantial degree of physical security. Nevertheless, the acquisition of modern equipment has given the Indonesian leaders a greater flexibility in pursuing the

the country's foreign policy. However, at the same time, the acquisition and maintenance of a modern military force would finally involve a continuing dependence on external sources for spare parts and training. The New Order government has begun to address this problem by starting the establishment of Indonesia's military industries, particularly aircraft and ship building, although it is still at the initial stage.⁴²

Research Methodology

The primary feature of foreign policy as has been mentioned by various authors of international relations, is that it is the major connection between state's domestic economic and political factors and its external environment. External environment can be understood in the context of regional as well as international politics. There are various approaches which can lead to the understanding of relationship between the two, however, this study would only attempt to use as simple approach as possible. There are important assumptions on how to understand Indonesia's foreign policy under the New Order government. These are a concept of national interests, national role conception, elites perception of their country's role in international politics and the idiosyncratic factor.⁴³

42 A comprehensive discussion on Indonesia's military capability can be found in the fourth chapter of this dissertation dealing with Asia-Pacific security perspective.

43 Harold and Margaret Sprout, "Environment Factors In The Study of International Politics," Journal of Conflict Resolution, Vol. 1 (December, 1957), pp. 309.

National Interests

Josep Frankle has classified the term of national interest into categories which allow the term to be examined and various usages can be understood. Frankle classifies the term into two main important components, namely aspirational and operational. However, it should be made clear here that these terms are only ideal type which does not exist in the real practice of international relations.

The aspirational level of usage of the national interest refers to the vision of good life, some ideal set of goals which state would like to realise (Indonesians call it just and prosperous society if it were possible. Thus it means at this level, the conception of national interests are only at the aspirational level which provides a general direction of policy desired. Frankle notes some common features of conceptions of the national interest at the aspirational level, namely, they are long term, they are rooted in the history and ideology, they command the attention of the oppositon and they provide a sense of hope and purpose and they are determined by political will rather than by capabilities and need not fully articulated and coordinated.⁴³

At the operational level the concept of national interest refers to the totality of policies actually pursued. Frankle notes they differ from the aspirational level in some ways :

⁴³ Joseph Frankle, The Making of Foreign Policy (New York: Oxford University Press, 1963), pp. 20.

They are usually short term interests, capable of achievement in the foreseeable future, they often stem from consideration of expediency and necessity, they are the main preoccupation of the government and party in power, they are used in descriptive rather than in normative way, they are translated into policy based on the prospect of their success and which can be costed, they are also determined by capabilities rather than by political will and they are arranged into maximum and minimum programme.

National Role

Another important concept which is closely related to the concept of national interest is national role. K.J. Holsti has done extensive study on the importance of the concept of national role. This concept has been widely used either in academic or in practical course. This can be seen, for example, in the balance of power approach where state can play either as aggressor state, status quo state or balancer atate. The balance of power approach in international relations demand that one particular state should play one of these three national role, otherwise the balance of power would not take place. Following the second World War, many scholars of international relations talked about foreign policy conception of the decision makers. The foreign policy makers would opt for the role of either the non aligned, the Western block, the Communist state, allies or satellite. In other words, a state according to scholars would finally opt for one of these national role.⁴³

⁴³ K.J. Holsti, "National Role Conception In The Study of Foreign Policy," International Studies Quartely, vol. 14, no. 3 (September, 1970), pp. 244.

is useful to understand Indonesia's foreign policy under the New Order government is the perception of the elites. Foreign policy elites operate under various constraints. The international system has its own agenda, defines the options and impose constraints on the freedom of national policy makers. Add to these complexity of bureaucrat procedures, which is another constraining influence. Bureaucrats and bureaucracy also set agendas, identify options and filter or emphasize the information that flow into the hand of decision makers. Furthermore, both bureaucrats and decision makers are products of the society in which they live; in many ways foreign policy is but an external manifestation of the domestic and political system.⁴⁵

Robert Tilman mentions five important factors that influence and constrain the option of the decision makers. These are structural, geopolitical, historical, socio-cultural, and economic.

Structural factor is mainly concerned with political and bureaucrat machinery through which foreign policy is formulated and executed. Bureaucrats are hardly neutral because they have their own vested interests. They may selectively filter, gather subtly alter the messages they transmit to the policy makers at the top. In addition, people inside or outside the government also influence the policy makers.

45 Robert Tilman, Southeast Asia and The Enemy Beyond: ASEAN Perceptions of External Threat (Boulder: Westview Press, 1987), pp. 7.

Geopolitical factor is the most visible aspect which influence the decision makers's option. Space and distance to some extent determine the decision makers option of their country's friends or foes. In Indonesia's security perception Soviet Union is never projected as a serious threat to the country's security mainly because of the distance between the two countries.

Historical factors presents numerous complexities for the policy makers. It has to be seen in the light of personal and collective levels. Each policy maker has had unique personal experiences that affect his perceptions and secondly friend and enemy are defined in the textbooks, popular wisdom in literature, etc. In this regard, the Indonesian attitudes towards the Chinese and the People's Republic of China are a clear example. A policy maker is strongly influenced by his own personal experience of the Chinese community in his life time and this would finally project his own perception of the People's Republic of China. Added to it is the fact that most of the text books in which he used to study mention again and again the Chinese support to the Communist Party of Indonesia's abortive coup in 1965, which was an outright violation of the country's sovereignty.

Sociocultural factor can be clearly seen in the fact that foreign policy formulation can also be influenced by the ethnic, cultural and religious make-up of a country and of its foreign policy makers. Indonesia's rejection to recognize

Israel as an independent and sovereign state is mainly based on the fact that Indonesia has a moslem majority which almost make up 90 per cent of the total population. At the same time, less importance of Islam as a determining factor in Indonesia's foreign policy decision making is also due to the secular attitudes of most of the Javanese who dominate most of the important position of the foreign policy decision making.

Economic factor is undoubtedly another determining factor which shapes the perception of the decision makers. Foreign investments create reciprocal obligations between the host country and the investors. Simultaneously, these also create resentment against a partner perceived as dominating the country. Indonesia's experience has clearly shown a dilemma of a developing country which is urgently in need of foreign aid and investments on the one hand and the sensitivity of nationalist feeling of the country's population which is proud of their country's achievement in the past and Sukarno's strong patriotism which can be invoked by any opposition group as a mean to charge the government of selling the country to foreign interests. A decision makers perception can not but be strongly influenced by this delicate factor.⁴⁶

The last important factor which have to be taken into account is the idiosyncratic factor. Here we need to explain the

 46 Franklin B Weinstein, Indonesian Foreign Policy and Dilemma of Dependence (Ithaca: Cornell University Press, 1976), pp. 20.

the type of leadership and the nature of its influence on the foreign policy orientations. Henry Kissinger explains that at least there are three types of leadership, namely the ideological leadership, the bureaucratic-pragmatic leadership and the charismatic-revolutionary leadership. We need only discuss two of these which are most relevant for the purpose of this study, namely the bureaucratic type of leadership and the charismatic type of leadership.

The charismatic-revolutionary leadership are those leaders who have led their countries to independence. This became the source of the legitimation. They have sustained in the course of their struggle, the risks and suffering primarily by a commitment to a vision which enabled them to override conditions which had been deemed overwhelmingly hostile. These revolutionaries are rarely motivated by material considerations. Here Henry Kissinger mentions two examples, Sukarno and Castro. If Castro and Sukarno had been primarily interested in economics, their talents would have guaranteed them a brilliant career in the societies they overthrew. What made their sacrifices worthwhile to them was a vision of the future or quest for political power.

The main example of the bureaucratic pragmatic leadership according to Henry Kissinger, is the American elites. However his descriptions on the character of the ruling elites in United States lead one to safely assume that Indonesia under the leadership of President Suharto and his Cabinet can be classified into this type of leadership. This leadership is presumed to have

conviction that every problem would yield if attacked with sufficient energy. Problems are segmented into constituent elements each of which is dealt with by experts in the special difficulty it involves. Technical issues enjoy more careful attention and receive more sophisticated treatment than political ones.⁴⁷

This is reinforced by the special qualities of the professions which furnish the core of leadership of this type. They are mainly leaders who have educational backgrounds such as law, economics or engineering. Here one can talk of the predominance of the technocrats in Indonesian cabinet as well as first and second echelons in the Indonesian bureaucracy. Another contributing factor is President Suharto greater emphasis on economic development represents first priority and as his main justification to rule over the country than on issues dealing with politics and political legitimacy.

⁴⁷ Henry Kissinger, "Domestic Structure and Foreign Policy," James N. Rosenau, Ed., International Politics and Foreign Policy, (New York: Free Press, 1972), pp. 267-271.

CHAPTER II

POLICY OF FOREIGN CAPITAL

CHAPTER II
POLICY OF FOREIGN CAPITAL

To understand economic strategy of the New Order government towards foreign capital, one ought to study this at least in three distinct stages. The first stage is the stabilization period. This began in 1966 when the New Order regime came to power after crushing the Communist Party of Indonesia. In this period, the New Order government adopted an open door policy aimed at achieving steady economic growth and relied heavily upon foreign investments. This period, however ended with the student demonstrations which broke out in January 1974 against the predominance of international capital particularly Japanese capital, in Indonesian economy.

The second stage started with the increase in oil prices in the international market. It was in this period the New Order regime was able to play more decisive role in financing and protecting domestic capital. The inflow of foreign earnings from the oil sector contributed greatly to this policy. This period was also characterised by the emergence of economic nationalism which called for the creation of national industry based upon major resource projects such as steel, natural gas and oil. This period ended with the collapse of oil prices in the international market as it had hit Indonesian economy severely.

The third stage began with the collapse of oil price and the decline of foreign investments and the return of the predominance of the technocrats in the decision making process. It is worth remembering that the proponents of economic nationalism

such as Ibnu Sutowo was extremely powerful during the heyday of the National Oil Company (PERTAMINA) in the Indonesian economic strategy and this led to the return of the open door policy aimed at attracting foreign capital by providing them with various concessions.¹

An analysis of these three distinct stages would be the main focus of this chapter. However, more attention would be given to the second and third stages, the first stage being an introductory in the period of this study.

Stabilization Period (1966-1974)

The New Order regime came to power in 1966 at the time when Indonesia economy was on the brink of total collapse. This could be clearly seen from some indicators. The price index based at 100 in 1957 had reached 15 00 in July 1966. Money circulation had also increased from 1 million to 12 billion Rupiahs in July 1966. Exports had dropped from US \$ 900 million in 1951 to US \$ 350 million in 1966. Meanwhile, the government deficit had risen from 18 billion Rupiahs to 23 billion Rupiahs in 1966.² Moreover, at the end of 1965, Indonesia foreign indebtedness stood at US \$ 2.4 billion of which US \$ 1400 million was owed to the Communist countries. Servicing this debt alone would have required an estimated of US \$ 530 million in 1966. Industries were unable to

1 Richard Robinson, Indonesia: The Rise of Capital (Sydney: Asia Studies Association of Australia, 1987), pp. 131-132. See also, Maria Pangestu, "Economic Policy Reform in Indonesia," Indonesian Quarterly, Vol.17, No.3 (third quarter, 1989), pp. 23.

2 Guy Fauker, "Indonesia: The Era of Transition," Asian Survey Vol.7 No. 2, (February, 1967), pp. 264.

import owing to paucity of foreign exchange and on the average were operating only at 25 percent capacity. There was hyper inflation (the annual price rise was more than 600 percent) and a general shortage of consumer essentials, such as textiles, rice and other staple foods.³

The need of rescuing the country from the economic collapse of the late 1960s was further motivated by the government urgency to consolidate the position of the armed forces. This compelled the government to adopt a number of bold and pragmatic measures as part of its stabilization programme. The main objective of the stabilization programme was to put some semblance of order in the financial arrangements of the country by restoring balance in the government budget, rescheduling of foreign debt incurred during the previous regime and encouraging foreign investments.⁴

The first sign of change in attitude towards foreign capital came in January 1966 when one of the economists publicly acknowledged that the only way out of the economic collapse was through an effort to obtain new foreign credits. This was later confirmed by Foreign Minister Adam Malik in a press on April 4, 1966 a week after he assumed the office of Foreign Minister that Indonesia would seek economic cooperation with both Western and Communist countries. On

 3 Charles E Morrison and Astri Suhrke, Strategies of Survival: The Foreign Policies Dilemma of Smaller Asian States (St. Lucia Queensland University Press, 1978)., pp. 212.

4 Kalyani Bandyopadhyaya, Burma and Indonesia: Comparative Political Economy and Foreign Policy (New Delhi: South Asian Publisher, 1983) pp. 23.

the same day, Sultan Hamangku Buwono IX, Minister for Industry and Economic affairs indicated that Indonesian government would welcome all foreign economic aid without political strings and would seek rescheduling of its foreign debt repayments. In his statement that day and subsequent one on April 12, the Sultan emphasized Indonesia's intention to embark on austerity measures to achieve economic stabilization.⁵

To formulate and implement new economic policies, President Suharto appointed large number of Berkeley trained economist technocrats, some of them with ministerial posts. These economists became the core members of the National Development Planning Board (BAPENAS). They were convinced of the ideology of "free-market" economy which limited the state to providing the fiscal and monetary conditions for capital accumulation and trusted in the mechanism of the market to generate growth and efficiency. They were strongly convinced that the intrusion of foreign capital would spontaneously generate process of growth. In the process, only efficient and viable domestic business would survive. This was to be completely different from the inefficient and corrupt domestic business that flourished under the state protection and subsidy in the late 1950s.⁶

5 Franklin B Weinstein, Indonesian Foreign Policy and Dilemma of Dependence: From Sukarno to Suharto (Ithaca: Cornell University Press, 1976), pp. 227. See also Michael Leifer, Indonesia's Foreign Policy (London: Royal Institute of International Affairs, 1983), pp. 114-15.

6 Most of the technocrats like Dr. Ali Wardhana, Dr. Widjojo, Dr. Emil Salim etc. were educated in the 1950s at the time when the ideology of free-market and economic growth of TW Rostow was at its peak and highly influential in the American Universities, including their almatmater, University of California, Berkeley. When they returned home, they carried with them this ideology.

With limited options available as regards foreign aid, the New Order government brought them in the inner circles of the decision making process. With having "frozen" its diplomatic relations with People's Republic of China because of its alleged complicity in the coup and sustained cool relations with the Soviet Union provided Suharto government with no real choice in the search for economic aid. There was only one major source of aid and investment which was available, namely Western capitalist states and Japan. Japan had made much progress in its relations with Indonesia before Western states had made their advance towards Indonesia. This had begun when Japan had succeeded in issue of reparations and concluded peace treaty in December 1957. Indeed Japan made an important contribution not only in marshalling economic support for Indonesia but also in assisting the consolidation of President Suharto's domestic position.⁷ However, it was extremely clear that the economic assistance from the Western countries including Japan would be conditional upon an end to confrontation with Malaysia and the acceptance of Western laid norms of international conduct.

Hence, it was imperative for Suharto to end confrontation with Malaysia. It was brought to an end on August 11, 1966. Full diplomatic relations between the two countries were restored following the signing of a joint communique on September 7, 1967.

7 Michael Leifer, n.5., pp. 114.

Indonesia soon readmitted to the United Nations in September 1966, to the International Monetary Fund (IMF) in February 1967 and to the World Bank in the following May 1967.⁸

The United States was the first country to offer emergency aid of US \$ 59 million, Japan followed second with US \$ 30 million worth of credits. Then came West Germany with US \$ 7.5 million and after the settlement of US \$ 157 million compensation from Indonesia, the Netherlands offered US \$ 18 million, Singapore Indonesia's closest neighbour added US \$ 32.7 million. All these totalled up to US \$ 174 million of emergency credits made available by late October 1966.⁹

In September 1966, a meeting of Western creditors, namely the United States, the Netherlands, United Kingdom, France, West Germany, Japan and Italy which were later known as the Paris Club was held in Paris. Australia and the International Monetary Fund (IMF) were also present as observers. The Soviet Union turned down the invitation to attend the meeting and demanded that Indonesian government would have to pay first earlier debts. However, in November 1966, the Soviet Union had indicated its agreement, in principal with debt moratorium. This opened the way for a meeting of Paris Club in that month. Further emergency credits was approved for US \$ 357 million.¹⁰

8 Ingrid Palmer, The Indonesian Economy Since 1965: A Case Study of Political Economy (London: Frank Cass, 1978), pp. 29.

9 Ibid., pp. 28.

10 Allen M Sievers, The Mystical World of Indonesia: Culture and Economic Development in Conflict (Baltimore: The John Hopkins University Press, 1974), pp. 262.

From these meeting emerged the Intergovernmental Group on Indonesia (IGGI) with Australia soon joining it as full member and New Zealand, Canada and a number of West European countries following. The observer status given to the International Monetary Fund and the World Bank earlier was changed into the role of broker.¹¹

The technocras firmly believed that they had to convince foreign creditors and potential foreign investors that they would give higher priority to debt rescheduling, infrastructure rehabilitation as well as removing control on private investments. This was clearly expressed by the Indonesian government delegation to the Paris Conference of the Intergovernmental Group On Indonesia. The Indonesian delegation assured :

That market forces were to play a central role in the rehabilitation of the country's economy. State enterprises were to be placed on a competitive footing with private enterprises. However, state corporations were freed from requirements to sell low prices. They could now charge market price. The private sector was to be stimulated by the removal of licence restriction on raw materials. 12

The immediate consequence of the IGGI meeting was the reopening of access to international network of finance from private and government sources and from international finance and monetary institutions like the World Bank and the International Monetary Fund (IMF). In the long term, foreign loans would enable the

11 Ingrid Palmer, n.8., pp. 23-30. For a comprehensive discussion see Richard Robinson, n. 1., pp. 136.

12 Ingrid Palmer, no. 8., pp. 30.

government to embark upon a programme of investment projects primarily in rehabilitation of infrastructure through development budgets.

In order to provide legal framework for foreign investors to operate in Indonesia, the New Order government enacted a new Foreign Capital Investment Law in January 1967. This was followed by the introduction of Domestic Capital Investment Law in July 1968. The major features of the Foreign Capital Investment Law were :

- a. A guarantee that there was no intention to nationalise foreign assets and a guarantee of compensation if nationalisation did occur.
- b. Exemption of foreign investors from dividend and corporation tax up to three years and provision for carrying on losses into the past tax holiday period.
- c. Free transfers of profit, depreciation funds and proceeds from the sale shares to Indonesian nationals.¹³

The introduction of Foreign Capital Investment Law made it possible for foreign investors to operate legally with a considerable advantage over the domestic investors. Even after the introduction of Domestic Capital Investment Law, the foreign investors continued to operate from the position of advantage. One example could be mentioned here. The Indonesian Capital Investment Coordinating Board (EKPM) required that companies investing under the Foreign

13 Richard Robinson., n.l, pp. 138-39.

Capital Investment Law and Domestic Capital Investment Law programmes deposit 25 percent of their intended investment as collateral in the state banks. Few domestic firms possessed such liquid assets after the high inflation and economic difficulties of the decade from 1957 to 1967. As a result, the domestic investors could not compete with the foreign investors. Moreover, their survival and development depended very much upon the center of the policy bureaucrats and on the state power to intervene in their behalf.

Almost 75 percent of total private investment in manufacturing industries was by investors from Japan, United States, Hong Kong and Singapore. The Europeans had been somewhat reluctant to invest. The Japanese paid the greatest attention to textile, metal and glass industries. United States's investors concentrated on oil, chemicals, textiles and rubber. Whereas the Japanese investment largely took the form of establishing new enterprises, the United States investment was directed to a great extent towards rehabilitation and expansion of American companies which had been nationalised under Sukarno's Guided Economy but were returned to their former owners after 1965. The Asian investors such as Hongkong and Singapore as well as South Korea were mostly interested in consumer goods industries.¹⁴

From the data in Table 1 and Table 2 one could see that

 14 Jorgen B Dingers, et.al., "Industrialization in Indonesia," in Gustav Papanek, The Indonesian Economy (New York: Praeger Publishers, 1980), pp. 376.

foreign firms were on the average larger, more capital intensive and more productive than domestic firms. They accounted for one fifth of the manufacture output but only 10 percent of employment. They were on average twice as large as state firms and seven times as large as domestic private firms in term of output per firm. Foreign capital, predominantly Japanese, concentrated in the heavily protected sector such as manufacturing goods for domestic consumption, mainly textile and consumer goods. Their objective was to dominate local market.¹⁵

Meanwhile, the largest component of private domestic capital was in the small scale and cottage sector which were incomparable in terms of production. According to Peter McCawley, approximately 3.9 million of Indonesia's 4.9 million industrial workers were located in the cottage sector, although only Rp. 75 billion of Rp. 596 billion of value -added is produced in this sector.¹⁶

Although domestic investors were unable to compete with foreign investors, the technocrats did not show any eagerness to provide protection and subsidy for domestic investors. This attitude derived from the government own deep suspicion that protection and subsidy would only lead to the emergence of inefficient and corrupt enterprises both in the state and private sectors as had been clearly shown during the period of Guided Economy.

 15 Robinson, n. 1., pp. 143.

16 Yoshi Tsurunumi, " Japanese Investments In Indonesia: Ownership and Technology Transfers and Political Conflicts," in Gustav Papanek, n.14., pp. 295-296.

Table 1 Approved Capital Investment Under PMA/PMDN To December 1973

Sector	Total Invest. Approvals (in US million)		% of Total Invest. Approvals	
	FMA	PMDN	FMA	PMDN
Forestry	495.5	356.8	58	42
Agriculture	113.0	323.5	33	67
Fisheries		46.2	95	5
Mining	860.5	1.740.9	38	62
Manufacture (textiles)	1.045.1 (436.9)	(749)	37	63
Tourism	195.9	200	50	50
Other	118.3	207	37	63
Total App.	2.828.3	2.978.5	49	51
Total Real.	1.131.2	876	56	44

Source : Ingrid Palmer, Indonesian Economy Since 1965: A Case Study of Political Economy (London: Frank Cass, 1978) pp. 110-111.

Note : PMA = Foreign Capital Investment.
PMDN= Domestic Capital Investment.
App=Approvals.
Real=Realised.

Tabel 2 Output, Value Added and Employment By Ownership

	Total	Foreign	Government	Domestic Private
No. of firms	6.758	282	547	5.929
Output Rp. billion(%)	1.341 (100)	283(21.2)	261(19.5)	795(59.3)
Value Added Rp. billion (%)	555 (100)	127(23)	126(22.8)	301(54.8)
Employment Total (%)	683 (100)	71(10.4)	135(19.8)	477(69.8)

Source : Richard Robinson, no. 1., pp. 143.

The New Order government continued to rely heavily on foreign finance's support. The Intergovernmental Group On Indonesia (IGGI) agreed to supply aid in increasing amounts from US \$ 130 million to US \$ 920 million for 1975-1976 fiscal year. American military aid was also resumed in 1971 at a level of about US \$ 20 million a year. In 1975 the Indonesian government requested more than double that amount. By 1975 the Indonesians had won aid commitments from the Communist countries and from Middle Eastern oil exporting countries as well.

The influx of foreign aid and foreign investment in Indonesia had become quite important and had been regarded as one of the fourth pillar of the Indonesian government -- the other three being the Generals, the Chinese and the Technocrats. The Japanese investments, for example had increased from US \$ 2.6 billion in 1976 to over US \$ 5.5 billion in the beginning of 1979.¹⁷

Perplexingly, however most of the foreign investors, notably the Japanese, preferred having joint collaboration with the Chinese entrepreneurs to the indigenous one. The reason for this was amply clear. The Chinese had long tradition of doing business enterprises, they also had capital and links with their fellow ethnic kinsmen in Singapore, Hongkong and Taiwan.

17 Franklin B Weinstein, n. 5, pp.228.

Initial criticism had however, took the shape of protests against this policy in early July 1973. Protests involved a wide variety of groups ranging from various student factions, former party leaders and intellectuals associated with the military which dissatisfied with the government for various reasons. They were arguing that the economic strategy of the National Planning Development Board (BAPENAS) was inherently damaging to Indonesian society. BAPENAS strategy, according to this critics, provided a structural framework for concentration of wealth and the entrenchment of mass poverty. The New Order government was also accused of being an integral part of the participant in collusion with foreign capital and larger Chinese business in the exploitation of Indonesia.¹⁸

The criticism and protests reached their peak in January 1974 when the Japanese Prime Minister Kakuei Tanaka visited Jakarta encountered kind of violent anti Japanese demonstrations on his arrival. This was the biggest demonstration ever led by various student factions that had taken place under the New Order government so far. The reaction from the government was swift and effective. Critics and student leaders were arrested, some of them were sent abroad for further studies, but many of them placed under house arrest and most prominent among them jailed. Five of the most critical newspapers were closed down. Economically, however, the New Order government moved to accomodate the

18 Richard Robinson, n. l., pp. 164-166.

the indigenous petty capitalist who were supposedly behind the student protests of January 1974.¹⁹

Oil and The Emergence Of Economic Nationalism (1975-1982)

Two important factors need special attention here. First is the dominant role of oil in the government revenues and the capacity of the government to finance its industrial projects. Second is the emergence of economic nationalism which resulted from flow of foreign capital as world oil price continued to increase.

The emergence of economic nationalism resulted from several factors and took shape of a complex movement influenced by a declining petty bourgeoisie demanding state protection against superior forces of foreign capital on the one hand and the increased foreign earnings from the oil and gas which enabled the New Order government to finance its industrial projects on the other.²⁰ Paradoxically, however most of the proponents of economic nationalism were those people who had personal access to the President.

A discussion about economic nationalism needs to be carried out at both theoretical and at practical level. At the theoretical level, economic nationalism sought to subordinate foreign capital

 19 Kalyani Bandyopadhyaya, no. 4., pp. 136. See also Richard Robinson, "Culture, Politics and Economy In the Political History of The New Order," Indonesia no. 11 (April, 1981), pp. 19.

20 Robinson, n. 1., pp. 177.

to a set of national economic priorities and the interest of domestic capital. This was the basic idea of economic nationalism as carried out by the bureaucrat-nationalists. However, the main theoretical proponent of this idea were the late Panglaykim and Chinese nationalist businessman Kwiek Kian Gie.

Panglaykim, Professor of Economics at the University of Indonesia and also of Singapore University, leading businessman and leading figure at the Jakarta's Center for Strategic and International Studies (CSIS), was strongly influenced by two models of development. These were the Meiji Japan and Singapore. In these two countries, state played a central role in determining investment priorities, providing infrastructure, mobilizing finance and investment capital and coordinating domestic investments. Both Meiji Japan and Singapore developed a national economy based upon industrialisation which led to the emergence of a strong indigenous capitalist class.²¹

Panglaykim rejected the idea of "trickle down effect" which was the main ideology of technocrats of the National Economic Development Planning Board (BAPENAS). As mentioned earlier this idea based on the assumption that foreign investment would lead to the stable growth and spontaneous trickle down. In Panglaykim's view, foreign investment would not lead to trickle down but it imply achieved a share of capital investment in an economy whose form was determined by foreign capital. He strongly argued that

21 Jakarta's Center for Strategic and International Studies (CSIS) was established with strong support from two of Suharto's close aides, namely General Ali Murtopo, General Sudjono Humardhani and General Benni Murdani. It is well-known as a center of Catholic intellectuals and having close relations with the Ministry of Defense.

local equity in joint venture was often financed by either foreign bank or foreign partner, which meant that the local partner never actually controlled its business.²²

Panglyakim ideas were also shared by Kwiek Kian Gie. According to Kian Gie, National Economic Development Planning Board (BAPENAS) strategy has proved inadequate for generating the formation of domestic capital and for subordinating foreign capital to a national set of economic priorities. Foreign investors continued to capitalise their investments with domestic credit, and to dominate "closed" sectors of investment through control of production of the capital goods and commodities used in these sectors. Kwiek Kian Gie argued that transfer of equity from foreign to domestic ownership achieved little in itself because the foreign investors had usually recovered original investment several times over and simply handed over equity when tax holiday had already expired. Local partners, therefore sank their finance into an obsolete company and were therefore, placed at a competitive disadvantage in relations to foreign capital.²³

Both Panglyakim and Kwiek Kian Gie saw the answers in the establishment of nationally integrated units combining state

22 Jusup Panglyakim, "Business Organization In The Framework of Economic Development In Southeast Asia," In Panglyakim, Ed. Multynational Corporations (Jakarta: Center for Strategic and International Studies, 1974). See also Panglyakim, "Domestic Structure in The World of Interdependency," in Jusup Wanandi, Ed. International Problems, no. 12, vol.2 (Jakarta: Center for Strategic and International Studies, 1973).

23 Kwiek Kian Gie, "Foreign Capital and Economic Domination," in Indonesian Quartely, Vol. 3, no. 3 (April, 1975), pp.47-50.

power and resource with private business interests. State would play a central role in providing finance, purchasing raw material imports and generally coordinating production through state leadership. The state would establish the basis of domestic bourgeoisie by financing the participation of private business and providing the cohesion and protection to avoid domination by foreign capital.²⁴

At the practical level, the push towards state-led national capitalism came from a coalition comprising Ibnu Sutowo with some important Generals including General Ali Murtopo, General Sudjono Humardhani, the dominant figures in President Suharto's "kitchen cabinet." Ibnu Sutowo used PERTAMINA as the focus of activities of economic nationalism because it was the primary sources of finance or mean of raising loans which was beyond the control of National Economic Development Planning Board's technocrats.

The main function of PERTAMINA was that of managing the oil resources of Indonesia through the allocation of drilling concessions. However, PERTAMINA developed into the most powerful center of economic power in Indonesia as production and oil price rose. It came to control the single most important source of wealth in the country.

²⁴ Robinson, n. 1., pp. 152. Both of these Chinese nationalist technocrats had a very strong links with General Ali Murtopo and General Sudjono Humardhani. Dr. Panglaykim continued to be one of technocrats's main critics until his death in 1984. Drs. Kwiek Kian Gie later joined Indonesian Democratic Party and has become its main thinkers on economic matters.

Oil and liquid natural gas (LNG) constituted more than 30 percent of foreign exchange earnings in 1981 and 1982 and a healthy current account and balance of payment was ensured. In 1979, 1980 and 1981 Indonesia boasted account surpluses of US \$ 2198 and US \$ 2131 million with foreign exchange reserves standing at US \$ 10, 000 million as late as 1982. The oil bonanza meant a surge of funds to state revenue and capacity to invest. Foreign earnings from oil and gas between 1978/1979 and 1981/1982 leapt from 157 per cent from US \$ 7.4 billion to US \$ 19.0 billion. At the same time, government revenues derived from oil and gas sector taxes rose 271 per cent from Rp. 2 309 billion in 1978/1979 to Rp. 8 575 billion in 1981/82. Oil and gas constituted 65 per cent of foreign exchange earnings in 1978/1979, rising to 81, 9 per cent, while taxes from oil and gas sector constituted 53 per cent of government domestic revenue in 1978/1979, rising to 70 per cent in 1981/1982.²⁵

The flow of funds from PERTAMINA's oil and LNG was made use of as spearhead for the creation of industrial capital accumulation in two ways. First, Ibnu Sutowo extended the activities of the oil company to include investment through subsidiary corporations and secondly to use potential access to Indonesia's oil and natural gas as a means of raising finance for

25 Richard Robinson, "After the Goldrush: The Politics of Economic Restructuring," in R. Robinson and R. Higgot, Eds., Southeast Asia In the 1980s (Sydney, Routledge and Kegan Paul, 1988), pp. 20. See also Richard Robinson, no.1. pp. 376.

the development of major projects in petrochemicals and natural gas.

PERTAMINA turned to Japan rather than to the Intergovernmental Group On Indonesia (IGGI), International Monetary Fund (IMF) and World Bank for funds. These donor countries and international financial institutions refused to provide for such nationalistic and large scale industrial development projects. Japan was eagerly willing to provide funds as these would give it privileged access to cheap energy sources.²⁶

State-led industrialization came to an abrupt halt in 1975 and 1976 when PERTAMINA found itself unable to meet payments of its short term debts. The investigation later proved that PERTAMINA had incurred debt mounting to US \$ 10. 5 billion. The collapse of the PERTAMINA and the dismissal of Ibnu Sutowo as President Director of Indonesian Oil Company did not only give a severe blow to the proponents of economic nationalism but also has further strengthened the hands of the technocrats of National Economic Development Planning Board.

Although PERTAMINA crisis had put the economic nationalist aside in the Indonesian economic and and political struggle, yet the basic idea of economic nationalism persisted. The New Order government's economic policy between 1975 and 1982 came to be basically determined by the sort of policies argued by the

 26 Richard Robinson, "Toward A Class Analysis of The Indonesian Military Bureaucratic State," Indonesia, no. 25 (April, 1978) pp. 25. See also Robinson Wayne, "Imperialism, Dependency and Peripheral Industrialisation: The Case of Japan In Indonesia" in R. Robinson and R. Higgot, Eds., n. 19, pp. 205-210.

the proponents of economic nationalism such as Panglaykim and Kwiek Kian Gie.²⁷

In early 1976 the New Order government modifying its policies indicated an attempt to ameliorate social and economic tension as was evident at the time of January 1974 student protests. The government put the provision of credit and protection of the indigenous bourgeoisie as its main priorities. It also amended the Foreign Capital Investment Law of 1967 by introducing new provisions such as :

- a. Capital equity in new joint venture to be progressively transferred to Indonesian partners so that they achieve 51 per cent ownership.
- b. All foreign investment project to be in form of joint ventures with indigenous Indonesians as partners.
- c. The numbers of foreign investment areas closed to foreign capital to be increased taking into account the potential of domestic investors to take over investment.
- d. Investment credit by state bank to be allocated only to indigenous investors.²⁸

These regulations signalled an important change in the existing free market, open door approach. At the same time, the National Economic Development Planning Board technocrats themselves had modified their beliefs in the spontaneous application

27 Peter McCawley, "Some Consequences of Pertamina Crisis In Indonesia," Journal of Southeast Asian Studies, Vol. 9, no. 1 (March, 1978), pp. 28. See also Jittendra Nath Bhatt, "Pertamina Crisis In Indonesia In the Mid 1970s: Economic and Political Implications," International Studies, Vol. 24 no. 4, (October-December, 1987), pp. 285.

28. Donald Crone, ASEAN States: Coping With Dependence (New-York, Praeger Publisher, 1983), pp. 101-104.

of "trickle down" and the benign nature of foreign investments. Mohamad Sadli, one of the senior members of the National Economic Development Planning Board expressed the excessive generosity of the original Foreign Capital Investment Law :

When we started out attracting foreign investments in 1967 everything and everybody was welcome. We did not dare refuse We did not dare to ask for credentials. We needed a list of names and dollar figures of intended investment to give credence to our drive.²⁹

The technocrats also found contradiction between national interests and international capital over such questions as the most appropriate location and form of capital investment. They for the first time realised that foreign capital could not be expected to play a major role in the process of development mainly because of their unwillingness to enter socially necessary but economically unprofitable sector of investments.

However, the dominant pattern in the 1970s continued to be shortage of potential indigenous partners with capital and skills. As a result, there was still preference for Chinese partners. The indigenous partners generally contributed more political resources such as access to government contracts, forest concessions and protection from the government harrasment than capital and skills and management.³⁰

29 Richard Robinson, n. l., pp. 170.

30 Ibid., pp. 171.

After The Goldrush: Post Oil Boom
(1982-1987)

In the early 1980s there was an indication of a slowing down of the New Order government drive to achieve national industrial capitalist economy. The inability of the New Order government to maintain this drive could be ascribed to the decline in the oil income which had constituted the basic of huge investments in infrastructure and industrial projects.

The New Order government began to face severe problem in 1982 as a result of the fall in the oil and natural gas in international market. The oil and natural gas earnings which had been anticipated to be around US \$ 21. 4 billion had to be revised to be only US \$ 17. 2 billion. At the same time, the non oil exports did not provide any helpful sign for the New Order government. The non-oil sector which had been neglected in the past due to the inflow of foreign earnings from the oil sector could not be expected to replace oil as source of foreign earnings due to uncompetitiveness in the international market. In three years since the rise of 55 per cent following devaluation in 1978, the value of non-oil exports declined 9.7 per cent from an estimated 12 per cent. This decline was also caused by the fall in commodity prices due to world recession.³¹

The decline in the government earnings was reflected in

31 Anwar Nasution, "The Indonesian Economy: Problems of Adjustment to Global Recession and Lower Oil Price," Indonesian Quartely, no. 2 vol. 2 (1984), pp. 23.

the national budget. Domestic revenue from oil and gas in 1982 was predicted to fall by 18 per cent from Rp. 8.575 billion to Rp. 7 000 billion after an initial estimate of a rise of Rp. 122 billion or 6. 4 per cent. Non oil domestic revenues were expected to rise from Rp. 3.699 billion to Rp. 4.635 billion but the recent estimates put the revenues somewhere between Rp. 3 000 billion to Rp. 3.900 billion, a decline of 11 per cent of the previous years.³²

The World Bank Report of 1981 predicted a bleak future for Indonesia's balance of payments in the 1980s. Although the Bank also predicted a surplus by 1985/1986, this was expected to turn into a deficit between US \$ 7.5 billion and US \$ 11.5 billion in 1990/1991. Interestingly, the World Bank Report was important not only because of its prediction of Indonesian's bleak economic future, but also for its comprehensive critique of the Indonesian development strategy at the time when the crisis from the fall of oil price was becoming clear.

The main emphasis of the World Bank Report was the critique of the notions of comparative advantage and allocative efficiency embodied in the general free-trade, free-market approach to the problem of economic development. These were in turn associated with the strategies of export oriented industrial development which were used in South Korea and Taiwan experiences as models for development. In the case of Indonesia, World Bank Report

 34 C. Gray, "Survey of Recent Development," Bulletin of Indonesian Economic Studies, vol. 3, no. 18 (1982), pp. 21.

argued that the structural approach to development planning together with accompanying state regulation of investment and intervention in the economy produced distortions which not only inhibited economic growth but also the proclaimed social objective, namely generation of domestic particularly indigenous and redistribution of wealth.³²

Reaction of the New Order government to the prevailing economic situation was mainly twofold: First, increased aid and borrowing and secondly an attempt to increase non-oil exports. The government also had to cut its budget expenditure.

The International Bank for Reconstruction and Development (IBRD) and Intergovernmental Group On Indonesia (IGGI) had shown their anxiety to provide borrowing package to enable the New Order government to cope with the crisis. In 1982 and 1983 international loans totalled just under US \$ 5 billion and IGGI voted a record of US \$ 2 billion for 1983 and 1984 fiscal year. Meanwhile the World Bank's 1983 Report on Indonesia estimated that the country would need to obtain US \$ 4.5 billion per year from 1984 /1985 and 1986/1987. This amount was needed to cover foreign exchange needs. Foreign aid percentage of total government receipts would rise from 12.7 per cent in 1980/1981 and 1984/1985. While foreign loans appeared to be attractive as a way of avoiding unpleasant element of structural change, they

33 Richard Robinson, n. l., pp. 381. See also Guy Sacerdoti, "Overdraft Efficiency," Far Eastern Economic Review, no. 29 (May, 1981).

also had real dangers. Total foreign debt stood around US \$ 27 billion and after years of surplus, a US \$ 7.3 billion deficit in 1982/1983 was expected to decline to US\$ 4.7 billion deficit in 1988/1989. Debt service ratio was predicted to rise from 23 per cent to an estimated 28 per cent in 1985 before it started to decline again. Although the prospect of being caught in a debt trap as those of Brazil, Mexico, Argentina and Peru was seemed remote, Indonesia's reliance on loans made it increasingly susceptible to pressure from World Bank for structural adjustment.³⁴

Since it came to power in 1966, the New Order government had been trying to increase non-oil export earnings, especially in the manufacturing sector. Various incentives had been offered to the investors in this sector. In 1978 the New Order government did a devaluation with the expectation that it would help to increase the competitiveness of Indonesia's manufacturing products in the international market. However, the effectiveness of the policy did not last long and by 1981 the value of Rupiah returned to the pre-devaluation period. The government had to launch its second devaluation policy in April 1983, only two years after its first devaluation. In early 1982 the government in its attempts to boost non-oil export sectors introduced export investment package providing low interest rate for export credits.

However, all these policies did not have any impact on the government attempt to boost non-oil export sectors. Manufacturing

³⁴ Gray, no. 31., pp. 3.

export only reached 6.5 per cent of the total exports in 1983. The non-oil export sectors proved not very reliable as they had not performed well enough over the past decade to give any assurance that they could perform the function of solving the balance of payments and foreign debt problems.

The government also had chosen to make its first cuts in the area of subsidies to petrol and oil products and foodstuffs and electricity which had been the target of criticism by the World Bank and International Bank of Reconstruction and Development. However, the disaster for the common man was the cut of the oil subsidy in 1982 and 1983 budgets. This led to a sort of reaction in increasing basic needs prices. The reaction was bitter and tragic. Most of the industrial unrest which took place by the mid-1980s was primarily caused by the increase in the price of daily needs. Nonetheless the government appeared determined to continue this course and eliminated all food subsidies by the end of 1984.

CHAPTER III
ROLE IN SOUTHEAST ASIA

CHAPTER III

ROLE IN SOUTHEAST ASIA

To understand Indonesia's foreign policy in Southeast Asia, one ought to start from the Indonesia's elites own perception of Indonesia's place in the region. This has to be seen in the light of regional security syndrom in which Indonesia has to play its role as a member of the Association of Southeast Asian Nations (ASEAN) in dealing with the intrusion of the major powers which have their own interests. In all this contex, the analysis of the one major problem which has prevented Southeast Asia from achieving peace and prosperity, namely the Kampuchea problem would be in order. These and other aspects on how Indonesia's reactions and responses to the prevailing situation would be useful.

The Elites Perceptions

Indonesia's geography and natural resources provide some sort of justification for a dominant and influential role in regional politics of Southeast Asia. Indonesia's size extending over 3 000 miles from Sabang on the tip of Sumatra to the Eastern most of Irian Jaya, Merauke. Its geostrategic location convinced the Indonesian elites of befitting leadership role. Its population of 172.631. 000 million by far the largest in Southeast Asia. Its abundance of oil, rubber and tin and other natural resources are generally viewed as long term assets which would enable Indonesia to play an important role in regional and international politics. Strategically, Indonesia's separation from the Asian mainland is widely felt as a guarantee for substantial degree of political and military security

Indonesian elites also have a feeling of superiority vis-a-vis their neighbours. At the heart of the feeling of superiority is a belief that Indonesia's highly developed sense of national identity made Indonesia more advanced politically and more genuinely independent than any of its neighbours. Indonesians see themselves as possessing a high degree of political consciousness, a strong tradition of anti-colonial activism, a vigorous and autonomous cultural life through which the unique qualities of the Indonesian people could find expression. An intellectual tradition capable of synthesizing these political and cultural dimensions form a coherent Indonesian identity.¹

The continuation of Indonesia's basic assumption on its policy on Southeast Asia is also another important factor. Although there was radically different policies pursued by President Sukarno, President Suharto shares a common perspective with his predecessor that Indonesia because of its size and revolutionary elan as well as its cultural prominence should by right play a dominant role in Southeast Asia. Suharto also feels that Indonesia should be consulted on major issues affecting the region. It should be a major spokesman for the region vis-a-vis outside powers and it should bear the primary responsibility in maintaining peace and security in the region. In its extreme

1 Franklin B Weinstein, Indonesian Foreign Policy and Dilemma of Dependence (Ithaca : Cornell University Press, 1976), pp. 197.

posture as was expressed by Malay fanatic such as Mohamad Yamin led to fear of Indonesia's expansionism.²

Idiosyncratic factor

Idiosyncratic factor also needs to be mentioned here. In March 1967 President Sukarno was obliged to give up office and Suharto was appointed as acting President up to 1968, the year when his full-fledged Presidency began. General Suharto was a very different public personality from Sukarno. His formative years as military commander of distinction convinced him of the need to pursue a more cautious policy in order to sustain a fragile national unity. He rejected a flamboyant and heroic style of leadership for one of quiet dignity. A sober, cautious and somewhat colourless public figure, he displayed none of those personal qualities which enabled Sukarno to dominate national and regional politics for more than two decades. However, although Suharto seemed less interested in the foreign policy making, he proved to be the ultimate decision maker. This happened because there was a strong competition between the Ministry of Foreign Affairs (DEPLU) and The Ministry of Defence (HANKAM). Eventually, it is Suharto who lead Indonesia into a completely different kind of posture of Indonesia's foreign policy in Southeast Asia.³

Southeast Asia's Security Environment

It is better first to discuss the Southeast Asia's security

3 Andrew McIntyre, "Interpreting Indonesian Foreign Policy: The Case of Kampuchea 1979-1986," Asian Survey, vol. 27, No. 5 (May, 1987), pp. 50.

environment so as to make it possible for one to grasp the intricacies and complexities of the regional problems of Southeast Asia.

During the period of this study, Southeast Asian security environment was composed of nine states sharply divided into two groups, a communist, Vietnamese dominated group of three (Vietnam, Kampuchea and Laos) and non-communist, Western oriented group of six organised since 1967 in the Association of Southeast Asian Nations (ASEAN), namely Indonesia, Thailand, Malaysia, The Philippines, Singapore and Brunei.

The internal history of Southeast Asia was marked by wide variety of disputes and conflicts. In Southeast Asian mainland there are several nations having mutual rivalries of long historical standing. The most notable of these are among the Thai, the Khmer and the Vietnamese. Before the European imposed colonial order in the region, the three Southeast Asian mainland states went through cycle of rise and fall and continuing rivalry in which their relative territorial kingdom underwent many dramatic changes.⁴

In the first decade after the Second World War Southeast Asia was marked by a wide variety of disputes and conflicts. The history of Vietnam marked by intense and extended great power intervention was the longest running of this problem. Others such as territorial disputes between Malaysia and The

⁴ Barry Buzan, "Southeast Asian Security Complex," Contemporary Southeast Asia, vol. 10, no. 1 (June, 1980), pp. 5.

Philippines were largely settled by the early 1970s. As a result of wars and agreements, the Southeast Asian security environment then polarized between the capitalist ASEAN and communist Vietnam-led block.⁵ Within this environment, the main unresolved security issue concerned the status of Kampuchea, Kampuchea had been the main buffers between Thailand and Vietnam. Thailand, with the support of its ASEAN partners, refused to accept Vietnamese domination over the entire Indochina. However, Vietnam seemed to be pursuing its own ambition of an Indochina federation under its leadership. The boundary between Thailand and Kampuchea was thus alive with tensions.⁵

The main factor of Southeast Asian security environment is its boundary of land and sea with China. China is regional great power which is a major factor in Southeast Asia. China's relations with Southeast Asia are largely determined by its relations with its main rival in Asia, the Soviet Union. The Sino-Soviet rivalry thus forms the main determinant of Asian security which has a great impact on Southeast Asian security.

The most important factor of Southeast Asian security environment is the great game being played by the Chinese against the Soviet Union. The Soviet Union has done well by having Vietnam, militarily the strongest country in the region. On its side, China has acquired the discredited Khmer Rouge

⁵ Barry Buzan, n. 4., pp. 17.

as its main ally in Indochina. However, China was also having a fragile relationship with Thailand.⁶

While China has increased its presence and importance in Southeast Asia, the United States has steadily waned. However, both China and the United States share a common interest in opposing the growing Soviet influence in the region. The United States maintains a strong position in Northeast Asia, but its defeat in Vietnam has made it to withdraw from Southeast Asia. Nonetheless, The United States is still an important ally of most of the Association of Southeast Asian's member countries particularly, the Philippines.

Table 3 : Military balance in Southeast Asia

STATES	ARMY	NAVY	AIR FORCE
Indonesia	215. 000	43.000	27. 000
Thailand	166. 000	42.000	48. 000
Philifines	65. 000	23.000	16. 000
Malaysia	90. 000	12.500	12. 000
Singapore	45. 000	4.500	6. 000
Brunei	3. 200	500	300
ASEAN	584. 200	125.500	109. 300
Vietnam	1.100. 000	6.000	12. 000

Source : The Military Balance 1988-1989 (London: Institute of Strategic Studies, 1989). See also, Donald E Wheelerbee "ASEAN: The Patterns of National and Regional Resilience," in Young Whan Kiel and Lawrence Grinter, Eds. Asia-Pacific Security: Emerging Challenges and Responses (New Delhi: Archives Publisher, 1987), pp. 203-215.

⁶ Lau Teik Soon, "Super Powers And Regional Security In Southeast Asia," in Mohammad Ayooob, Ed., Regional Security In The Third World (London: Crom Helm, 1983), pp. 187.

The New Order's Southeast Asian Policy
Up to 1979

The Suharto's New Order government first priority in the late 1960s was to end confrontation with Malaysia and in 1966 Indonesia had resumed its diplomatic relations with that country. It was in the course of negotiations to end confrontation, that Indonesian Foreign Minister Adam Malik had regular contacts with his counterpart from Thailand and Malaysia. Also it was in these meetings that took place between April and May 1966, that the Foreign Minister of these three Southeast Asian countries had explored the possibility of including Indonesia in a new regional organization.⁷

It may be important to recall here that the April and May meetings of 1966 did not represent the first attempt to establish a regional organization. The attempt in this direction had already been made as early as 1959 when Tunku Abdul Rahman formally submitted a proposal for Southeast Asian regional organization to promote mutual cooperation in economic social and cultural fields. Although the response was not very encouraging, after almost two years of protracted negotiations between Malaysia, The Philippines and Thailand, the Association of Southeast Asia (ASA) was formally formed in Bangkok in July 1961. Sukarno had rejected the invitation to attend the meeting and expressed hostility towards the organization.

7 Michael Leifer, Indonesia's Foreign Policy (London: Royal Institute of International Affairs, 1983), pp. 112.

However, soon after its formation, the Association of Southeast Asia was seriously weakened by the dispute between Malaysia and The Philippines over Sabah. This led to the rupture of relations between the two countries. In September 1963 all activities of the Association of Southeast Asia came to be suspended.⁸

In 1966, following the emergence of a new constellation of political forces in Indonesia, there was a new wave of enthusiasm regarding the necessity of a regional organization. However, Indonesia refused to simply join the moribund organization. Indonesia's insistence on entirely new organization was motivated by internal political reasons as well as prestige. Internally, Suharto wished to blunt criticism from Sukarno elements that Indonesia was abandoning its independence and active foreign policy and joining regional organization which Sukarno had labelled American-inspired. In May 1967 Adam Malik visited Burma and Cambodia to explain Indonesia's objective of avoiding any negative comment by these two non-aligned countries in Southeast Asia. Suharto also had very positive reasons for promoting new association. It would impress most of the Western donor countries that Indonesia had left its confrontation policy and adopted more reasonable and constructive foreign policy in the region. This would pave the way for foreign economic and assistances to come which Indonesia

 8 G.P. Bhattacharjee, Southeast Asian Politics: Indonesia and Malaysia (Calcutta: Minerva Publisher, 1976), pp. 224.

desperately needed. Moreover, If Indonesia could play a leadership role in the region, Suharto could also claim a psychological equivalent for Sukarno's popular leadership in the Afro-Asian forum. Indonesia's needs for deference and leadership could not be met by simply joining the existing Association of Southeast Asia (ASA) as new and junior partner. Indeed, its great size, natural resources and population added a dimension to regional cooperation which had not only been lacking but also had made prior undertaking as not so successful.⁹

On August 8, 1967, the Bangkok negotiations culminated in the establishment of a new Association of Southeast Asian Nations (ASEAN), comprising Indonesia, Thailand, Malaysia, The Philippines and Singapore. ASEAN constituted an unparalleled exercise in regional reconciliation at a time of acute polarisation given the scale of The United States military involvement in Vietnam with the Thais and Philipinos participating. Hence, Indonesia put the greatest degrees of efforts and man power into the Association. This was proved when they agreed to choose Jakarta as a site for ASEAN permanent office in 1974. In addition to its desire for prestige and a real of obligation what lay behind this and other regional activities was the obligation in Indonesia of a larger power role in assisting its small and weak neighbour. This sense of responsibility was expressed in the common theme of Indonesia's

8 Charles E Morrison and Astri Suhrke, Strategies of Survival Foreign Policies Dilemma of Samller Asian States (St. Lucia Queensland University Press, 1978), pp. 224.

relationship with other countries of Southeast Asia. This could be seen in Indonesia's relationship with its two closest neighbours, Malaysia and Singapore.

In resuming relations with Malaysia, Indonesia came to have close bilateral relations with a country which had so many similar features. In March 1967 a security arrangement was set up to uproot the remnants of communist bands in joint counter insurgency operations. The insurgent actions along the northern Kalimantan border between Indonesia and Malaysia, who were predominantly Chinese, was encouraged by Sukarno as part of his confrontation policy.

If the relations with Malaysia ran smoothly, relations with Singapore were otherwise. Although Indonesia, resumed its relations with Singapore a year before the confrontation was formally ended, it passed through turbulent stage. This took place when the Singaporean government awarded death sentences to two Indonesian marines, Usman and Harun who were found guilty of acts of murder and sabotage during the period of confrontation. Though Suharto had called for a commutation of sentence and issued an appeal for clemency, it was rejected. This led to a sort of public outburst. The people urged the government to give punishment to the Singaporeans who had insulted the Indonesian's feeling. However, in this regard President Suharto who was fully aware that Indonesia's relations with Western donor countries would be at stake if he executed new style of confrontation with Singapore, so he refused to accede

to their demand. However, Indonesia's relations with Singapore soon developed closer since Singaporean government had, in the eyes of the extremely anti Communist army leadership in Jakarta, proved its anti-communist credentials and adopted pragmatism in its regional relations.⁹

Indonesia adopted a cautious role in its relations with its neighbours in Southeast Asia. Nonetheless, inspired by the feeling of being the biggest country in the region, it also tried to resolve conflict, among the countries in the region. Indonesia successfully mediated the dispute between Malaysia and the Philifines over Sabah which had been the main stumbling block in closer relationship and cohesion of the Association of Southeast Asia Nations (ASEAN).

When Indonesia helped in establishing ASEAN, the international environment in Asia in general and Southeast Asia in particular had undergone dramatic change. British government had decided to withdraw its forces from East of Suez and revised its defence relations with Southeast Asian countries, particularly with Malaysia and Singapore. In January 1968 dramatic event took place in Vietnam when the National Liberation Front (NLF) launched its Tet offensive in the South. It was not a successful offensive military, but its political impact was immense. It was responsible for President Johnson abandoning his office and for the American government decision to hold a negotiation

9 Michael Leifer, n.7., pp. 154.

with the government of Democratic Republic of Vietnam while agreeing to a limited bombing of that country. This led to a new direction of American policy in Southeast Asia. This was confirmed when Richard Nixon was elected as President of the United States of America. Nixon not only promised to end the war but also propounded a new doctrine which was later known as Nixon doctrine. In that doctrine Nixon made clear that the United States would no longer carry the burden of conventional defence against internal communist challenge. This was soon followed by Nixon historic visit to China in February 1972 which led to the onset of Sino-American rapprochement encouraged by growing schism between the Soviet Union and China. All these events created a degree of nervousness among the members of the Association of Southeast Asia Nations since it became clear that a major reappraisal of American policy in Asia was taking place.¹⁰

In this fast changing international environment, Indonesia had only played the role of a spectator. It could not be able to conduct a substantive role since it was beyond its capability to do so. Nonetheless, Indonesia still tried to do its best although it would only lead to frustration as it in the case of Indonesia's participation in the International Commission for Control and Supervision (ICCS) and of conference on Cambodia held in Jakarta in May 1971.

10 Melvin Gurtov, "The Nixon Doctrine and Southeast Asia," Pacific Community, vol. 4 no. 1 (October, 1972), pp. 25.

Obligation, prestige and offer of military aid from the United States induced Indonesia's participation in the International Commission for Control and Supervision (ICCS) which was formed to monitor the Paris Peace Agreement on Vietnam in January 1973. The participation was encouraged by President Nixon when he visited Jakarta briefly in July 1967. The United States had resumed its military aid in 1967 although on small scale and the Nixon visit was followed by more substantive American military supplies rose to approximately US \$ 45 million.¹¹

In November 1972 shortly after tentative accord had been reached on peace agreement for Vietnam, the Indonesian government agreed to participate in the International Commission for Control and Supervision (ICCS) and its membership was accepted by North Vietnam in January 1973. However, Indonesia virtually became a member of an impotent body which did not have a substantive role to play and it was more detrimental for Indonesia's relations with Indochinese states, particularly Vietnam since Indonesia was nominated by the United States. Indonesia regarded its participation in this commission as well as its attendance at the post cease fire conference in Geneva as representative of ASEAN and for that reason Indonesia's delegation was comprised of representatives from all member countries. Thus ICCS role was not only attractive to a civilian like Foreign Minister Adam Malik who viewed it as

 11 Kalyani Bandyopadhyaya, Political Economy of Non Alignment Indonesia and Malaysia (New Delhi: South Asian Publisher, 1990), pp. pp. 125.

quite important but also to strong anti communist elements in the military who regarded it as an important contribution to prevent further communist inroads into Southeast Asia.¹²

Although practically, Indonesian foreign policy was in the hands of civilian at the Ministry of Foreign Affairs (DEPLU), yet the Generals both at the Ministry of Defence and Security (HANKAM) and National Intelligence Coordinating Board (BAKIN) had a decisive say. Both the ministries competed in providing propositions to the President who was the ultimate decision maker. It was this competition which led to the convening of the Conference on Cambodia in Jakarta in May 1970.

The Generals at the Ministry of Defence and Security and National Intelligence Coordinating Board viewed Cambodia as a soft underbelly of Southeast Asia and likely source of threat to Indonesia's security. It was mainly this reason which had prompted Suharto to visit Cambodia in 1968 as his first foreign visit.

Viewing the situation in Cambodia, the Generals from the Ministry of Defence and Security proposed to the President to send an expeditionary force to aid the Lon Nol government to combat the communist insurgents. The idea was rejected by the Ministry of Foreign Affairs who was aware of the grave consequences of sending such an expeditionary force. Adam Malik was able to persuade President Suharto to reject it. He was also able to convince President Suharto of the need to

12 Charless E Morrison, n. 8., pp. 226.

to convene a conference on Cambodia instead of sending troops. It was more in line with ten Bandung principles and of greater advantage in so far as it would draw world attention to the situation in Cambodia.¹³

The objective of the conference was to find a constructive solution on how to stop the deteriorating situation in Cambodia and restore peace and security to that country. Malik had thought that the conference would be truly a gathering of Asian representatives. However, Indonesia had created its own problem by identifying itself with the stance of the United States in demanding the withdrawal of the foreign troops and the restoration of Cambodia's government. As a result, it attracted the animosity of Asian communist countries, namely China, North Vietnam and Mongolia. The invitation also took place at the time when the American as well as South Vietnamese troops had launched incursions into the Cambodian territory. The act of incursion dealt a major blow to the impending conference and destroyed the credibility of the conference as non-aligned forum.

The list of actual participants who finally turned up at the Conference confirmed the view of those communist countries that the conference was United States-inspired. Apart from ASEAN delegations, all other delegations were from the American allies, such as Australia, New Zealand, Japan, South Korea as well as representative s from South Vietnam and Royal Government

13 Michael Leifer, n.7., pp. 134.

of Laos. Even among the ASEAN members, response to the conference was not unanimous. Only the Malaysian government appeared to respond with any real enthusiasm to Indonesia's initiative. Singapore only sent a junior minister indicating a sense of reserve about the conference. The Singapore government seemed to indicate its uneasiness and objection to Indonesia's assertiveness in finding a solution to the regional problem.¹⁴

Although internationally the conference was not a successful attempt to find a solution to the conflict, yet domestically the Jakarta conference was described as the most important undertaking since the Bandung conference in April 1955 and as a proof to the Suharto's critics that Indonesia was not abandoning the country's main principles of its foreign policy being independent and active.

Zone of Peace, Freedom and Neutrality

As mentioned earlier, the British government had announced its plan to withdraw its forces from East of Suez in March 1971. This was soon followed by the American decision to disengage from Southeast Asia as was pronounced by President Nixon in his Nixon doctrine of 1968. These two decisions naturally perturbed most of the non Communist Southeast Asian states, most particularly Malaysia and Singapore, since both of them had

14 Micheal Leifer, ASEAN and Security of Southeast Asia (London: Routledge and Kegan Paul, 1989), pp. 54.

security arrangement with Great Britain. The military arrangement or Anglo-Malaysian Defence Arrangement (AMDA) finally had to be revised in line with the British new policy. The AMDA was thus replaced by a new defense arrangement by which it was decided that in the event of external threat to Malaysia and Singapore, the five commonwealth countries, Britain, Australia, New Zealand, Malaysia and Singapore would hold immediate consultations about the measures to be taken. This new defense arrangement was finalised at a conference of Defense ministers in April 1971.¹⁵

The new security arrangement took place at the time of Malaysia having a new Prime Minister, Tun Abdul Razak who succeeded Tunku Abdul Rahman in June 1970. Tun Abdul Razak had always been a realist and even as Deputy Prime Minister had actively promoted the idea of more non-aligned posture in Malaysian foreign policy. The withdrawal of two Malaysian close allies created a security problem for Malaysia. In the absence of both the United States and Great Britain, all countries in Southeast Asia had to depend on themselves. In order to meet this situation and provide a new security arrangement for the region amidst the fast changing environment in the world, Tun Abdul Razak proposed a scheme of Southeast Asia at the meeting of the Non Aligned states in Lusaka, Zambia. There, Tun Razak called on the delegates to endorse the

15 G.P. Bhattacharjee, n. 8., pp. 390.

the neutralisation of Southeast Asia to be guaranteed by three super power, namely People's Republic of China, the Soviet Union and the United States.

Although on the surface Malaysia seemed to be expressing the concern of the countries in the region, yet the dominant motive was to establish a diplomatic opening to China in order to serve domestic purposes. In the early 1970s, The Malaysian Communist Party (MCP) although militarily weak, but was still posed the main threat to the Malaysian security. This threat was perceived by the Malaysian leaders as bsically domestic but with a linkage to external support, in this case China. Tun Abdul Razak wanted to demonstrate to Chinese community in Malaysia and members of the MCP which were basically Chinese, that its legitimacy was recognized by the government in Beijing. China seemed to be interested in the neutralization proposal, but the United States and the Soviet Union did not indicate any interest in it.¹⁶

However, for other members of the Association of Southeast Asian Nations (ASEAN), Malaysian proposal created a serious concern. This was perceived by certain ASEAN capitals as Malaysia's efforts to seek practical accomodation with the People's Republic of China which in Indonesia's long term perspective posed the main threat to its security as also to its vision of regional order. Indonesia has always had a strong

16 D.R. Sardesai, Southeast Asia: Past and Present, (New Delhi: Vikas Publishing House, 1981), pp. 390.

belief in cooperation among the members of the association because an integrated Southeast Asia would constitute the the strongest bulwark in facing external threat to the region. In Indonesia's view, Malaysia's proposal instead of providing Southeast Asian states central role in managing regional problem, appeared to concede a regional policing role to external powers in which China would be an important actor. Recent political experience of the 1965 abortive in Jakarta has made the Indonesian government averse to the Malaysian proposal. Indonesian Foreign Minister Adam Malik expressed his country's aversion in the meeting held in Kuala Lumpur in November 1971. Malik had earlier expressed a reasoned objection to Malaysian neutralisation proposal :

"Neutralisation that is the product of oneway benevolence on the part of big powers, at this stage would perhaps prove as brittle and unstable as the inter-relationship between major powers themselves!"¹⁷

From the Indonesian point of view, an unstated irritation was the attempt by the Malaysian government to prescribe for the management of regional order. Such an initiative was regarded as audacious. More fundamentally, the central features of the neutralization proposal, namely provision for external powers guarantors was repugnant to the leadership of a government which exhibited a strong aspiration for a regional role. Moreover, the prospect of external powers (including communist state) being permitted virtual policing rights in Southeast Asia

17 Michael Liefer, n.7., pp. 148.

foreshadowed a condominium of sorts which would not be free from conflict and which would violate the principle enshrined in the preamble to the ASEAN Declaration.¹⁸

After much protracted discussions, the ASEAN Foreign Minister meeting in November 1971 came out with a statement stating their government's determination :

"to exert initially necessary efforts to secure the recognition of and respect for, Southeast Asia as Zone of Peace, Freedom and Neutrality, free from any form of manner of interference by outside powers.¹⁹

This formula acknowledged the kind of framework for regional order which Indonesia had long advocated and which had been reiterated by Adam Malik in his statement in December 1971. He argued that the nation of Southeast Asia should consciously work towards the day when the security of their own region will be the primary responsibility of the Southeast Asian nations themselves.²⁰

The concept of Zone of Peace, Freedom and Neutrality (ZOPFAN) had at least three important points which had long been advocated by Indonesia as the basis for regional order in the region. First, the ZOPFAN aimed at the realisation of an overall national development and increased well-being in each of the ASEAN countries and the promotion and solidarity

18 Michael Leifer, n.7., pp. 150. For a comprehensive analysis of Neutralization of Southeast Asia, see Sheldon W Simon Asian Neutralism and US Policy (Washington: American Enterprises for Public Policy Research, 1975).

19 Michael Leifer, n.14., pp. 57.

20 Kalyani Bandyopadhyaya, n.11., pp. 162.

in accordance with the purpose and principles of the United Nations Charter and free from any form or manner of interference by outside powers. Second, the ZOPFAN idea was to create a regional order in which different ideologies, political, social and economic system adopted by Southeast Asian countries could coexist. Third, ZOPFAN was based upon the concept of national and regional resilience, implying that the member states's goal achievement would largely be determined by their own capabilities and by their own rules.²¹

The second of the three important points implied the possibility of including all countries in Southeast Asia to be members of the association. Indonesia had always had the expectation that Indochinese states, particularly Vietnam would sooner or later join the association. As has already been mentioned elsewhere, Indonesia had always viewed Vietnam as an additional regional partner and not as natural adversary. Though Vietnam was a communist state like China, the Indonesian military Generals had a deep conviction that Vietnam was ardent nationalist, that nationalism was a dominant value in that country. Indonesian Generals viewed Vietnam did not have any territorial ambition beyond Indochina and that its proven vitality would serve to withstand the exercise of undue Chinese influence in Southeast Asia. However, the political changes that took place in 1975 and after, had obliged Indonesia to give up its expectation to expand ASEAN to include all countries

21 Jusup Wanandi, "ASEAN Perspective On International Security an Indonesian View," in Donald Hugh McMillen, Ed. Asian Perspective On International Security (London: MacMillan, 1984), pp. 42-43.

in the region. The same reason also prompted most of the heads of the ASEAN states to hold the first the first summit meeting in Bali in February 1976.

The Bali Summit Meeting had two main goals, namely first to reaffirm and reinforce a special relationship within ASEAN based on a sense of shared predicament among its essentially conservative governments. Second, to use the strength of that relationship to initiate a dialogue with the Indochinese states above all Vietnam in an attempt to establish a set of common goals which might serve as a basis for regional order.

The Bali Summit produced two important documents which were expected to be a set of conduct of interstate relationship among the ASEAN members in particular and Southeast Asian countries in general. The first document was Declaration of ASEAN Concord which stipulated certain objectives and principles which the Association would take into account in the pursuit of political stability. This was in essence a reaffirmation of Zone of Peace, Freedom and Neutrality concept which had been declared in Kuala Lumpur in November 1971. The essence of the declaration was set by President Suharto in his opening address at the summit meeting. He emphasized that :

"our concept of security is inward looking, namely to establish an orderly, peaceful and stable condition within each individual territory, free from any subversive elements and infiltrations wherever from their origins might be." 22

22 Michael Leifer, n. 7., pp. 161.

It re-emphasized that the stability of each member state was essential for the stability of the region or in other words, national resilience would be of outmost importance for the creation of regional resilience. This concept had long been advocated by Indonesia.

The second important document was Treaty of Amity and Cooperation in Southeast Asia. The document was intended to be a set of code of conduct of the interstate relations and as a mean to settle peacefully disputes and conflicts in the region. It demanded that the countries in Southeast Asia should respect the independence, sovereignty and territorial integrity and national identity of all nation states in the region. Besides, it was also intended as a political bridge to the Indochina states and to indicate that regional accomodation could take place on the basis of accepted norms of international behaviour.²³

As expected, the Declaration of ASEAN Concord and The Treaty of Amity and Cooperation did not receive a favourable response from the Indochina states. The Government of Vietnam and Laos expressed their hostility and suspicion towards the declaration based on their bitter experiences in the early 1960s. Vietnam and Loas still had deep suspicion with Thailand and the Philippines who were involved in aiding The United States in its fights against communist guerillas in Vietnam and Laos.

23 Michael Leifer, n. 7., pp. 160-163.

They also still firmly believed that ASEAN was no less than a new version of the Southeast Asian Treaty Organization (SEATO) which was inspired by the United States. This feeling was clearly expressed in the Non-Aligned Summit held in Colombo in 1976 when the Vietnamese and Laotian delegation rejected the appeal from the ASEAN member states to endorse the proposal for Zone of Peace, Freedom and Neutrality. They argued, they could not accept the inclusion of the concept in the final declaration of the Non-Aligned Summit because the concept had been issued at the very moment when the ASEAN countries were directly or indirectly serving the United States aggressive war in Vietnam, Laos and Cambodia in complete contravention of the principles of the Non-Aligned Movement.²⁴

Although the Indochina states had persistently rejected the ASEAN gestures to accept the set of conduct which had been delineated after the Bali Summit, Indonesia still had a hope that Indochina states, particularly Vietnam would accept ASEAN proposal as guiding principles in interstate relations in South east Asia. However, this hope was dashed off as a result of the development in Indochina after the Bali Summit in 1976.

In November 1978, Vietnam concluded A Treaty of Friendship and Cooperation with the Soviet Union. This Treaty followed Vietnam's membership of the Council for Mutual Economic Assistance (CMEA) in June 1978. The main purpose of concluding such a treaty

 24 Kalyani Bandyopadhyaya, n.l.l., pp. 172.

was to deter China from indulging in any military acts on the northern border of Vietnam. This was soon followed by Vietnam military invasion against Kampuchea in December 1978. This disrupted Indonesia's plan to reestablish its diplomatic mission in Phnom Penh. The main objective of the invasion was to overthrow the Pol Pot regime which had become Chinese ally. Vietnam perceived Pol Pot regime in Phnom Penh as a security threat to its southern border. In less than a month the Pol Pot regime was driven to the Thai-Kampuchean border and Vietnam installed a new regime in Phnom Penh which soon became Vietnamese ally in the region. It should be noticed, Hanoi was not happy when Pol Pot regime had spurned its proposal for special relationship with the former in December 1978 as Laos had done in January 1974.²⁵

Hanoi decision to invade and install by force a new regime in Phnom Penh brought the Sino-Soviet dispute into the heart of Indochina in particular and Southeast Asia in general. The invasion alarmed China and the ASEAN countries. China reacted by launching military offensive on the northern border of Vietnam. The Chinese punitive action proved quite costly in terms of men and equipment and failed to achieve its goal of inducing Vietnam to evacuate from Cambodia. For the ASEAN countries which had neither the military prowess nor the guts to force the Vietnamese forces out of Kampuchea, had to seek diplomatic

25 Warner Draguhn, "The Indochina Conflict and The Position Of the Countries Involved," Contemporary Southeast Asia, vol. 5, no. 1 (June, 1983), pp. 98.

means as the only way to help finding the solution of Kampuchea's problem. This is the problem which has dogged Southeast Asia and has been the main preoccupation of the ASEAN member states for more than a decade and it is this problem that needs to be carefully examined to understand Indonesia's foreign policy in Southeast Asia.

The Kampuchea Problem

The first ASEAN reaction over the Vietnamese invasion of Kampuchea was expressed at the ASEAN foreign ministers meeting in Bangkok on January 13, 1979. The meeting produced a joint statement which reminding Vietnam of its "pledge to member countries to scrupulously respect each other independence." The communique also called for the withdrawal (immediate and total) of all foreign forces from the soil of Kampuchea. It also reminded Vietnam that Kampuchean people had the right to determine their future themselves.²⁶

The ASEAN Foreign Ministers joint communique was followed by the Indonesian Foreign Minister statement on behalf of ASEAN standing committee regarding China's invasion of Vietnam. He particularly called for an end to hostilities and the withdrawal of all foreign troops from areas of conflict in Kampuchea. He also expressed regret at the Vietnam-Kampuchea conflict and called upon all the countries in the region to

 26 Justus Van Der Kroef, "Hanoi and ASEAN: Is Co-Existence Possible," Contemporary Southeast Asia, vol. 1 No. 2 (September, 1979), pp. 169.

respect freedom and sovereignty of others and to solve differences by negotiation.²⁷

However, Indonesian position became more clear in March 1979 in the context of bilateral talks between President Suharto and the Malaysian Prime Minister Datuk Hussein Onn. The Onn-Suharto discussion resulted in an announcement that Indonesia and Malaysia would seek independently to make contact with the conflicting parties in Indochina with a view to resolving the issues. Suharto also held talks with the Thai Prime Minister Kriangsak Chamanand in which Suharto expressed his concern at the possible ramification of Vietnam being overly isolated and subjected to prolong pressure. An Indonesian senior official was reported having said that: "It has always been the thesis of President Suharto if Chinese push too hard in Vietnam then Vietnam will have no other option but to rely more heavily on the Soviet Union. This will only lead to a greater big power involvement in the region."²⁸ Suharto's concern over Vietnam being pushed too hard by China and overly isolated was the main and would remain the guiding principle of Indonesia's attitudes towards the Kampuchea problem. The Kuantan principle made this point all the more clear.

However, Indonesia's sympathetic attitude towards Vietnam

27 John Funston, "The Third Indochina War and Southeast Asia," Contemporary Southeast Asia, vol. 1, no. 3 (December, 1979) pp. 268.

28 Andrew McIntyre, "Interpreting Indonesian Foreign Policy: The Case of Kampuchea 1979-1986," Asian Survey, 37, no. 5 (May, 1987), pp. 516.

got severely lessened during 1979 when there was an influx of refugees flooding all states of ASEAN. Malaysia, Thailand and Indonesia received greater number of refugees than others. This in turn gave rise to disquiet over the possible implications stemming from the influx. The table below would enable one to understand the pressure coming from the flow of boat people into ASEAN countries.

Table 4 : The Influx of Refugees To ASEAN Countries

1975----	377	1979 January--	8 954	May--	51 550
1976----	5 248	February--	5 737	June--	56 941
1977----	15 675	March----	11 157		
1978----	95 544	April----	26 600		

Source: John Funston, n. 27., pp. 297.

These figures were alarming and the situation was worsened by new births in refugee groups. The ASEAN members viewed the refugees as threatening the stability of the member countries. This was mainly because of three reasons, first, they were seen as an economic burden particularly to Malaysia where most had landed. In case they were given preferential treatment, it would create resentment among the poorer elements of the host country's own population. Second, there was some concern especially in Thailand that refugees included a number of Hanoi agents who would make contact with the communist subversive elements already there. Third, because majority of the refugees were Chinese, Malaysia fear the prospect of an upset its ethnic balance

in a society where anti Chinese sentiments were close to the surface.²⁹

As a result of the ASEAN pressures, the United Nations Commission for Refugees (UNCR) held a meeting of 37 nations in Geneva in the month of December of 1978 and did manage to get participation of interested countries including Vietnam. However, no real solution was reached. Malaysia has proposed a remote island to be specially selected to house all the Vietnamese refugees in transit before their eventual transfer to the third countries. Indonesia which had many empty islands offered one of them to be used for that purpose.³⁰

The United Nations Commission for Refugees meeting was followed by the ASEAN Foreign Ministers meeting in Bali in June 1979. Its mainly preoccupation was with the refugees problem. This resulted in a tough communique holding Vietnam responsible for the refugees exodus and its destabilizing effects on ASEAN. The communique also specifically identified Vietnam as the invader of Cambodia, called upon it to withdraw its forces both from Thai border and all Cambodian territory and to honour the later's right of self determination.³¹

Although Indonesia had apparent sympathy for Vietnam, yet it went along with the consensus achieved within the ASEAN on

29 Sheldon W Simon, "China, Vietnam, And ASEAN: The Politics of Polarization," Asian Survey, vol. 19, no. 12 (December 1979), pp. 1185.

30 Zakaria Haji Ahmad, "Vietnamese Refugees and ASEAN," Contemporary Southeast Asia, vol. 1, no. 1 (May, 1979), pp. 66.

31 Simon, n. 29., pp. 1185.

the Kampuchean issue. In September 1979, ASEAN successfully sponsored a resolution in the United Nations for holding Kampuchea's seat in the General Assembly for Pol Pot's Democratic Kampuchea. The other called for the withdrawal of foreign troops, the holding of United Nations-supervised election and the convening of an international conference to consider the whole situation in Kampuchea.³²

The United Nations motion manifested at least outward unity on the Kampuchean issue. However, beyond these, there was significant internal disagreement. At the root of the disagreement was the divergence opinion between Indonesia and Malaysia on the one hand and Thailand and Singapore on the other over the question of the main threat to regional security. Indonesia was sympathetic towards Vietnam for several reasons and did not desire a debilitated Vietnam under the influence of Soviet Union or People's Republic of China. Both Indonesia and Malaysia would like to see a strong and independent Vietnam playing a constructive role in South east Asia to keep the influence of extra regional powers at bay. Both countries would like to wean Vietnam away from the Soviet Union. This was clearly expressed in the Kuantan Principle that would be discussed presently.

Another factor also came into play as far as the Indonesia was concerned. Indonesia felt stymied in its "proper" regional role because it has had within the framework of ASEAN

32 Andrew McIntyre, n. 28., pp. 516.

to acquiesce and support the policy of Thailand, the frontline state. Notwithstanding these differences and misgiving, Indonesia viewed ASEAN as its creation and the cornerstone of its foreign policy. In the interest of maintaining the solidarity and vitality of ASEAN, therefore Indonesia, would likely to pursue the Cambodian issue through ASEAN, advocating flexibility where necessary.³³

By contrast Singapore and in particular Thailand were convinced that it was the immediate threat posed by what they saw Vietnamese hegemonic ambitions that constituted the paramount danger to the security of the region. The Vietnamese threat assumed greater significance because Thailand perceived it to be a Vietnamese intention to dominate Indochina, its ideological commitment to export revolution and its strategic alliance with the Soviet Union. Thailand had long feared the creation of Indochina federation, for not only this would remove the buffer between Thailand and Vietnam but it would also lead to the perpetual dominance of Vietnam vis-a-vis Thailand. The Thai's fears were vindicated by the events in Indochina after 1978. In February 1979, Vietnam concluded a 25 year Treaty of Friendship and Cooperation with Cambodia similar to that one concluded with Laos in July 1977. In March 1979 Cambodia and Laos concluded agreements on technical cooperation with Vietnam. These three sets of agreements

33 Muthiah Alagappa, Security of Developing Nations: Lesson From Thailand (Kuala Lumpur: Institute of Strategic Studies, 1987), pp. 103.

coupled with the Vietnamese military presence in these two states were believed to indicated without doubt the dominant position of Hanoi in Indochina. Thailand, with the support of Singapore within the ASEAN, determined to prevent it.³⁴

Indonesian initiative to resolve the Kampuchean problem began in March 1980. The initiative expressed itself in the formulation of the so called Kuantan Principle following the meeting between President Suharto and Prime Minister Datuk Hussein Onn in Malaysia's eastern coastal city of Kuantan. It called for resolution to the conflict in Indochina. The Kuantan principle agreed at that time that a solution to the Indochina problem required : (1) that Vietnam be as free as possible from dependence on or influence by either the Soviet Union or the People's Republic of China, and (2) that in regard to the fighting and contest for power in Kampuchea a political rather than military solution should be sought but one that specifically recognised Hanoi's security interest in Kampuchea.³⁵

The Kuantan Principle seemed to be expressing both Suharto and Datuk Hussein Onn's sympathy towards Vietnam, however both the leaders were mainly concerned about the position of Thailand. This was clearly expressed at the conclusion of the talks. "We are concerned with the possibility of Indochina conflict, especially

34 Muthiah Alagappa, n.33., pp. 82. See also Leszek Buszynski, "New Aspirations and Old Constraints In Thailand Foreign Policy," Asian Survey, vol. 29, no. 11 (November, 1989), pp. 1070.

35 Justus Van Der Kroef, "ASEAN, Hanoi and The Kampuchean Conflict: Between "Kuantan and A "Third Alternative," Asian Survey vol.21, no. 5 (May, 1981), pp. 516.

the Kampuchean problem, being dragged on for too long." The Malaysian Prime Minister observed, "because it threatened the stability of the Southeast Asian region." The stability that Suharto and Hussein Onn had in mind was that of Thailand. Thailand was not only facing the problem of the Kampuchea refugees along its border with Kampuchea but also on the verge of political instability as a result of the removal of Prime Minister General Kriangsak Chomanand. Both leaders were deeply worried that the removal of General Kriangsak would trigger conflict among the various factions of the Thai military establishment which would finally lead to the destabilization in Southeast Asia at the time of acute regional crisis. This was the basic assumption which underlay the Kuantan Principle. It had called for recognition of Hanoi's security interests in Kampuchea with the hope that this would lead to ease the Vietnamese-Thailand confrontation. Presumably, by recognising that Vietnam should have some voice in future Kampuchean affairs and by accepting some degree of irreversibility of the ouster of Pol Pot, Thailand would become less of a "frontline" state as Vietnamese's suspicion and fears declined.³⁶

The Kuantan Principle, particularly in view of Suharto's personal involvement in its articulation, was indicative of the prevailing belief in Jakarta that if reconciliation was not effected, Vietnam would become so weakened by protracted conflict

36 Justus Van Der Kroef, n.35, pp. 517.

and costly confrontation that it would fall into increasing dependence on the Soviet Union.

Interestingly, however, the pronouncement of the Kuantan Principle soon created irritation in Bangkok. In Thailand's view, acknowledging a legitimate Vietnamese interests in the political identity of Kampuchea, implied a recognition of Vietnamese hegemonial role in that region. As such it proved to be totally averse to Thailand. The Thai Prime Minister General Prem Tinsulanond expressed this aversion during his visit to Jakarta shortly after the Kuantan talks. In the course of his talks with President Suharto the Thai Prime Minister reportedly in "a very polite way" but firmly rejected the Kuantan Principle. He emphasized that considering ASEAN's earlier and repeatedly sharp criticism of Vietnamese intervention in Kampuchea and Hanoi's refusal to withdraw its forces, the time seemed hardly appropriate for making new overtures to Vietnam. He also disagreed that the Thai government was about to collapse.³⁷

The Kuantan Principle was allowed to lapse indicating that both Suharto and Hussein Onn put more importance to maintaining the cohesive unity of ASEAN. Nonetheless, it was also indicative of a debate within ASEAN. The Kuantan initiative had expressed Indonesia's and Malaysia's joint concern that the Association had become caught up in a policy that would not

37 Michael Leifer, n. 14., pp. 106. See also Michael Leifer, "Obstacles to a Political Settlement in Indochina," in Pacific Affairs, vol. 58, no. 4 (Winter, 1986), pp. 630.

necessarily serve ASEAN's purpose as defined in Jakarta and Kuala Lumpur.

Although the Kuantan Principle had created irritation in Bangkok and Singapore, Indonesia continued in its efforts to find some sort of solution to the Kampuchean problem. The Ministry of Foreign Affairs (DEPLU) and the Ministry of Defence and Security (HANKAM) were extremely active in promoting reconciliation with Hanoi. Soon after the collapse of the Kuantan talks, Lieutenant General Benny Murdani was despatched to Hanoi in a secret mission to discuss the Kampuchean problem with the Vietnamese Foreign Minister, Nguyen Co Thach. The main Indonesian objective seemed to be an effort to persuade Vietnam to be more forthcoming with some positive concession during his impending visit to Jakarta which was fixed before the ASEAN annual foreign ministers meeting. The result of the visit were not made public. However, it seemed that Benny Murdani's visit had gained little if nothing. The subsequent visit by Nguyen Co Thach did not indicate any change in the Vietnamese position as far as the Kampuchean problem was concerned.³⁸

The Indonesian initiative was completely deflated when in June 23, 1980 more than 2 000 Vietnamese troops supported by artillery fire, crossed the Thailand-Cambodia border and

38 Andrew McIntyre, n.28., pp. 520. See also Sukhumband Paribatra, "ASEAN and The Kampuchean Conflict: A Study of Regional Organization Response To External Security Challenges, " in Robert Schlapino, Ed., Peace, Politics and Economics In Asia (Tokyo : Pergamon-Brassey, 1988), pp. 152.

occupied a large number of Thai border villages and engaged in heavy but brief fighting with Thai forces before withdrawing and forced more than 5 500 Kampuchean refugees to cross the border into the Kampuchean territory which was under the control of Pol Pot forces.³⁹

The Vietnamese invasion into Thailand had taken place on the eve of the thirteenth ASEAN foreign ministers meeting in Kuala Lumpur on June 25, 1980 thus guaranteeing that ASEAN would have to reiterate tough and uncompromising official position toward Vietnam. In addition, they maintained that "any incursion into Thailand directly effect the security of the ASEAN member states and endanger peace and security in the whole region." This expression of collective political defence had the effect of diminishing the significance of the Kuantan initiative. The ASEAN member states even indicated the possibility of military support for Thailand if again attacked by Vietnam.⁴⁰

The Vietnamese invasion also proved to the members of ASEAN that the Kuantan principle was wrong. The expression of Indonesian Foreign Minister Mochtar Kusumaatmadja indicated this thinking. In a press conference after the annual ASEAN Foreign Ministers meeting in Kuala Lumpur, Mochtar said that in an attempt to find a political solution to the Kampuchea crisis "some ASEAN countries had initiated a dialogue with Hanoi but the Vietnamese aggression against Thailand had proved that the

39 Van Der Kroef, n.26., pp. 169.

40 Michael Leifer, n.7., pp. 108.

attempt had been useless." The Singapore Foreign Minister Rajaratnam echoed the same point when he said that "a future dialogue with Vietnam on the Kampuchean question could now come about at the initiative of Hanoi."⁴¹

Nevertheless Suharto as well as Mochtar were concerned about the disruptive effect within ASEAN of Indonesia's reconciliation policy and as consequence President Suharto becoming less optimistic as to its merits. This was clearly expressed in his address to the nation on August 16, 1980 one of rare occasion which the President publicly addresses foreign policy issues, was considerably more critical of Hanoi than in the previous year and it emphasized Jakarta's support for Thailand and fundamental commitment to ASEAN solidarity. Indonesia soon adopted a low policy posture on the Kampuchean issue in recognition of serious concern aroused within ASEAN.⁴²

However, by the middle of 1981, Indonesia again embarked on a serious efforts to arrive at some solution in the Indochina stalemate. This time, Indonesia seemed to have more sensitive understanding towards its partner in ASEAN, especially Thailand and Singapore than earlier. In June 1981 ASEAN Foreign Ministers held a meeting in Manila to prepare for the International Conference on Kampuchea scheduled to be held in New York in July 1981. In this meeting, Indonesia pressured Thailand and

 41 Justus Van Der Kroef., n. 35., pp. 520.

42 McIntyre, n. 28., pp. 519.

Singapore to recognize Vietnam's "legitimate" security interests in Kampuchea. This was intended as a signal to Hanoi, and hopefully it would lead to a resumption of dialogue with Hanoi.

In October 22, 1980 United Nations General Assembly voted in favour of ASEAN resolution which demanded the holding of an International Conference on Kampuchea (ICK) with 97 for, 23 against and 22 abstention. Just a week before the ASEAN proposal for the convening of the International Conference on Kampuchea, the United Nations General Assembly had seated representatives of Democratic Kampuchea as the legitimate representative of Kampuchean people at the United Nations General Assembly in an overwhelming majority with 74 votes for, 35 against and 13 abstentions.

The ASEAN proposal to convene an International Conference on Kampuchea was to be composed of parties to the Kampuchean conflicts. Both Indonesia and Malaysia quite reasonably wanted the participation of Vietnam in the negotiation for political settlement. The agenda of the proposed conference consisted of six points, (1) the withdrawal of all foreign troops from Kampuchea under the United Nations verification, (2) the United Nations presence to maintain order and human rights in Kampuchea (3) holding free-elections in Kampuchea under the United Nations supervision, (4) prohibition against the introduction of any foreign forces into Kampuchea, (5) guarantees that an independent and sovereign Kampuchea will not be a threat to any of its neighbours and (6) guarantees respecting the sovereignty

independence, territorial integrity and neutrality of Kampuchea.⁴³

The International Conference on Kampuchea (ICK) which was attended by 79 nations and presided by the Australian Foreign Minister William Pahr under the auspices of the United Nations Secretary General. Diplomatically, the convening of the conference was a successful achievement by the ASEAN member countries. However, the conference was distinguished by the absence of Vietnam, Laos and the Soviet Union. It also brought to the surface the conflict between China's strongly anti-Vietnamese attitude and the more moderate approach of Indonesia and Malaysia. China rejected the ASEAN's demand that non government representation from Heng Samrin regime should be invited. However, China could not be ruled out, since China was the main supporter and financial as well as military supplier to the Khmer Rouge faction. This differences also served to reinforce the apprehensions among some ASEAN member governments over the Chinese-inspired strategy of attrition designed to impose a breaking strain on the society and government of Vietnam. None of the ASEAN government, including that of Thailand, which had closer relations with China than any other members, had any wish to see the dominance of Vietnam in Indochina replaced by that of China. This view was shared by all ASEAN members.⁴⁴

⁴³ Justus Van Der Kroef, n. 35., pp. 527.

⁴⁴ Michael Leifer, n. 7., pp. 116.

TH-352-1

In his annual address to the nation on August 16, 1981 President Suharto expressed Indonesian mood which was more moderate in its reference to the Kampuchea problem than it had been in 1980. This was followed by General Benny Murdani's second unpublicised trip to Hanoi in his capacity as Indonesia's Armed Forces Chief of Staff. However, again Murdani encountered little success or even sign of encouragement during his visits to Hanoi. He was reported to have felt extremely disappointed to note that Vietnam had not responded more positively. Murdani's visit was soon followed by the despatch of Dr. Fuad Hasan, the Director of Research and Development of the Ministry of Foreign Affairs, to Hanoi with the same purpose and predictably with no result.⁴⁵ The despatch of Dr. Fuad Hasan seemed to be part of the competition between the two ministries in dealing with the Kampuchea problem. Unfortunately, both had gained virtually nothing from efforts.

Indonesia did not come out with any new initiative in the ASEAN efforts to bring together a tripartite coalition of resistance forces in Kampuchea. This was mainly conducted by Singapore. The resistance forces consisted of three main factions which had bitter historical rivalries towards one another. The strongest faction had been the Khmer Rouge with more than 40,000 guerilla forces fighting along the Thai-Kampuchea border. Pol Pot was the Prime Minister of Democratic Kampuchea from April 1975 until December 1979. After the invasion Pol Pot

⁴⁵ Andrew McIntyre, n. 28., pp. 521.

relinquished his post to be replaced by Khieu Samphan. However, Pol Pot reportedly remained the unchallenged Khmer Rouge leader and supreme military commander of its guerilla forces. The other faction was the Khmer People's National Liberation Front (KPNLF) which was headed by Son Sann with 16,000 guerilla forces. The last and the weakest faction was Prince Norodom Sihanouk's Armee Nationale Sihanoukiste (ANS) with 5 000 guerilla forces.⁴⁶

This composition clearly figured the difficulties of reconciling three factions which had animosities against one another. Each had its forces and its own ideologies. Despite bitter rivalries among Cambodia's anti-Vietnamese factions, the persistent ASEAN's efforts succeeded when in Kuala Lumpur on June 22, 1982 an international counterpresence to the People's Republic of Kampuchea (PRK) was formed, namely the Coalition Government of Democratic Kampuchea (CGDK). The CGDK was strongly supported by China, ASEAN and the United States, was projected as an important alternative on the world diplomatic scene for those unwilling to accept as a fait accompli the 1978 Vietnamese invasion of Cambodia and the establishment of the PRK regime by Hanoi. ASEAN officially accepted the CGDK with its total military force of about 60,000 operating in guerilla sorties in Western and Central Cambodia. ASEAN members convinced CGDK could exert the kind of pressure

46 Michael Leifer, "Cambodia Conflict: The Final Phase ? Conflict Studies (London: International Institute of Conflict Studies), no..122 (May, 1989), pp. 24.

and disruption that eventually should cause Hanoi to accept new establishment in Kampuchea.⁴⁷

Little diplomatic activity in connection with Kampuchea emanated from Jakarta in 1982. Indonesia, however supported the efforts of Singapore and Thailand to mould the resistance forces into the coalition government of Democratic Kampuchea (CGDK). Indonesia continued with this policy when, along with other members of the Association, it proposed the recognition of CGDK at the United Nations General Assembly. In October 1982, after intense ASEAN lobbying backed by China and the United States defeated a Vietnamese resolution for the fourth time to oust Democratic Kampuchea (now CGDK) representative as the legitimate occupant of Kampuchea's seat. With 90 countries against, 29 for and 26 abstentions was the largest rejection to date of similiar annual efforts made by Hanoi and its chief supporter, the Soviet Union.⁴⁸

Indonesia also engaged in direct high level talks with Vietnam when Foreign Minister Nguyen Co Thach visited Jakarta in November 1982. But the talks between Mochtar and Co Thach did not produce any concrete results. In spite of repeated failures, Indonesia's persistent efforts in finding solution to the conflict in Kampuchea continued.

After almost a year of virtual silence, Indonesia was

47 Kalyani Bandyopadhyaya, n. 11., pp. 189

48 Justus Van Der Kroef, "The Kampuchea Problem: Diplomatic Deadlock and Initiative," Contemporary Southeast Asia vol. 5, n. 3 (December, 1983), pp. 265.

again active in February and March 1984. This was the time when Indonesia's Armed Forces Chief of Staff General Benny Murdani visited Hanoi. This was the first formal visit to Vietnam by an important official from an ASEAN country. It was during this three-day visit in which he also visited Vietnamese military installation near the Chinese border General Murdani made a remark saying : "The Indonesian armed forces and people do not believe that the danger to Southeast Asia comes from Vietnam." His statement delighted Vietnam but caused disappointment in some ASEAN capitals.⁴⁹ A specialist on Indonesian foreign policy, Michael Leifer observed :

"General Murdani's statement implicitly identified China as a principle source of external threat to the region. It suggested also that Vietnam might be drawn into a regional structure of security co-operation against China and accordingly loosened from its relationship with the Soviet Union." 50

This statement naturally generated considerable consternation both in Bangkok and Singapore. So much so that necessary for General Murdani to initiate efforts to restore confidence among ASEAN members. He did it when in February 1984 he went to Bandar Sri Begawan during official celebration to Mark Brunei's assumption of full independence.

In March 1984 The Jakarta based Centre for Strategic and International Studies (CSIS), which had close affiliation with the Ministry of Defence and Security, organised a seminar

49 Michael Leifer, n. 7., pp. 129.

50 Ibid., pp. 129.

with its counterpart, the Institute for International Relations in Hanoi. In that seminar, the CSIS team suggested the possibility of excluding the Khmer Rouge from the political solution for Cambodia and also the possibility of talks between ASEAN, Vietnam and Laos as an initial step toward the ultimate international conference. The CSIS team also gave a hint that Indonesia might be willing to accept a pro-Vietnamese regime in Cambodia if that was the desire of the people of Kampuchea. The major concessions were, as if, designed to bring about a resolution to the conflict and pave the way for a more congenial regional order.⁵¹ However, Vietnamese lukewarmness and objection from Thailand and China nullified these initiatives. Interestingly, CSIS offer was in substantial congruence with the Ministry of Defence and Security's and General Murdani's attitude in particular.

These developments were taking place in the context of visits to Jakarta by both Co Thach and Son Sann of CGDK as well as planned visit by Mochtar Kusumaatmadja to Moscow to attend the funeral of Yuri Andropov in February. It was also at this juncture, that the Indonesian Vice President and former Minister of Foreign Affairs, Adam Malik had issued a call for both the Soviet Union and China to discuss the Kampuchea question together with Vietnam.

The Vietnamese Foreign Minister Nguyen Co Thach visited Jakarta in March 1984, where he had a meeting with Foreign

51 Muthiah Alagappa, n. 33., pp. 102.

Minister Mochtar Kusumaatmadja and with President Suharto.

At the meeting President Suharto proposed a formula for negotiations over Kampuchea which excluded a direct representative role for the Phnom Penh government but with a peace-keeping one for Vietnam in any eventual settlement. Nguyen Co Thach instantly rejected the idea. This rejection provoked Suharto's annoyance he had proposed the idea without consultation with his ASEAN's counterparts. Suharto's deep annoyance was clearly expressed when Foreign Minister Mochtar denied outright a statement made by Thach in an interview with the press that President Suharto had agreed with Co Thach on the main threat to regional security. Suharto's personal annoyance apart, the possibility of early diplomatic accomodation, was further reduced when Vietnamese troops launched a major military incursion only eleven days after Co Thach's departure from Jakarta.⁵²

In order to clear the uncertainty among other ASEAN member states over Indonesia's position vis-a-vis Vietnam, Mochtar called for an extra-ordinary meeting of ASEAN Foreign Ministers in Jakarta. In that meeting Suharto assured other members of Indonesia's fundamental commitment to regional unity. A statement was issued that "the President welcomed the convening of ASEAN Foreign Ministers as an opportunity to show the world the complete unity of ASEAN on the Kampuchean problem." It seemed that Indonesia's individual initiative had failed to have any

52 Andrew McIntyre, n. 28., pp. 524.

impact on the political impasse and hence its returned to the ASEAN ranks to restore a formal unity though not with a common purpose. Quite importantly, however, ASEAN members had decided collectively to designate Mochtar Kusumaatmadja as "ASEAN Special Interluctor" and authorized him to pursue negotiations with Hanoi on their behalf. This position once again pushed Indonesia on to play an active role in finding solution for the deadlock on the Kampuchean problem.⁵³

However, in the months that followed Mochtar's appointment as ASEAN's special interluctor, there was no diplomatic activity. Presumably this was in deference to ASEAN members sensitivity and also as a result of Vietnamese military incursion in January 1985 in which the Vietnamese troops overran the encampment of the disparate resistance movement which is located along the Thai-Kampuchean border. This attacked provoked a coporate ASEAN's response. In a statement ASEAN members appealed to the international community to increase support and assistance to the Kampuchean people in their political and military struggle to liberate their homeland from foreign occupation.⁵⁴

Although Indonesia as a member of the Association went along with other members in condemning Vietnamese military incursion into Thai territory and appealing for more military and political aid for the Kampuchean resistance groups, its

53 Joneji Kuroyanagi, "The Kampuchea Conflict and ASEAN: A View From The Final Stage," Japan Review of International Affairs, vol. 3 no. 1 (spring, 1989), pp. 71.

54 Michael Leifer, n. 7., pp. 131.

efforts to find a conciliatory solution with the Vietnamese were continuing. Soon after the ASEAN Foreign Ministers's meeting in Bangkok, a joint seminar between the Jakarta's based Centre for Strategic and International Studies and the Hanoi's based Institute for International Relations was held in Jakarta on February 18-20, 1985. The credit for the arrangement was presumed to belong to General Benny Murdani who was repeatedly thanked at the outset of the seminar by the head of the Vietnamese delegation. The seminar once again emphasized what a Vietnamese strategic specialist described as "historical similarities" and "shared destiny" of Vietnam and Indonesia. Such similarities were stated to include, for example, the "successive national liberation fights of the Dai Viet against the Chinese's Yuan Ming dynasty in the 13th century, a struggle that coincided with the battles of the Javanese kingdom of Singasari and its defeating an "invading fleet of the Yuan expansionist." The Vietnamese emphasized further by saying "just as Chinese communist expansionism and hegemony today could threaten Vietnam so the Indonesian people know very well that China's interventionist hand staged a coup d'etat in 1965 in Indonesia.⁵⁵

In February 1985 in his speech before the Foreign and Defence Committee of the Indonesian Parliament, Mochtar announced that he would be going to Hanoi soon for talks. He also called

55 Justus Van Der Kroef, "Kampuchea: The Strategic Conflict in Indochina," Conflict Studies (London: International Institute of Conflict Studies), vol. 26 (July, 1988), pp.7.

upon the United States to normalise relations with Vietnam. Mochtar renewed his proposal when he met the Assistant Secretary of State Paul Wolfowitz in Jakarta. Mochtar finally went to Hanoi in March 1985. He introduced a new proposal to his counterpart Nguyen Co Thach indicating the possibility of improved relations between Hanoi and Washington that might facilitate an early resolution to the Kampuchean stalemate. For that purpose Vietnam should speed up the settlement of the issue of Americans Missing in Action (MIA) in order to coax Washington in normalizing relations with Hanoi.⁵⁶

While Mochtar was being busy with his new proposal, the Armed Forces Chief of Staff General Benny Murdani also resumed his diplomatic initiative. In April 1985 he received the Vietnamese Minister of Defence General Van Tien Dung when the latter visited Jakarta. General Benny Murdani made a statement after the talks concerning the possibility of military cooperation between Jakarta and Hanoi. He also announced that the agreement had been reached that Hanoi would despatch a military attache to Jakarta. Murdani's statement created an embarrassment for Mochtar and outrightly denied that there had been any such arrangement since Hanoi had military attache in Jakarta for many years. However, the rift between the Ministry of Defence and Security and The Ministry of Foreign Affairs reflected uneasy relations and competition between the two main principal architect

56 Andrew McIntyre, n. 28., pp. 525.

of Indonesia's foreign policy. It also reflected Mochtar's greater concern with the sensitivity of other ASEAN member states's feelings and Murdani's long-term perception of Indonesia's security interests. It clearly demonstrated that Indonesia looked at the problem of security and peace in the region through the prism of China's threat and not Vietnam.

Vietnamese Foreign Minister Nguyen Co Thach visited Jakarta in August 1985 and held a series of talks with Indonesian Foreign Minister, Defence and Security Minister. However, there was no clue which indicating any progress. Mochtar undeterred by the failure in the talks with Nguyen Co Thach flew to Bangkok to discuss what later became known as the "coktail party" proposal with his Thai counterpart, Sidhi Savetsila. Mochtar's "coktail party" proposal developed from a suggestion of CGDK President Norodom Sihanouk to provide a forum hosted by Indonesia in which the CGDK members could discuss the situation in Kampuchea.

The need to find some sort of solution to the Kampuchea problem became more urgent as a result of Sihanouk's announcement that he would take a year's leave of absence of President of the Coalition Government Democratic of Kampuchea, ostensibly because of armed attacks on forces loyal to him by the Khmer Rouge and the KNLF. This was a serious blow to ASEAN's Kampuchea policy. Sihanouk had been treated by all ASEAN governments as a symbol of Kampuchean legitimacy and as central to their diplomatic undertaking.⁵⁷

57 Michael Liefer, n. 28., pp. 135.

Mochtar again put forward his "cocktail party" proposal to his Vietnamese counterpart, Nguyen Co Thach when he visited Hanoi in July 1987. There he reached an understanding with Co Thach that an informal meeting of the two Kampuchean sides be convened on the basis of "equal footing without preconditions and with no political labels to which at a later stage Indonesia would invite other concerned countries, including Vietnam to participate." However, as soon as Mochtar-Thach agreement was announced, Thailand and Singapore politely but firmly rejected the agreement and made clear that in their view Mochtar in his role as ASEAN interlocutor had conceded too much. China had already indicated its unwillingness to accept the agreement.

The Indonesian-Vietnam agreement of July 1987 would not move ahead because of the rejection by the Khmer Rouge to be a party in the discussion and Thailand fell in line with China's approach. The indicative which was moved by longstanding concern that if the Kampuchean conflict could not be settled, it would entrench Sino-Soviet rivalry in the region, got stuck mainly because of continuing conflict was acceptable to Thailand and Singapore as well as China, and as a result, there was no strong reason to accommodate Vietnam.

CHAPTER IV

ASIA-PACIFIC SECURITY PERSPECTIVE

CHAPTER IV

ASIA-PACIFIC SECURITY PERSPECTIVE

To understand Indonesia's perspective on security in the Asia-Pacific region, one ought to study the matter at three levels of discussion. At the first level, one needs to study Indonesia's defence capabilities. This is to be followed by a discussion on Indonesia's perception of the major powers which play a considerable role in the region, namely, the United States, the Soviet Union, Japan and the People's Republic of China. At the second level, one has to study each of the major power role in the region in order to understand Indonesia's perspective on each of the major powers. At the third level, should be studied the interactions among the major powers in the Asia-Pacific region and the Indonesia's perspective on the major powers's interactions. All these three levels of discussions would help one to understand comprehensively Indonesia's perspective on security in this region.

Military Capabilities

Indonesia's present political system is substantially under the domination of the Indonesian armed forces. This has been especially true since 1965 when the abortive coup launched by the Communist Party of Indonesia had opened the way for the armed forces to play a considerable role in the Indonesian political system.¹

1 Harold Crouch, Army and Politics In Indonesia (Ithaca: Cornell University Press, 1976), pp. 60.

The Indonesian armed forces (ABRI) comprising of 280.000 men or roughly 0.4 per cent of the overall population of 172.631.000 (1986 data) had emerged as a distinct ruling group by controlling a number of essential government bodies. The Armed forces had deeply penetrated important government as well as political positions. It had justified by the concept of dual function (dwi-fungsi) which claimed that military role was not simply to protect the nation but also to undertake a nation-building. In order to undertake both these function, many officers had been trained at the Bandung School of Army Staff and Command (SESKOAD), but the very top echelons of the Army had been sent abroad to various military colleges in the United States, Western Europe and Australia. From 1950 to 1979 some 5.500 Indonesian armed forces men had attended course in the United States under what is known as the International Military Education and Training Programme (TMEP).²

The Army. Indonesian army consisted of 215.000 men. General Jusup when he took over the command in 1978 from General Panggabean as the Indonesian Minister of Defense and Security and Armed Forces Chief of Staff, had expanded the army to one hundred battalion units many of which were not up to the authorized strength. This had been proved during the annexation of East Timor in 1975 when many of those battalions had shown a poor

2 Peter Lyon, "Indonesia," in Edward A Kolodiej and Robert E Harkavy, eds., Security Policies of Developing Countries (Lexington: Lexington Books, 1982), pp. 104.

performance. The Army conventional warfare were centered on its Army Strategic Reserve (KOSTRAD) under the direct command of Chief of the Army. The Strategic Reserve Command was made up of three infantry brigades (three battalions), an armoured brigade (ten battalions) and an artillery regiment (three battalions). Two of the infantry brigades were airbornes. With the existing lift capacity and redeployment of elements of the Strategic Reserve Command, any strategic forward projection could be possible.

Included in the Army structure but operating under a separate command directly under the Army Chief of Staff is the elite Red Beret, once known as the Regiment Para Commandos (RPFAD) but now renamed Special Operation Command (KOPASUS). The men in this force are trained in the intellegence gathering sabotage, parachutting and beach landing. They are at present about 41,000 men. If Indonesia were to send forces to help in the defence of ASEAN fellow member, it would probably choose a Special Operation Command (KOPASUS) or perhaps a battalion from Strategic Reserve Command (KOSTRAD). However, this could not be more than a token gesture of support since Indonesia has little capacity for the projection of forces outside its own island territories.³

The Navy. Although modest in size, comprising of 43,000 men, the Indonesian Navy (ALRI) is becoming technologically

3 Peter Lyon, n. 2., pp. 165. See also Donald E. Weatherbee "ASEAN: Patterns of National and Regional Resilience," in Young Whan Kil and Lawrence E. Grinter, eds., Asia-Pacific Security: Emerging Challenges and Responses (New Delhi: Archieves Publisher, 1987), pp. 210.

advanced and already possess some interdiction capability. The Indonesian navy had recently acquired three Dutch built 1 500 ton corvettes with four exocet MM-38 SSMs. Plans for two more had been delayed because of budgetary shortfalls. There are four Korean built exocet armed fast attack crafts. The German built type-29 submarines (with third in order) have strategic defense role and give anti-submarine warfare training. Four ex-United States Jones Class Frigates and two ex-Soviet Riga Class Frigate are still in service along with numerous patrol vessels. Indonesia's latest acquisition for the navy was the purchase of three ex-Royal Navy Tribal Class frigates from the Australian Royal Navy. These three frigates were built between 1962 and 1964 and were originally designed for service in the Persian Gulf and the Red Sea.

Air Force. The post-1965 Indonesian Air Force (AURI) has inherited not only the taint of complicity in leftist adventurism but also an inventory of obsolescent and unserviceable Russian aircraft. The rebuilding of the Indonesian Air Force has focussed on creating a supportive force capable of supporting ground and naval operations. According to General Murdani the air force was overmanned and was a major target for rationalization. The Armed Force Commander who succeeded General Jusup in 1983 had unfavourably compared Indonesian Air Force of 27.000 men and 100 aircraft to Singaporean 7000 men and 160 aircrafts. There is a combat force consisting of a squadron of ex-Israeli a-4 skyhawks and a COIN squadron of OV-10^F Broncos. The acquisition

of three Boeing 737 fitted with side-looking radar that gives 100 mile coverage from each side of the aircraft would allow the full width of Indonesia's Economic Exclusive Zone to be monitored on a mission range of 3,000 miles.⁴

General Murdani had shown great concern for Indonesia's air defense capabilities. In September 1983 the Indonesian Air Force had accepted two of the French Thompson radar units. These would be used to control F-5 interceptors. In addition to its combat aircraft, Indonesian Air Force has deployed since 1983 the Swedish Bofors RBS-70 Giraffe surface-to-air missiles (SAM).

General Murdani was very impressed by Vietnam air defense system when he visited the border between Vietnam and China in February 1984. He told the Indonesian Parliament that Indonesia needed an advanced SAM system. After looking at a number of possibilities, Indonesia placed in December 1984 a £100 million order with British Aero Space for the Rapier system, one of the largest recent defense orders placed by Indonesia.⁵

Indonesia's second strategic development plan (1979-1983) provided the framework for a major effort at rebuilding the Indonesian armed forces. From a territorially based warfare force, the armed forces were to be given the capabilities to

4 Donald E. Weatherbee, n.3., pp. 210. See also Peter Lyon, n.2., pp. 171.

5 Donald E. Weatherbee, n.3., pp. 211.

meet conventional threat along its border as well as assume responsibility of surveillance over Indonesia's extensive archipelagic maritime jurisdiction and economic exclusive zone. Indonesian military program since 1979 reflected geo strategic appreciation that the border of the nation were in its maritime zone and hence armed forces must be prepared to meet the enemy at the borders. The magnitude of Indonesia's maritime defense and surveillance could not be overestimated because it has 2.5 million square miles within its jurisdiction.

Defense Industries. Indonesian defense industries were only recently established with the pronouncement of Presidential decree no. 40/1980 to set up a high level team under the Chairmanship of the Ministry of Research and Technology Dr. Habibie. The aim of the establishment of a strategic industry was to reduce dependence on imported weapon's system and increase indigenous maintenance capabilities.

For the next ten years the emphasis would be given on small arms rocket, ammunition, propellants, communication equipment and mobility elements. The last category included transport and armed vehicles, fast patrol boats, transport vessels transport aircraft and helicopter gunships. More sophisticated equipment such as missiles, tanks, combat ships, submarines and fighter aircraft were still needed to be imported in the foreseeable future.

PT Nurtanio; a newly expanded aircraft industry in Bandung assembled helicopters (BO-105 and Super Puma) and transport

(CASA 21) and was developing new aircraft, the CN-235. In addition, since 1987, PT Nurtanio had got contract from the American Defense Department to manufacture some of the spare parts for jet fighters. The new shipyard in Surabaya, PT Pal which is the home of most of ship repairs and overhauling facilities had begun building a fleet of fast patrol boat. The Army small arms and ammunition factory in Bandung PT PINDAD had been producing ammunition, small arms and machine gun. In all these ventures, the government aimed at using imported technology and assistance when necessary and to acquire skills to establish a reasonably autonomous arms industries.⁶

Defense Budget. Defense expenditure are not always easy to analyse. The defense budget like the national budget depends on the fluctuating of oil revenue which are derived from the state oil company, PERTAMINA. About 70 per cent of the national budget depended on revenue from oil and natural gas. For many years, PERTAMINA funds were also tapped for major development of defense industries. However, since mid-1975 financial crisis oil revenues were being channelled through Ministry of Finance where they entered regular budgetary channel and were more easily controlled.

In his annual speech to the Parliament in January 1978 President Suharto announced that the growing financial capacity of state allowed reorientation of defense expenditures to better

6 Harold W Maynard, "The Role of The Indonesian Armed Forces in Edward Olsen, ed., The Armed Forces In Contemporary Asian Societies (Boulder: Westview Press, 1986). pp.195-96.

respond to foreign threats. General Jusup's term as Minister of Defence and Security coincided with the increasing military budget during the Armed Forces 1979-1983 Strategic Plan. His successor General Murdani had to face far more strict restrictions during 1984-1985 period.

Between fiscal years 1978-199 and 1981-1982 the total national budget reportedly rose from US \$ 11.62 billion to US\$ 22.24 billion, while the military budget rose from US \$ 1.69 billion to US \$ 2.76 billion. Significantly that portion of the Ministry of Defence and Security budget donated to new equipment purchase and force infrastructure more than tripled between 1978 and 1982. From US \$ 232 million to US \$ 909 million whereas the military development budget in the fiscal year 1978-1979, it share rose to 6.4 per cent in the fiscal year 1982-1983. During 1984-1985, however, national economic austerity measures caused by depressed oil markets had taken their toll on the military budget. In dollar value, the defense military budget was just over US \$ 2 billion, roughly two third of which was slated routine (as opposed to development) expenses.⁷

Table 5 below gives clear list of Indonesian military expenditure as well as of other members of the Association of Southeast Asian Nations (ASEAN). It clearly shows that Indonesia's military spending began to decline in 1983 at the time when the price of oil fell sharply in the international market. As a result the New Order government found that they had no option except to cut its military expenditure.

Table Military Spending In Southeast Asia (In constant US dollar in million)

Year	Indonesia	Malaysia	Philippines	Thailand	Singapore
1977	1305	848	805	848	522
1978	1395	723	605	1076	589
1979	1495	780	739	1271	589
1980	1523	970	655	1281	673
1981	1714	1424	637	1274	745
1982	1730	1327	582	1421	767
1983	1543	1327	582	1431	702
1984	1566	1058	403	1528	960
1985	1491	1027	409	1747	1041
1986	1597	1183	402	1700	1041
1987	1367	937	458	1657	NA
Total	17026	11594	6277	15134	6588

Source : Andrew Ross, "Growth, Debt and Military Spending In Southeast Asia," Contemporary Southeast Asia, vol. 11 No. 4 (March, 1980), pp. 244.

Defense Cooperation. Being aware of its limited military capabilities, Indonesia embarked on military cooperation with other ASEAN countries, particularly in the form of joint military exercises. The main principle of these military exercises was to practice the concept of national as well as regional resilience. In defense terms this meant that as each of the member countries of the Association of Southeast Asia Nations was to defend itself

the region as a whole would become capable of withstanding external aggression.

Although Indonesian leaders along with their counterparts in other ASEAN countries recognized that the members of the grouping had strengthened their armed forces and had forged collective diplomatic and political positions on crucial security issues on the basis of mutual agreement, they continued to deny that the pattern of security cooperation had evolved into a military alliance. However, it is correct to say the joint military exercises had evolved a network of military relationship among the member countries. This could be seen from the joint military exercises conducted by Indonesia with its ASEAN partners as given below. The Roman numeral following the code names indicate the number in the series of similar exercises before 1984.

Elang Indopura III : May, Indonesia-Singapore air force exercise.

Malindo Jaya IX: Fall, Indonesia-Malaysia Army exercise.

Sea Garuda V: September, Indonesia-Thailand naval exercise.

Englek VII : October, Indonesia-Singapore naval exercise.⁷

Along with these joint exercises with fellow members of the ASEAN, Indonesia also conducted joint exercises with its neighbouring countries such as Australia and New Zealand. However, the emphasis was on naval as well as air force exercises since they were easier to organize and execute. Nevertheless, Indonesia

7 Donald E. Weatherbee, n. 4., pp. 216.

considered joint exercises with other members of the ASEAN as more important than with other countries. This was reflected in the implicit strategic alliance between Indonesia and Malaysia.

From the Indonesia's strategic point of view, Malaysia was a strategic frontline as well as buffer state. Indonesia and Malaysia shared a common security interest in the South China Sea Zone. A 1982 treaty defined Malaysian right within the Indonesian archipelagic maritime zone and Indonesian preserved Malaysian communication access between peninsular Malaysia and Sabah and Sarawak. Indonesia and Malaysia had conducted their joint navy and air force exercises in the Indonesian maritime and air space north of the Natuna island. At the end of September Elang Malindo exercise, General Murdani had said Indonesia was prepared to help Malaysia in defending its its territorial claim on the disputed Layang-Layang atoll.⁸

Perception of The Major Powers

Indonesia's perception of the major powers is mainly based on its experience as an independent state. This experience derives the encounters the Indonesian elites had with the major powers, namely, the United States, the Soviet Union, Japan and People's Republic of China. These elites perceptions have been based on their experiences three important stages in Indonesian

⁸ Wheatherbee, n. 4., pp. 219. See also Charles E Morrison and Astri Suhrke, "ASEAN In Regional Defense and Development," in Sudershan Chawla, ed., Changing Security and Stability In Asia (New York: Praeger, 1980), pp. 205.

historical experiences, namely the war of independence from 1945-1949, the Parliamentary Democracy from 1949-1957, the Guided Democracy from 1957 to 1965 and the New Order period from 1965 onwards. The elites's perception of the major powers under discussion here are mainly the perceptions of that of 1945 generation. This mainly due to the fact that this generation is holding key positions at the present moment while the 1928 generation who played very crucial role during the early period of the Indonesian independence had faded from the political scene.

The United States

The elites of the 1945 generation had gained some impressions about the United States by the end of the Second World War. They looked to the United States for political support, however, they were greatly dismayed by the meagerness of the American support. Nevertheless, some also felt that the United States helped Indonesia more than it did Holland.

In the 1950s Indonesian elites's favourable impression toward the United States turned into disappointment. The American in their view, pushed it into joining its bloc in what later came to be known as Mutual Security Assistance (MSA) scandal in the early 1950s. This was followed by the American involvement in 1957 regional rebellions in the Western part of Sumatra and northern part of Sulawesi. Despite the fact that the United States government never acknowledged their

involvement in these two most serious threat to the country's sovereignty and integrity as a nation-state, most of the 1945 elites felt convinced that the United States was involved by supplying arms to the rebels and using the Clark air base in the Philippines for the benefit of the rebels.⁹

Another historical stage which had decisive impact on turning the Indonesian elites against the United States was Indonesian claim over West Irian. The 1949 agreement on independence of Indonesia had provided that the status of West Irian should be solved through negotiations within a year. However, the Dutch failed to fulfil their pledge to solve the problem through negotiations. The American official attitude on West Irian was one of neutrality, which in Indonesian perception meant maintaining the status quo of Dutch occupation of West Irian. It was through the military pressure mounted by the Indonesian armed forces with the Soviet help which finally forced the United States to change its neutral stance in favour of Indonesia. In 1962 after a short process of negotiation, the Dutch acceded to the Indonesian demands.

The American administration also put pressure on Indonesia to abandon its policy of confrontation with Malaysia and stopped its foreign aid to Indonesia in 1964. The Indonesian-American relations were worsened by the American involvement by the middle of 1960s.

 9 Robert O Tilman, The Southeast Asia and The Enemy Beyond: ASEAN Perceptions of External Threat (Boulder: Westview Press, 1987), pp. 129.

The emergence of the New Order government qualitatively changed the perceptions and attitudes of Indonesia's 1945 elites generation towards the United States. Indonesia-American relations improved rapidly and considerably. Indonesia in the post Sukarno period regained its lost friendship with the United States as America resumed its arms shipment and joined other Western countries in rescheduling Indonesia's foreign debts. Moreover, Indonesia's leading technocrats who were appointed by President Suharto in key positions were the people who not only had their education in America's leading Universities but also had more inclination towards the American in particular and Western ideas and tastes in general.

However, there was a general feeling among Indonesia's elites that the United States failed to accept Indonesia's regional importance. Indonesia's political and intellectual leaders complained that the United States had given better treatment to other smaller and less important states, such as Singapore, which is less important regionally.¹⁰

The Soviet Union

The 1945 generation had a negative perception toward the Soviet Union. They generally thought the Soviet Union as "dangerous communists."

Although the Soviet Union played a helpful role in the United Nations in defending Indonesia's position, yet the

10 Franklin B Weinstein, Indonesian Foreign Policy and Dilemma of Dependence (Ithaca: Cornell University Press, 1976), pp. 83. See also Robert O Tilman, n. 9., pp.130.

Indonesian leaders perceived it as an attempt to embarrass the Western powers rather than genuinely helping Indonesia's struggle to achieve its international recognition. However, the most dramatic experience which came to have great negative impact on Indonesia's 1945 generation perceptions towards the Soviet Union was its support to the establishment of a communist state in Madiun, East Java launched by the Indonesian Communist Party in 1948. This shocked the Indonesian leaders and was perceived as "a stab from the back" in the critical moment of Indonesian revolution. This experience is still very much in the minds of those 1945 generation leaders who are holding key positions at present.

The Soviet Union provided a substantial military help in Indonesia's attempt to incorporate West Irian as an integral part of the country's territory. It was the Soviet Union MIG-23s and cruisers and submarines which helped Indonesia to mount a military pressure on the Dutch and finally led to a reversal of the American position on this issue. The Soviet Union had earlier supported the Indonesian government efforts to crush the separatist groups in Western Sumatra and northern Sulawesi. The Soviet Union also supported Indonesia's confrontation policy though it put gentle pressure on Indonesia to abandon its confrontational approach.

However, all this help did not erase anti-Soviet feelings among the 1945 generation leaders. They perceived the Soviet help as self-serving. The Soviet help to crush the separatist

movement helped the Communist Party of Indonesia to expand its role and also helped Sukarno regime in eliminating the right-wing opposition groups. Nonetheless, Indonesian leaders also perceived that the Soviet Union did not pose any serious military threat to the country. This mainly because of the it was far away and Indonesia was not dependent upon the Soviet Union economically as well as militarily. At the same time, they still harboured suspicion towards the Soviet Union. For many years the Soviet Union had been suspected of financing certain publications (Topik, Merdeka, Indonesian Observer) that espoused consistently pro-Soviet and anti-Western editorial policy. In early 1982, an Indonesian navy officer was caught handing over a detailed marine chart to a secret Soviet intelligence officer in exchange for cash.¹¹

People's Republic of China

The 1945 generation leaders's perception of the People's Republic of China clearly showed a link between the Indonesian perception of its local Chinese community and their attitudes policies towards the People's Republic of China.¹²

They harboured a negative feeling towards the Chinese community in Indonesia because they felt that a substantial number of them had supported the Dutch during the war of

11 Harold W Maynard, n. 6., pp. 201.

12 Chang Pao Min, "China and Southeast Asia: The Problem of A Perceptional Gap," Contemporary Southeast Asia, vol.10 no. 1 (June, 1988), pp. 185.

independence. They also still harboured suspicion towards the overseas Chinese living elsewhere in Southeast Asia.

Though the People's Republic of China fully backed Indonesia's position against the separatist movements and in its campaign against the Dutch in West Irian, the 1945 generation leaders were upset by the Chinese interference in Indonesia's internal affairs. This took place in 1957 when the Indonesian government introduced a regulation which prohibited resident Chinese from engaging in retail trade in rural areas. The Chinese Embassy protested and encouraged the local Chinese to disobey the regulation.¹³

The most dramatic event which deepened the Indonesian leaders suspicion towards China was their involvement in the abortive coup attempt of September 1965 launched by the Communist Party of Indonesia. The 1945 generation leaders were convinced that the Communist Party of Indonesia got massive support from Beijing.¹⁴

The Indonesian leaders felt most threatened by the Chinese mainly because of two reasons. Internally, though the ethnic Chinese were only about two per cent of the overall population, because of their economic predominance they were viewed as potential subversive elements. In the major cities of Java, the Chinese were often suspected for their capitalist

13 Weinstein, n.10., pp. 91.

14 Tilman, n.9., pp. 87.

ties with their fellow Chinese capitalists in Singapore and Hongkong. While in rural areas such as in Western Kalimantan, Riau islands and Eastern Sumatra, the Chinese community was looked upon as breeding ground for pro-Beijing subversives.

Externally, the Indonesian armed forces perceived China as the greatest long-term threat. China had not been forgiven for supporting the Communist Party of Indonesia. The threat perception of China also emanated from the latter's geographical proximity with Southeast Asia. That China was 1000 nautical miles from Indonesia and had little conventional force projection capability reassured the Indonesian armed forces. Nonetheless Chinese support of the Khmer Rouge fighters in Kampuchea reminded the Indonesian armed forces leaders who mainly belonged to the 1945 generation, of Beijing continued tendency to support insurgencies in Southeast Asia should it fit Beijing's foreign policy interest well.¹⁵

Japan

The 1945 generation encountered with the Japanese was in 1942. The Japanese victory convinced many Indonesian leaders that had they acquired same technological prowess, they could well have defeated the Dutch. This was followed by the disillusionment when the Japanese brutally exploited the country as a source of raw materials for their war purpose. Many of the 1945 generation were tortured by the Japanese. They felt the Japanese were more brutal than the Dutch.

¹⁵ Harold W Maynard, n. 6., pp. 200.

However, the 1945 generation leaders also perceived that the Japanese had provided the opportunity for the Indonesians to assert themselves. They Japanese, they felt had provided them with the opportunity to manage many key positions in the bureaucratic structure which had been denied by the Dutch. The Indonesian youths also for the first time had military training under the Japanese instructors. Many of those who had initial training became the key figures in the Indonesian armed forces and were holding key positions under the New Order government at present.¹⁶

Many of the Indonesian leaders were also impressed by the Japanese economic achievements in the early 1960s. They were also impressed by the Japanese economic strength. They were however, worried about the Japanese potential economic expansion in Indonesia. Since 1966 the Japanese had been perceived with both admiration and apprehension because of its industrial strength and its economic requirements for raw materials. The Japanese, they perceived, wanted not only to control Southeast Asia but also to become a hegemonic power in the region. They thought that although the Japanese would attempt to secure the needed raw materials peacefully yet, they were convinced the Japanese would not reluctant to use their military muscle. The Japanese had the capability to turn their industry into a military machine within a very

16 Joyce Lebra, Japanese Trained Armies In Southeast Asia (Singapore: Heinemann Educational Books, 1977), pp.80.

short time. They also thought that the indispensability of the Japanese threat because Indonesia was highly dependent on Japanese aid support as well as Japanese investments for Indonesia's economic development. This perception was clearly shown when the students in January 1974 went to the streets to express their anger and disappointment on the Japanese domination over Indonesian economy. The student demonstration was the biggest ever under the New Order government and forced the government to restrict Japanese domination.¹⁷

Usually, the Indonesian leaders were known to have been expressing concern about the probable Japanese behaviour once the Japanese came to command dominant political position. The Indonesian military leaders had also been expressing about the nature of the hardware the Japanese might require to carry out their new defence responsibility.¹⁸

Asia-Pacific Security Perspective

The strategic environment in the Asia Pacific region has been affected by four important factors, namely power competition between the two super powers, the United States and the Soviet Union, China's search for leadership in Southeast Asia, Japan's increased defence and economic role and its implication and its implication for other states in the region, especially the ASEAN states. Besides, cooperation and competition between the

17 Weinstein, n.10., pp. 100.

18 Tilman, n. 9., pp. 113.

major powers and the implication of Vietnamese occupation of Kampuchea in brief also need to be studied.

The United States

Whether viewed from the perspective of military, political or economic, the United States continues to be the major powers in the Asia-Pacific region.

The United States's position in the Asia-Pacific region was characterized by deep involvement in the 1950s and 1960s. It gradually withdrew in the 1970s and regained its position in the 1980s. In the 1950s and 1960s Southeast Asia was important in the American priorities. The victory of the Communist China and communist advanced in Korea and Indochina convinced the United States that international communism had to be contained. This led to the expanded application of the Truman doctrine which had been applied to the European countries earlier. On this context, People's Republic of China became the target of the American containment policy in Asia. The division of Vietnam as a result of the Geneva Conference in 1954 led to the formation of Southeast Asian Treaty Organization (SEATO) in September of that year. The United States government firmly believed at that time that the loss of South Vietnam would lead to a swift collapse of the rest of Southeast Asia. By the late 1960s the United States had acquired based facilities in South Vietnam and deployed troops in the Philippines, South Vietnam and Thailand.¹⁹

 19 Muthiah Alagappa, "Major Powers and Southeast Asia," *International Journal*, vol. 64, no. 3 (August, 1989), pp. 544.

The United States policy towards Southeast Asia underwent a steady and yet dramatic decline in the 1970s. Beginning with the Nixon doctrine and continues through the United States disengagement from Vietnam in 1973 and the Communist victories in Indochina in 1975, American policy in general increasingly wanted nothing to do with the region. American policy makers decided to withdraw their troops from Thailand, Korea and Taiwan and effect some reduction in the Seventh Fleet personnel and lowering the figure to less than 130,000. The United States also terminated its defence treaty with Taiwan in 1980 and merely complained about the Soviet troops deployment in the Kurile islands. At the same time, the United States dominated Southeast Asian Treaty was phased out and the Carter administration seemed to have totally lost interest in the region.²⁰

Concurrently, the United States policy toward China also underwent dramatic shifts. The intensification of the Sino-Soviet competition provided an opportunity to the United States to use what was better known as "China's card" vis-a-vis the Soviet Union. China became de facto ally and henceforth an important component of the United States strategy in the Asia-Pacific region. This, along with the Vietnamese occupation of Kampuchea reawakened the United States's interest in the region and the battle line were now clearly drawn, with the Soviet Union and Vietnam on the one side and the United States, China

 20 Muthiah Alagappa, n. 19., pp. 545.

and ASEAN on the other.²¹ Although the United State is unlikely to commit ground forces in the region in the defence of an allied country, yet the Asia-Pacific region in general and Southeast Asia in particular remains quite important in its calculations. This is mainly because of the increasing trade imbalance between the United States and this region, the strategic importance of the Southeast Asian islands to the American navy and the presence of American bases in the Philippines.

Economically, it has become an important region of the world. In 1982 the United States trade with this region had accounted for approximately 30 per cent of its total world trade. In 1984 the United States exports to Asia-Pacific were valued at US \$ 54 billion and imports at US \$ 50 billion. Asia-Pacific now account for more than 50 per cent of the United States global deficit.²¹ Meanwhile the United States economic relations with the ASEAN member states are also quite significant. ASEAN is the seventh largest trading partner of the United States. Two way trade in 1987 exceeded US \$ 28 billion and the United States investment in these countries was almost three times that of China's. This region is of primary importance for the United States prosperity and the United States policy is in large measure determined by this factor. ²²

 21 Sheldon W Simon, "The Great Powers and Southeast Asia: Cautious Minute or Dangerous Tango," Asian Survey, vol. 25, no. 9 (September, 1985), pp. 920.

22 Alagappa, n. 19., pp. 545.

Strategically, the United States had military commitments with a number of countries in the region. Although most of the commitments with its allies in the region was made in the 1950s (Japan, South Korea, the Philippines, Australia, New Zealand and to a lesser extent Thailand) it remained in force although the nature of these commitments had been degraded since the end of Indochina war in 1975.

In the wake of the Soviet occupation of Afghanistan and the Vietnamese occupation of Kampuchea, the United States had developed a new approach to security in the Indian Ocean by enhancing its naval, air force and communication facilities. The countries of ASEAN were an integral part of this new approach. Indonesia in this regard could play a very crucial role. This was due to the fact that the Indonesian archipelago along with the Malaysian peninsular which was stretching across 300 miles astride a series of narrow straits could be used by the United States to both monitor and interdict ships moving between the Pacific and Indian Ocean. Some of the straits were wide and deep enough to permit the passage of submarines. These were Sunda Straits (deep 200 feet, width 12 nautical miles) Lombok Strait (depth 600 feet and width 12 nautical miles) Malacca Strait (depth 75 feet and width 8 nautical miles).²³

The importance of these straits for the super powers competition could be seen when in 1982 the Indonesian government

23 Sheldon Simon, n. 21., pp. 932.

expelled two Soviet diplomats who were attempting to obtain exactly the kind of hydrographic data on these straits to position hunter killer submarines in an interdiction mode.

Another strategic importance of this region to the United States has been its military bases at Clark Air Base and Subic Bay Naval Base in the Philippines. Clark Air Base is the largest United States airfield in the Asia-Pacific region. With 130,000 acres of land, all weather runways and satellite electronic warfare and 13th air force headquarters is the major military communication center, air training and transit hub west of Hawaii. Meanwhile, Subic naval Base is one of the biggest naval bases outside the United States. It has ship repair and storage facilities west of Hawaii. The bases are positioned to provide maximum flexibility in responding to crisis anywhere from the Indian Ocean up to the Sea of Japan.²⁴

The presence of the Clark and Subic Bay bases becomes more important because of the expansion of the Soviet Bases in Cam Ranh Bay and Da Nang in the Southern part of Vietnam which is only eight hundred miles away from the Subic Bay. The presence of the United States Bases in Southeast Asia would be a contentious issue in the coming years. Under the 1947 Base Agreement, the United States facilities might be terminated after 1991. The complete termination or reduced presence would mean the elimination of the only significant American presence in Southeast Asia. The

 24 Lawrence E Grinter, "The United States: Coping With the Soviet Buildup and Alliance Dilemmas," in Young Whan Kil and Lawrence E Grinter, eds., Asia Pacific Security: Emerging Challenges and Responses (New Delhi: Archieves Publishers, 1987), pp. 39.

ASEAN countries (Indonesia, privately) expressed their hopes United States would retain Clark Air Base and Subic Bay Naval Base as they thought the presence the presence of these two bases would counterbalance the Soviet Union's Bases in Cam Ranh Bay and Da Nang. In other words, the United States could play as a balancing factor for the regional stability in Southeast Asia.²⁵

The success of ASEAN was still another factor that would keep Southeast Asia important for the United States interests. This was mainly because of the fact that the ASEAN countries had adopted a free market system and their collective economic size and dynamism had strengthened the American interests in this region. Added to this was the pro-Western and philocephical orientation of the ASEAN states which the United States' perceived as a major obstacle to the growth of Soviet influence in the area. The United States at the same time had conducted military cooperation with the ASEAN states including regular consultation, increased sale of modern arms and equipment and other types of security assistance.

As far as the Cambodia problem was concerned, the United States fully supported the ASEAN policy on Cambodia, although it limited itself to a secondary role. However, the prospect of greater United States aid to non-communist factions of the Kampuchean resistance as proposed by Stephen Solarz of the

25. Jusup Wanandi, "Security In The Asia-Pacific Region: An Indonesian Observation," Asian Survey, vol. 21, no. 6 (June, 1978), pp. 1212. See also Juwono Sudarsono, "Comments." in Mohamad Ayoob, ed., Regional Security in the Third World (London: Crom Helm, 1983), pp. 194.

United States's Congress was welcomed by Indonesia along with other ASEAN member countries since it increased the viability of the Non-Khmer Rouge alternative to Vietnam's occupation.

The Soviet Union

The Soviet Union did not have strategic interests in Asia-Pacific region until mid 1960s. This was mainly because of the remoteness of the Soviet Union from the region, the inadequate resources and a narrow and rigid interpretation of allied forces during the Stalin era which had to a low Soviet profile in the region. It was During Nikhita Khrushchev leadership that the region started attracting the Soviet Union. In his attempt to attract third world countries towards the Soviet side in the Cold War era, he not only supported the local communist parties but also began courting nationalist bourgeoisies and non-aligned countries in order to weaken Western influence. In 1961 Nikita Khrushchev declare that the Soviet Union would support wars of national liberation to ensure genuine independence for the former colonies in the third world countries.²⁶

It was during this period that the Soviet Union began to provide support to North Vietnam, although the level of support was lower than China's. Concurrently, the Soviet wooed Indonesia

26 Alagappa, n. 19., pp. 554.

only to see their efforts end in a terrible disaster failure in the wake of abortive coup in 1965. Indonesia was Moscow's first setback in the Third World. Jakarta was left with half completed projects and a huge inventory of deteriorating military equipment with no spare parts. Seventeen years later, the Indonesian government was still suspicious of the Soviet Union.²⁷

International politics in Southeast Asia took a dramatic turn in the late 1960s. British forces had begun to withdraw from East of Suez and insular Southeast Asia. The Soviet Union used this opportunity to expand its fleet to counter-balance the American naval predominance in the Asia-Pacific region. At the same time, the conflict between the Soviet Union and People's Republic of China intensified. This was followed by the creation of strategic alliance between the United States People's Republic of China and Japan which increased the Soviet Union security concerned in the Asia-Pacific region. This concern was mainly based on two important factors. Firstly, it had become obvious to the Soviet Union that a limited detente with China was unlikely in the near future. For this reason, the Soviet now sought to contain China with greater vigour. In this policy framework the Soviet Union found a strategic ally in Vietnam because Vietnam also had conflict with China. Secondly, Southeast Asian waterways were assuming growing

 27 Bhabani Sen Gupta, Soviet-Asian Relations In the 1970s (New York: Praeger Publisher, 1970), pp. 247-248.

importance for the Soviet Union Pacific Fleet. The South China Sea and the Malacca Strait were vital passageways between the Soviet Pacific Fleet Base in Vladivostok and in Indian Ocean.²⁸

The Soviet Union now seemed to focus its attention on containing China and curtailing its influence. In pursuing these objectives in Southeast Asia, Soviet policy sought to exploit and build on "contradiction" in the region, fear of China in many countries and increasing decline of credibility in American commitment to its allies. The essential component of Soviet policy in Southeast Asia were proposal for an Asian collective security scheme and closer relations with Vietnam.

Asian Collective Security proposal advanced by Leonid Brezhnev in 1969 was intended to contain China and exclude the United States from Asia. However, this proposal did not get support from the ASEAN countries. This was clearly seen when Nicolay Fiyurbin, the Soviet deputy foreign minister visited Jakarta in March 1974 and asked for Indonesian support for the Soviet proposal for Asian Collective Security, the Indonesian foreign minister, Adam Malik told him diplomatically, "we do not reject the idea but it is still not clear to us."²⁹ The ASEAN countries were also suspicious of Soviet motives. On their part, they articulated a regional initiative (ZOPFAN)

28 Donald Z Zagoria and Sheldon W Simon, "Soviet Policy In Asia," in Donald Z Zagoria, ed., The Soviet Policy in East Asia, (New Heaven: Yale University Press, 1982), pp. 154.

29 Bhabani Sen Gupta, n. 27, pp. 254.

to limit the involvement of major powers in the region. In Indonesian view, ZOPFAN idea clearly recognised the presence of the super powers in the region, but it argues for a balanced presence of these powers with neither gaining a dominant position. This super power presence should not be limited to a low-level military presence but alone should encompass other activities as well as in order to minimise the likelihood of armed conflict in the region.³⁰ The Soviet Union in its attempts to gain more influence endorsed the ASEAN proposal because that proposal would make the Soviet Union a legitimate player in a region which it had little influence.³¹

The Soviet Union was more successful in its relations with Vietnam. The Soviet Union found a degree of interest convergence with that country. Vietnamese conflict with China, like that of Moscow, seemed deeply rooted. Vietnam was also increasingly dependent on Soviet economic and military assistance. This dependence might have amounted to US \$ 1.1. billion in 1979, more than twenty-fold increase over the previous year and US \$ 2.2 billion in 1980. The Soviet Union and other Warsaw Pact countries supplied Vietnam with all its military weapons nearly all of its food, oil, steel, fertilizer and cotton imports. Moscow funded more than half of Vietnam's five year plan. Altogether, Soviet assistance to Vietnam might have

 30 Jusup Wanandi, "ASEAN Perspective On International Security an Indonesian View," in Donald Hugh MacMillen, ed., Asian Perspective On International Security (London: MacMillan, 1984), pp. 47.

31 Paul Dibb, "The Interest of The Soviet Union In The Region: Complication for Regional Security," in TB. Millar, ed. International Security in Southeast Asia and Southwest Pacific Region, (St. Lucia: Queensland University Press, 1983), pp. 65.

provided up to 25 per cent of the Vietnamese national domestic product. This of course created a heavy burden for the Soviet Union.³²

In 1979 the Soviet Union gained access to Cam Ranh Bay naval Base and Da Nang air Base. These naval and air bases were used by the Soviet Union effectively to project its military power throughout Southeast Asia and Southwest Asia. The acquisition of these two bases along with its Soviet Pacific Fleets had turned Soviet Union into a considerable power in the Asia-Pacific region. The Soviet Union seemed to have gained major foothold in the region for the first time in Asian history. Nonetheless, the Soviet Union still had to face major constraints which had made it difficult for it to make major inroad in the region. These major constraints emanated from the support to the Vietnamese invasion of Kampuchea, ASEAN's suspicion of the communist ideology and Soviet Union limited economic capability.

Soviet Union's support to the Vietnamese invasion of Kampuchea had made the Soviet Union still more unpopular in the region. The Soviet Union was treated with a degree of hostility by the ASEAN countries. The Soviet support to the Vietnamese and the Vietnamese invitation which led to the opening of Cam Ranh Bay and Da Nang for Soviet military purpose according to ASEAN, obstructed the realization of Zone of Peace Freedom and Neutrality (ZOPFAN). The Soviet presence in the

32 Paul Dibb, n. 31., pp. 49.

region had intensified Super Powers rivalry in Southeast Asia. However, this also had led to the acceleration of security cooperation between the ASEAN states and the United States.³³

The Soviet military presence at Cam Ranh Bay and Da Nang had created security apprehensions among the countries of the Association of Southeast Asia Nations, particularly Singapore and Thailand. Thailand had historic rivalry with Vietnam that went back more than a thousand years. The Thais regarded Kampuchea as buffer zone and hence were determined to restore it by forcing the Vietnamese to withdraw from Kampuchea. In Thailand's perspective the Soviets support had made Vietnam more determined to maintain its position in Kampuchea. The Thai view was shared by Singapore and the Philippines. Indonesia and Malaysia, however had a different perspective.

Indonesia's view about the Soviet Union stemmed from the fact that strategically, Soviet Union as well as Vietnam were not a security threat. Southeast Asia was too far to be part of the Soviet Union's strategic interests. The Soviet Union had relatively poor land and air access to the region and its closest part, Indochina was some three thousand kilometres away from the Soviet Union over Chinese territory. The Soviet Union had more important security interests on the mainland of mass Asia, to the north, in China and Japan, to

 33 Marion Leighton and Leif R Rosenberger, "The Soviet Union Meshing Strategic and Revolutionary Objectives in Asia," in Young Whan Kil and Lawrence E Grinter, eds. Asia-Pacific Security: Emerging Challenges and Responses (New Delhi: Archives Publisher, 1987), pp. 65.

the west, in Afghanistan, Iran, Pakistan and India. This geo-strategic view was clearly pointed out by the Soviet specialist at the Center for Strategic and International Studies (CSIS) in Jakarta, Dr. Soedjati Djiwandono :

Geographically, Southeast Asia is not and will not ever be a vital link for Soviet security. This region has become important to the Soviets because of the presence of other big powers such as the United States, Japan and China. It is understandable that the Soviet Union makes its presence in this region felt through Vietnam.

The Soviet power in the Pacific is not intended to go against us but to counter the U.S. military might in this region which the Soviet Union consider a threat to their security.³⁴

Another factor which had rendered it difficult for the Soviet Union gain any ground in the ASEAN countries was the animosity of these countries towards communist ideology. Most of the ASEAN leaders had bitter experiences with the communist insurgencies in their respective territories. On top of it was the fact that the ASEAN countries had adopted essentially non-communist model of development. As such they were all favourably disposed towards conventional types of western economic policy making ; trade and investments, banking and services, petroleum and engineering enterprises--all are these viewed as favourable assets in the development process. The Soviet Union possess none of these "value added" advantages. In the field of software presence, there is no Soviet equivalent to the dominance of Western newspaper, journal and broadcasting media. Almost 65

³⁴ Jakarta Post, April 28, 1984 as cited by Robert C Horn, "Southeast Asian Perceptions of The US Foreign Policy," Asian Survey, vol. 25, no.6 (June, 1985), pp. 686.

65 per cent of the ASEAN business and governmental elites absorb and were shaped in their initial psychological attitudes by business and therefore political predisposition of the Western cosmopolitan super culture. From these were derived much of the key decision-making in foreign policy, economic and business strategy. Again, the Soviet Union possessed none of these advantages.³⁵

Beginning in 1985 the Soviet approach towards the Asia-Pacific region including Southeast Asia began to change quite substantially. Mikhail Gorbachov advanced several peace proposals, notably his speech in Vladivostok in July 1986. In his speech Gorbachov accepted United States and China as major powers in the region without whom peace and stability in the region could not be achieved. Moreover this new approach which was completely different from the Asian Collective Security proposal put forward by Brezhnev in 1969 had some important aims. It sought to enhance Soviet security in the Far East through concessions to China with the hope to reduce China's dependence on the United States. The Soviet Union also wanted to promote economic cooperation with the dynamic economies of this region. All these attempts aimed at establishing its legitimacy as an Asia-Pacific power.³⁶

 35 Juwono Sudarsono, "Comments" in Mohamad Ayoob, ed. Regional Security In Third World (London: Crom Helm, 1983), pp. 194-195.

36 Grame Gill, "The Soviet Union and Southeast Asia: New Beginning" Contemporary Southeast Asia, vol. 10 no.1 (June, 1988), pp. 77.

People's Republic of China

China, among the major powers, was geographically the closest to Southeast Asia and part of the region in a number of ways. Traditionally, China's dynasties effected tributary system in its relations with its southern neighbours, exchanging Confucian culture and political forms for acquiescence. At times China intervened directly in regional affairs, especially what is today Indochina. Reacting to his history of Chinese intervention and indirect control became a basis for Southeast Asia nationalism which in the nineteenth century centered on both anti-European and anti-Chinese sentiments.³⁷

China continues to interfere in the Southeast Asian countries internal affairs. It supported communist insurgencies in all countries in Southeast Asia, in Burma, Laos, Cambodia, Thailand, South Vietnam, Malaysia and the Philippines in their struggle to overthrow "neo-colonial" governments. Chinese support to the insurgencies and the presence of more than 17 million overseas Chinese throughout Southeast Asia had made China and the Chinese a target of contempt. The overseas Chinese played a central in all the countries economies and had thus engendered an abiding concern among the Southeast Asian governments that Beijing might seek to influence its ethnic kinsmen's behaviour to its own political ends.³⁸

China also supported socialist and friendly countries in

37 M.C. Ricklefs, A History of Modern Indonesia (London: Mac-Millian, 1983), pp. 158.

38 Sheldon W Simon, "Davids and Goliaths: Small Powers-Great Powers Security Relations In Southeast Asia," Asian Survey vol. 23, no. 3 (March, 1988), pp. 310.

in an attempt to form a united front against the United States. China intervention in Korea and in Vietnam had resulted from its perception of the United States policy containment of that country, which it had viewed as a threat to its security. China also developed a close relations with President Sukarno and Communist Party of Indonesia which culminated in the Jakarta-Beijing-Pyongyang axis in 1965. It had earlier supported on Indonesian confrontation with Malaysia. However, this close relations abruptly ended in 1965 after the failure of coup attempt launched by the Communist Party of Indonesia which was brutally suppressed by the Indonesian armed forces. Twenty one years later after the failure of the coup, Indonesia still did not have relations with China and Indonesia had continued to be deeply suspicious of China since then.³⁹

China-Soviet relations which had worsened in the 1950s, deteriorated rapidly in 1960s. In 1969 China had begun to view the Soviet Union as its primary security threat. The Sino-Soviet conflict had its repercussions in Southeast Asia. China was very keen to prevent its former ally Vietnam from coming under the domination of the Soviet Union. However, Vietnamese membership of the COMECON and its Treaty of Friendship and Cooperation with the Soviet Union convinced China that Vietnam had become "Cuba of Asia." Beijing then threw its full support to the Marxist orthodox regime in Kampuchea which had developed friction with its neighbour Vietnam.⁴⁰

39 Alagappa, n. 19, pp. 563.

40 Donald H McMillen, "The Maintenance of Regional Security In the Southeast Asian Region: China's Interest and Options," In TB. Millar, ed., n. 31., pp. 243-48.

The harsh treatment of ethnic Chinese and the Vietnamese invasion of Kampuchea which toppled pro-Beijing Pol Pot regime in Phnom Penh had angered China. It led to China's invasion of the Vietnam northern border in 1979. One motivating factor of this invasion was to maintain Chinese credibility in the world, that its words and warning were not to be taken lightly. The Vietnamese invasion was seen by Beijing as a major blow to its prestige and credibility. Beijing probably felt that a military action against Vietnam along their common border would not only serve to punish Hanoi for its invasion but also would force Vietnam to pull its troops out of Kampuchea and thus relieved the embattled Pol Pot forces. However, their aims could not be achieved. Vietnam continued to maintain its grip over Kampuchea because China had failed to inflict a military defeat to Hanoi. Hanoi had been driven deeper into a Soviet embrace, thus distorting Chinese political priorities. Moreover in 1985, China's military credibility got further eroded when it refrained from reacting to the Vietnamese destruction of Kampuchea resistance base camp in the Thai territory along the Thai-Kampuchea border.⁴¹

While China's armed forces had proved to be inferior to the Soviet-supplied Vietnamese military, its superiority in numbers and growing regional navy made it more than sufficient match. China learned from the Falkland war experiences and led to the decision to acquire advanced equipment including Sea-

41 Donald H McMillen, n. 40., pp. 244.

Dart SAMs, sonar for anti-submarines warfare and fire control radars for its Luda class destroyers. The South China Fleet was reinforced by additional destroyers and landing crafts. China maintained regular sea patrols around both Paracels which it had occupied earlier in 1974 and the Spratly islands which it claimed in competition with Vietnam and others in the region.⁴²

China had attempted to forge closer relations with countries of ASEAN. However, before 1971 Beijing had derided the non-communist countries of Southeast Asia as "stooges" of the West and viewed ASEAN as "a reactionary military alliance" directed at China. Nevertheless, the changing international politics in the early 1970s and reappraisal of Chinese policy with respect to the United States and the Soviet Union had led to the recognition of the need to improve relations with non-communist countries of Southeast Asia. This led to the establishment of relations with Malaysia in 1974 and with the Philippines and Thailand in 1975. Beijing also endorsed the ZOPFAN proposal. However, its main purpose was to limit the growth of Soviet influence and in the long term to facilitate the elimination of American influence in the region. It was only after Sino-Soviet and Sino-Vietnamese relations deteriorated in 1977 that China, the Soviet Union and Vietnam were competing among themselves to court ASEAN's member states.

In its attempt to forge closer relations with ASEAN countries China highlighted the threats from the Soviet Union and Vietnam

 42 Muthiah Alagappa, n. 19., pp. 565.

and the need to maintain unity and a firm stand in the face of these two countries. At the same time, China also sought to project an image of moderation, encouraging mutually beneficial political and economic relations. However, their overtures had very little success so far. Although Thailand and Singapore were more favourably disposed towards China which led to a substantial improvement in Sino-Thai relations, yet Indonesia and Malaysia remained deeply suspicious about China's intentions:

Indonesia's perception arose from various factors : a) from China's size and proximity to Southeast Asia, b) its record of supporting communist insurgency movements and continued refusal to terminate relations with the local communist parties, c) from readiness to use force in pursuit of foreign policy goals and from its ambiguity in its policy towards 19 million overseas Chinese in the region. China also traditionally considered Southeast Asian nations analogous to Finland to the Soviet Union or Burma vis-a-vis China in modern times. This middle kingdom syndrome was unacceptable to Indonesia. In contrast, Vietnam had clearly shown its intention and capability for important role to play in the creation of ZOPFAN for Southeast Asia.⁴³ It is in this content that Indonesia continued to seek modus vivendi with Vietnam despite differences in ideology, in social, political and economic system. This was clearly expressed by an influential Indonesia's East Asian analyst at the Centre for Regional Studies of the Indonesian Institute of Sciences :

43 Jusup Wanandi, "Conflict and Cooperation in the Asian-Pacific Region: An Indonesian Perspective," Asian Survey, vol. 22, no. 6 (June, 1982), pp. 503.

Indonesia has been more concerned with the PRC, as a result of the ethnic Chinese problem at home than with the USSR. Indonesia generally tend to consider the ethnic Chinese as a potential fifth coloum of expansionist Communist China in its desgin to control South east Asia.

Generally speaking Indonesia's political and strategic thinkers tend to view China as the main long term threat rather than Vietnam.⁴⁴

Economically, China was less than importance for South-east Asia. Trade relations with China were of minor importance to ASEAN countries as compared to economic ties with Japan and the United States and other industrialised democracies. Nor was the current PRC emphasis on export led-economic development particularly reassuring to the ASEAN countries. However, ASEAN countries, Indonesians particularly were fearful of the effects on themselves of development plans which could at this time absorb disproporitonate share of international soft-loan availabilities in the international financial institutions. There has been little real decline in Indonesian suspicions of China ultimate intentions about possible efforts to manipulate overseas Chinese communities or local communist parties ofr hostile purposes in Southeast Asia.⁴⁵

Japan

Both economically and strateigcally Japan is an important country in the Asia-Pacific region. Strategically, Japan is physically located in Northeast Asia, it shares deep historical and cultural bonds with the countries in the region. This makes

 44 Lie Tek Tjeng, "Southeast Asian Regional Security In the 1980s :View From Jakarta, " In TB Millar, ed., n. 31., pp. 273.

45 Evelyn Colbert, "Changing Relationship In Southeast Asia: ASEAN, Indochina and The Great Powers," Contemporary South East Asia, vol.4, no. 7 (June, 1982), pp. 52-83.

Japan an integral part of peace and stability in the Asia-Pacific region. Southeast Asia provides Japan with resources of vital strategic importance such as oil, natural gas and others raw materials. Contrawise, this region heavily depends on Japan as market for their commodities. In addition, Japan is one dependent on the safety of maritime transportation because approximately 85 per cent of its exports and imports are seaborne. Severe disruptions of maritime transportation would have great repercussions on Japan trade with Southeast Asia. The security of sea-lanes in Southeast Asia and Western Pacific, therefore, of strategic importance to Japan.⁴⁶

Economically, Japan has grown by leaps and bounds. It commanded the second largest economy (US \$ 19.6 trillion in 1986) with an estimated growth rate of 3 to 4 per cent for the next few years. Japan's trade surplus was US \$ 92.65 billion in 1986. Concurrent with this impressive economic growth, Japan has global trade interests. Of its total international trade of US \$ 335.6 billion, 8.2 per cent was with West Asia, 21.2 per cent with Southeast Asia and 4.6 per cent with Oceania.⁴⁷

Southeast Asia in general and Indonesia in particular, is of crucial significance to the economic security of Japan. Approximately 70 per cent of Japan's imports of crude oil and 20 per cent of its imports of iron ore pass through the Malacca

46 Muthiah Alagappa, "Japan Political and Security Role In The Asia-Pacific Region," Contemporary Southeast Asia, vol. 10., no. 1 (June, 1988), pp. 30-31.

47. Alagappa, Ibid., pp. 19.

Strait and another 4 per cent and 19 per cent through Lombok Strait. Southeast Asia is an important source of raw materials for Japan. The ASEAN countries collectively account for 9.3 per cent of Japan's international trade. The safety of navigation and peace and stability in Southeast Asia are important for Japan.⁴⁸

Japan has a growing stature internationally and its high economic profile and the changing power configurations in the wake of American withdrawal from Vietnam. has made necessary for Japan to play more assertive role. This had led to the increasing defense capabilities of Japan Self Defence Forces (JSDF). At the end of the fiscal year 1985, Japan interceptor force comprised 115 F-15s was expected to increase to 163 by the end of the fiscal year 1990. The total number of bombers was expected to rise from 306 to 320 over the same time. Surface to air missiles (SAM) were being replaced by Patriot and HAWKs were being improved. At the same time, Japan maritime forces had been increased. Maritime Self Defence Forces had 58 escort ships (destroyers and frigates) and 14 submarines. By 1990 this would increase to 62 ships and 16 submarines. By 1990 the Japan Self Defence Forces would become a significant force with the capability to discharge its primary mission of countering limited and small scale aggression.⁴⁹

48 Alagappa, n. 46., pp. 19.

49 Tsuneko Akaha, "Japan's Response to Threats of Shipping Disruption in Southeast Asia and Middle East," Pacific Affairs vol. 59, no. 2 (Summer, 1986), pp. 255-56.

In 1980, Japanese officials for the first time talked about the right of self defence on the high seas. In 1981 Japanese Prime Minister Zenko Suzuki stated that Japan's defence responsibility was not restricted to the skies and seas around Japan and it would protect sea lanes out of 100 nautical miles. In 1985, Koichi Kato, the Director General of the Defense Agency stated explicitly that in pursuit of the policy of defend sea-lanes extending to about 1000 nautical miles, the Japan Self Defence Forces with the United Forces would fight in the event of a major obstruction of the sea lanes.⁵⁰

From the ASEAN point of view in general and Indonesia in particular, the build up of Japan's Self Defence Forces would not face opposition from ASEAN if it was limited to the defense home land and its surrounding waters or if it extends to a thousand nautical miles southward and eastwards. It was understandable that without an increase in sharing burden on the part of United States allies, the United States public would be very reluctant to support increases in defence budget in the future. A regional role for Japan in the Asia-Pacific area, including the protection of Japan's vital sea lanes, including Southeast Asian waters, would require intensive dialogues with ASEAN. ASEAN would not easily accept that expanded role without serious consultation and coordination between

 50 Koichi Kato, "Why Japan Is Secure In Its Security Stance," Asian Wall Street Journal, May 20, 1985. See also Muthiah Alagappa, n. 46., pp. 26.

Japan and ASEAN. Japan's assistance in the form of technology transfer could help increase ASEAN capabilities for enhancing regional security, especially in securing ASEAN's own territorial waters and vital searoutes through these waters.⁵¹ In this crucial sphere, Indonesia strongly believes that although Japan might not have a direct security role in Southeast Asia, yet it could play a number of supportive roles. First and very importantly, it could make substantial contribution to security in the region by assisting in the development of national resilience of the states in the region through developmental aid. Second, Japan could seek to sustain a United States presence in the Philippines by supporting and indirectly contributing to a just compensation package. Finally, Japan should seek to develop regular consultation with the countries in the region on political and security matters.

Indonesia-Japan relations have improved since the student protests in January 1974 because both sides recognize the importance of this relationship. Economic relations were now more balanced. In addition, Indonesia had become more confident, capable and successful in its development efforts. In turn, Japan also recognised the importance of Indonesia's territorial sea waters and Indonesia's position as source of raw materials and oil. In the political field, Japan also had started play an important role. It initially attempted to play a bridging role between Indochina

51 Jusup Wanandi, n. 43., pp. 513.

countries, particularly Vietnam and the ASEAN member states. Japan sought to alter Vietnam confrontational attitude towards ASEAN by providing Vietnam with aid. Although the amount of aid was of little significance, the pressure from the ASEAN forced Japan to suspend all aid to China. Japan agreed with the ASEAN demand that the resumption of aid was made conditional upon Vietnam attending the ASEAN-sponsored International Conference on Kampuchea (ICK). However, Vietnam rejected the condition and Japan aid was suspended.⁵²

Major Powers's Relations In Asia-Pacific Region

Since the 1960s the colossal nuclear capabilities of both super powers, the United States and the Soviet Union, have restrained their competition because of the threat of mutual self destruction. Simultaneously, however, they have directed their attention to the Asia-Pacific region because of its enormous economic potential as well as strategic potentials.

The Increase of Soviet naval presence in Asia-Pacific including Southeast Asia created apprehensions in the region and might invite counterbalancing by the United States and Japan. The Soviet military capabilities in Southeast Asia were aimed at collecting intelligence data, acquiring capabilities to project power in the region and the Indian ocean and thus balancing the United States Seventh Fleet in Asia-Pacific region. The American

52 Shinichi Ichimura, "Japan and Southeast Asia," Asian Survey vol.20, no. 7 (July, 1980), pp. 761.

Bases at Subic Bay and Clark were thus considered necessary for upholding the United States presence in Southeast Asia.

It was Vietnamese threat to Thailand and Soviet access to military facilities in Vietnam which increased the relevance of Southeast Asia to American-Soviet competition in Asia-Pacific region. The United States linked the Vietnamese invasion of Kampuchea to the Soviet invasion of Afghanistan. Vietnam in the American view which was also shared by the ASEAN member states including Indonesia, provided the Soviet Union with an opportunity to increase and influence in the Southeast Asia. The United States thus responded by stepping up political and security relations with the ASEAN countries.

A more significant aspect of Soviet-American competition lay in the emergence of the Soviet Union as a key player in a conflict that became central to peace and security in the Asia-Pacific region, particularly in Southeast Asia. Soviet access to military facilities in Vietnam introduced Soviet-United States competition directly into Southeast Asia for the first time. Increased Soviet naval operations in the South China Sea and the transformation of Cam Ranh Bay and Da Nang into the largest naval facilities outside the Warsaw Pact Countries threatened the Southern coastal region of China and even could strike United States Bases in the Philippines. However, one had to admit that the Soviet presence in Vietnam, Laos and Kampuchea was still fragile, not least because of the presence of the Soviet advisors in Indochina might serve to provoke undue Chinese intervention in the internal affairs of each of these

states. One might even suggest that the Soviet gains so far have been restricted and the Soviet logistic as well as supply lines to and from its port accesses in Vietnam were vulnerable to interdiction.⁵³

Meanwhile, the United States relations with the People's Republic of China were also growing. This created concern and apprehensions in Southeast Asia, particularly Indonesia and Malaysia. Although Indonesia recognized the global importance of Sino-United States relations, yet though incumbent on the part of the United States to assure the ASEAN member states that U.S. would take seriously the concern and apprehensions of these countries. This apprehensions emanated from the policy of President Carter's administration. The Carter administration had firmly believed in order to seek alliance with China as partner in its competition with the Soviet Union, China would have to be provided with economic, military as well as technological assistance, so that it could develop its strength to counter the Soviet Union. As a result, ASEAN had become extremely worried that the United States arms sales would enhance China's capability to subvert governments in the Southeast Asian countries.

In Indonesian view, the Sino-United States strategic partnership based on neutralization of China's major security concern allowed Beijing a relatively free hand in Southeast Asia. This

53 Lau Teik Soon, "The Superpowers And Regional Security In Southeast Asia," in Mohamad Ayoob, ed., Regional Security In The Third World (London : Crom Helm, 1983), pp.183-84.

was when the Chinese launched an invasion against Vietnam in March 1979 and also on the Vietnamese held islands in the Spratlys. Indonesia was therefore against any division of labour between the United States and China in Southeast Asia. Indonesia along with other ASEAN member countries was very displeased with the American pressure on them to compromise with the Chinese position during the International Conference on Kampuchea in August 1981 in New York.⁵⁴

The ASEAN states, again particularly Indonesia and Malaysia, had been vocal in warning Washington to be cautious to exercise sceptisicms about some aspect of Chinese policy and to avoid providing United States support for China just because China was taking anti-Soviet position. President Reagan's visit to China in April 1984 increased discomfort in in Indonesia. An Indonesian analyst warned during Reagan's visit that relations between Indonesia and the United States were likely to deteriorate if Washington strengthened its ties with China, he pointed out that "China is potentially more dangerous than the Soviet Union because traditionally China has had influence in this region. It is not surprisengly if China feels justified to claim Southeast Asia as its sphere of influence."⁵⁵

54 Kalyani Bandyopadhyaya, Political Economy of Non-Alignment Indonesia and Malaysia (New Delhi: South Asian Publisher, 1990), pp. 189.

55 Robert C Horn, "Southeast Asian Perceptions of United States Foreign Policy," Asian Survey vol. 25, no. 6 (June 1985), pp. 688-689.

CONCLUSION

Foreign policy of a country is moulded and reflected by several factors such as history and culture, geography and natural resources, economic and military capabilities and the kind of leadership that leads the country as well as type of its political system. Inevitably all these factors are intertwined and should be taken into consideration while endeavouring to understand the foreign policy of a given country. Additional factor of critical importance is the national interest which is closely connected with the national role conception of the country concerned. National role conception is mainly based on the elites perception of what kind of policy a country should pursue, including their perception of the country's friends and foes. All these factors could be useful tools in analysing and understanding Indonesia's foreign policy under the New Order.

Indonesia's foreign policy has undergone a dramatic and qualitative shift since the late President Sukarno proclaimed his country's independence on August 17, 1945. Indonesia had experienced turbulent period of war of independence in which diplomacy along with armed struggle were employed as means to gain international recognition as an independent nation-state in December 1949.

The turbulent period of war of independence was followed by constitutional democracy which was characterized by a fragile political system along with unlimited number of political parties. The foreign policy of each successive government from Hatta cabinet in 1949 to Ali Sastroamidjojo's second cabinet in 1957

was geared to foreign economic assistance on the one hand and forcing the Dutch to give up its claim on West Irian on the other. With fractured polity at home and Cold War complexities at the international level these government found it very hard to maintain an "independent and active" foreign policy. In fact none of the successive government throughout this period succeeded in striking a balance between the none-too-easy choices they faced.

The constitutional democracy gave way to a new system of government which Sukarno chose to call "Guided Democracy." This was brought about as a result of political as well as economic collapse of the earlier period. The foreign policy became a personal domain of President Sukarno. Faced with the situation where he had to saddle a fierce competition for power between the Indonesian armed forces and the Indonesian Communist Party, Sukarno had adopted a coercive and confrontationist foreign policy in which he became the main beneficiary of this type of policy. This foreign policy of coercion and confrontation resulted in Sukarno's triumph when in December 1962, the Dutch government had to give up its claim over West Irian. It fell as if in Sukarno's lap. However, the very policy he had adopted against the Dutch led the country into another disaster. Hardly six months after the settlement of West Irian issue Sukarno had launched a policy of confrontation with Malaysia. This policy had not only rendered Indonesia's economy bankrupt but also led the country

to international isolation. This also represented an outright violation of the basic premise of it being an "independent and active." In the event, the very policy which had given Sukarno his predominant role for almost a decade forced him to give up his Presidency, a post which he had occupied for two decades. This was the eventual result of fierce competition for power between the main political forces under Guided Democracy, the Communist Party of Indonesia and Indonesian armed forces which climaxed by 1965 coup in which the Indonesian Communist Party was decimated.

President Suharto's New Order government came to power with the intention of stabilizing the country's economy by pursuing genuinely "independent and active" foreign policy. The contours of Suharto's policy was mainly determined and shaped by a combination between the armed forces and the economic technocrats. In the New Order's new policy they fed their own perceptions which were partly based on their understanding of economic collapse during the previous regime which constituted the main element. This was also influenced by Sukarno's personal character which proved to be completely different from Sukarno's. The achievement of economic prosperity became the main justification for Suharto's continuance in office and so had been pursued with vigorous energy.

Faced with the economic shamble, the New Order government had opened the country for the international capital. The predominance of the ideology of economic growth which had been

the main line of thought coupled with the conviction that the economic growth would lead to "trickle down" effect had prompted the new leaders to adopt a free market policy in the early years of the New Order government. Soon the country was flooded with foreign capital mainly from the West European countries and the United States. The Japanese capital played a dominant role. This created resentment, which was mainly caused by visible collaboration between the hated Chinese community and the Japanese capitalists. In fact, this had been forgotten aspect of the technocrats's line of thought and they were shocked when the accumulated resentment found channels of expression in January 1974 at the anti Japanese student uprising forced the government to take a drastic and swift action in order to deal with the crisis. Nationalism had always been a factor to reckon with while dealing with foreign economic as well as political powers.

The predominance of foreign capital in a way led to the emergence of economic nationalism. This policy had been spear-headed by Suharto's close aides backed theoretically by Jakarta's main strategic think-tank. The proponents of economic nationalism used PERTAMINA, the country's national oil company, as their means of achieving economic development. Abundance of oil and natural gas resources was sought to be used in gaining more and more economic aid, particularly Japanese, in order to establish basic industries which in their view, would become the basis of Indonesia's industrialization. However, the collapse of

PERTAMINA in the middle of 1970s abruptly ended their endeavour. Nonetheless, it helped to convince the economic technocrats that the "trickle down" effect which had been pursued vigorously and consistently had to be modified and foreign economic domination restricted and the indigenous capitalist nurtured as well as protected from foreign and Chinese competition.

The collapse of the oil price in the international market rendered the policy of providing protection to the indigenous capitalist unsustainable. Again, the country was forced to rely more and more on foreign capital and foreign debt to maintain the momentum of economic development since that was the main source of President Suharto government's legitimacy. Till 1987 the country's foreign debt had reached to an alarming proportion. This had become more serious because Indonesia's economy had so far been unable to find other sources of foreign exchange earning except oil revenues. Non oil exports, mainly manufacture products had failed to replace the oil as the main source of earning for the country.

The need to embark on a policy of economic development had also brought about a dramatic shift in Indonesia's foreign relations with its closest neighbours in Southeast Asia. The rhetoric of Sukarno was repudiated, the confrontationist posture was set aside and membership in anti-imperialist axis revoked, but an underlying continuity was maintained because the new government although fervently anti-communist had given

up neither opposition to membership of military alliances nor an aspiration to a pre-eminent role in regional affairs in the region. That continuity was qualified in a novel form by a progressive economic association with industrialised capitalist states in an effort to gain foreign economic and financial assistances.

Indonesia's experience with the Association of Southeast Asian Nations (ASEAN) had been a sort of balancing between the need to maintain the cohesion of the organization, which has been proved extremely useful in Indonesian quest for foreign economic assistance and the need to assert more influential role without jeopardizing the cohesion of the organization. No example could clearly express this dilemma than the Kampuchean crisis.

In its strategic perception, Indonesia did not view Vietnam as an external threat to its security. Based on both countries experiences in the struggle against foreign colonial powers, the Indonesian security policy makers were convinced that Vietnam was more nationalist than communist. However, based on its long historical experiences and the predominance of the economic status of Chinese community, the Indonesians perceived more threatened by the People's Republic of China which could use the ethnic Chinese as a fifth coloum. Concurrently, Thailand's predominance in leading the ASEAN in tackling the Kampuchean problem had aroused a nationalist sentiment that Indonesia was being led by a country which was

in terms of size, strength and population, far less significant than Indonesia. This was clearly expressed by an Indonesian influential strategic thinker when he testified before the Parliament foreign affairs committee : "What is the use of having 175 million people if we are being dictated by Thailand !" This inevitably forced Indonesia's New Order government involved in finding a solution to the Kampuchean problem.

Almost a decade of Indonesian efforts to find a solution to the Kampuchean crisis had so far not gained any substantial achievement. It however, showed a remarkable persistence to play an influential role, it being the biggest and the most populated country in the region. Hence, it had fought hard to achieve what in its elites perception was its assumption of a role as a prime manager of regional order in Southeast Asia. At the deeper level of this feeling was Indonesian nationalism that the country's self esteem demanded it to maintain an assertive role in the region.

Indonesia's perspectives on security in the Asia-Pacific region were determined by its experience in Indonesia's relations with the major powers in the region, namely the United States, the Soviet Union, People's Republic of China and Japan. No less important in this context were the military and economic capabilities of Indonesia.

Indonesia's security policy makers firmly believed that

the United States is still predominant power in the region although it was challenged economically by Japan and militarily by the Soviet Union. Indonesia did not perceive the Soviet Union as a security threat to its geographical position and its priority which lay in Europe rather than in the region. Nonetheless, it did not prevent Indonesia to look at the growing foreign military, especially Soviet presence in the region with serious concern. In their view, the presence of American bases in the region could well serve as a deterrent to the Soviet Union. Indonesia could not but perceive China was still its main security threat. China's invasion of Vietnam demonstrated a show of force that convinced Indonesia that China would use military means wherever its primarily interests were being challenged. China's proximity with South east Asia had made this perception all the more alarming. Then there was the presence of economically dominant ethnic Chinese community in the country which could be used as a fifth column. Japanese military expansion, in Indonesia's perspective was inevitable due to the changing international configuration of forces in the Asia-Pacific region. This is mainly due to the Japanese economic superiority and the decline of the United States's capability to play its role as global police of the world mainly because of financial constraints. However, Indonesia was also convinced that Japan could play a better role by providing the countries in Southeast Asian regional in general and Indonesia in particular with economic as well as

financial assistance so that they could develop their national and concurrently regional resiliences. At the same time, however, the Indonesians believed, in order to increase its military role in the Asia-Pacific region, Japan should conduct a dialogue with the countries in the region which still have in their minds Japanese brutality during the Second World War.

The political and strategic environment in the Asia-Pacific region, during the period of this study was undergoing a significant change. This was being shaped by various factors including domestic political and economic changes of considerable proportion, especially in the Soviet Union and China, a decline in the hegemonic position of the United States, the rapprochement in the relations of the major powers. Within the ambit of this significance change, South east Asia would continue to be of strategic importance to the major powers and therefore, competition among them in the region would not disappear. This is clearly shown in the in the unresolved Kampuchean crisis. The geopolitical fact that Southeast Asia was part of the People's Republic of China's security environment, the vital searanes and the growing economic importance of the region assured the presence of major power interests. Indonesia firmly believed that the only way to prevent the competition and intervention of the major powers in the Southeast Asia was through the creation of the national as well as regional resiliences along with the establishment of

of Zone of Peace, Freedom and Neutrality (ZOPFAN) which had been demanded by the ASEAN countries, including Indonesia since 1971.

In 1987 Suharto completed two decades in power. The period experienced relative stability. The foreign policy remained active and independent but what fashioned it most prominently was Indonesia's national interest. Suharto abandoned the militant foreign policy of Sukarno for the sake of gaining foreign economic and aid assistances which in the process he badly neglected the principle of self-reliance and Indonesia has become more and more dependent on foreign debt.

BIBLIOGRAPHY

Books :

- Alagappa, Muthiah., Security of Developing Nation: Lesson From Thailand (New York: Freepress, 1987).
- Allen, G.C., Western Enterprises In Indonesia and Malaysia (London: George Allen and Unwin, 1957).
- Anderson, Benedict ROG., Java In The Time Of Revolution 1944-1946 (Ithaca: Cornell University Press, 1972).
- Arora, Bhagwan Dass, Indian-Indonesian Relations 1961-1980 (New Delhi: Vikas Publishing House, 1981).
- Ayoub, Mohammad, Ed., Regional Security In The Third World (London: Crom Helm, 1983).
- Bandyopadhyaya, Kalyani., Burma and Indonesia: Comparative Political Economy and Foreign Policy (New Delhi: South Asian Publisher, 1983).
- Bandyopadhyaya, Kalyani, Political Economy of Non-Alignment: Malaysia and Indonesia (New Delhi: South Asian Publisher, 1990).
- Bhattacharjee, G.P., Southeast Asian Politics: Indonesia and Malaysia (Calcutta: Minerva Inc., 1976).
- Boyce, Peter., Malaysia and Singapore In International Diplomacy Documents and Commentaries (Sydney: Sydney University Press, 1968).
- Crouch, Harold., Army and Politics In Indonesia (Ithaca: Cornell University Press, 1976).

- Crone, Donald., ASEAN States : Coping With Dependence (New York: Praeger Publisher, 1983).
- Das, Parimal Kumar, Ed., The Troubled Region: Issues of Peace and Development in Southeast Asia (New Delhi: Sage Publication 1987).
- Feith, Herbeth., The Decline of Constitutional Democracy in Indonesia (Ithaca: Cornell University Press, 1962).
- Feith, Herbeth, Lance Castle, Eds., The Indonesian Political Thinking 1945-1965 (Ithaca : Cornell University Press, 1970)
- Frankle, Josep., The Making of Foreign Policy (New York : Oxford University Press, 1963).
- Harvey, Barbara., PERMESTA: Half A Rebellion (Ithaca: Cornell Modern Indonesia Project Monograph, 1977).
- Kahin, George Turnan Mc., Nationalism and Revolution In Indonesia (Ithaca: Cornell University Press, 1972).
- Kahin, George Turnan Mc., Major Government In Southeast Asia (Ithaca: Cornell University Press, 1973).
- Lebra, Joyce., Japanese Trained Armies In Southeast Asia (Singapore: Heinemann Educational Books, 1977).
- Leifer, Michael., Indonesia's Foreign Policy (London : The Royal Institue Of International Affairs, 1983).
- Leifer, Michael., ASEAN and Southeast Asian Security (Singapore: Oxford University Press, 1989).
- Lev, Daniel., Transition To Guided Democracy : Indonesian Politics 1957-1959 (Ithaca: Cornell Indonesian Modern Project Monograph, 1966).

- Djiwandono, Soedjati., "Neutralization: A New Hope For South-East Asia," Indonesian Quartely, Vol. 1 No. 2 (January, 1981).
- Djojohadikusumo, Sumitro., "Foreign Economic Relations: Some Trade Aspects," Indonesian Quartely, Vol. 1, no. 2 (January, 1972).
- Dongers, Jorge, et. al., "Industrialization In Indonesia," in Gustav Paparek, Ed., The Indonesian Economy (New York: Praeger Publisher, 1980).
- Feith, Herbeth., "The Dynamic of Guided Democracy," in Ruth Mc Vey, Ed., Indonesia (New Heaven: Yale University Press, 1963).
- Feith, Herbeth., "President Sukarno: The Army and The Communist Triangle Changed Shape," Asian Survey, Vol. 4 No. 8 (August 1964).
- Feith, Herbeth and Daniel Lev., "The End of Indonesian Rebellion," Pacific Affairs, Vol. 36, No. 1 (Spring, 1963).
- Gie, Kwiek Kian, "Foreign Capital and Economic Domination In Indonesia," Indonesian Quartely, Vol. 3 No. 3 (April, 1975)
- Gill, Graeme., "The Soviet Union and Southeast Asia: A New Beginning," Contemporary Southeast Asia, Vol. 10 No. 1 (June, 1988).
- Grunter, Lawrence, "The United States: Coping With Soviet Buildup and Alliance Dilemma," in Young W'han Kiel and Lawrence Grunter Eds., Asia-Pacific Security: Emerging Challenges and Responses (New Delhi: Archives Publishers, 1987).
- Gray, C., "Survey of Recent Development," Bulletion of Indonesian Economic Studies, No. 18, Vol. 3 (January, 1982).

Millar, T.B., International Security In Southeast Asia and Southwest Pacific (St. Lucia: Queensland University Press, 1983).

Morrison, Charles E and Astri Suhrke, Eds., Strategies of Survival : Foreign Policies Dilemma Of Small Asian States (St. Lucia: Queensland University Press, 1978).

Palmer, Ingrid., The Indonesian Economy Since 1965: A Case Study of Political Economy (London: Frank Cass, 1978).

Pluvier, Jan., A Study of Indonesian Politics : Confrontation (Kuala Lumpur : Oxford University Press, 1965).

Ricklefs, M.C., A History of Modern Indonesia (London: MacMillian Asian Historical Series, 1983).

Robison, Richard., Indonesia: The Rise of Capital (Sydney: Association of Asian Studies Australia, 1987).

Robison, Richard and R. Higgot, Eds., Southeast Asia: Essay In The Political Economy of Structural Change (London: Routledge and Kegan Paul, 1985).

Robison, Richard, et. al. Ed., Southeast Asia In the 1980s (London: Routledge and Kegan Paul, 1989).

Rosenou, James., Ed., International Politics and Foreign Policy (New York: Freepress, 1972).

Seviers, Allen., The Mystical World of Indonesia: Culture and Economic Development In Conflict (Baltimore: Johns Hopkins University Press, 1974).

Tilman, Robert O., Southeast Asia and The Enemy Beyond: ASEAN Perceptions of External Threat (Boulder, Col : Westview Press, 1987).

Weinstein, Franklin B., Indonesian Foreign Policy and Dilemma of Dependence (Ithaca: Cornell University Press, 1976).

Wong, John., ASEAN Economies In Perspective (London: MacMillian Press Limited, 1979).

Articles :

Akaha, Tsuneo., "Japanese Response To Threat of Shipping Disruption In Southeast Asia and Middle East, Pacific Affairs, Vol. 59, No. 11 (Summer, 1986).

Alagappa, Muthiah., "US-ASEAN Security Relations: Challenges and Prospects," Contemporary Southeast Asia, Vol. 11 No. 2 (June, 1989).

Alagappa, Muthiah., "Japan's Political and Security Role In Asia-Pacific Region," Contemporary Southeast Asia, Vol. 10, No. 1 (June, 1988).

Alagappa, Muthiah., "Major Powers and Southeast Asia," International Journal, Vol. XLV, No. 3 (Autum, 1989).

Anderson, David., "The Military Aspect of The Madiun Affair," Indonesia, No. 21 (April, 1976).

Arora, Bhagwan Das, "The Nature and Content of Indonesian Non-Alignment," International Studies, vol. 20, No. 1-2 (January-June, 1981).

Batt, Jetendra Nath., "Pertamina Crisis In Indonesia In the Mid 1970s: Economic and Political Implications," International Studies, Vol. 24, No. 4 (October, 1987).

Denson, David., "Indonesia--Transition To Stability," Current History, Vol. 61, No. 364 (December, 1971).

- Holsti., K.J., "National Role Conception In The Study of Foreign Policy," International Studies Quarterly, Vol. 14, No. 3 (September, 1970).
- Horn, Robert C., "US-ASEAN Relations In the 1980s," Contemporary Southeast Asia Vol. 6, No. 2 (September, 1984).
- Horn, Robert C., "Southeast Asian Perceptions of US Foreign Policy" Asian Survey, Vol. XXV, No. 6 (June, 1985).
- Ichimura, Shin' Ichi., "Japan and Southeast Asia," Asian Survey Vol. XX, No. 7 (July, 1980).
- Kahin, George Turnan Mc., "Malaysia and Indonesia," Pacific Affairs Vol. 36, No. 2 (Summer, 1964).
- Kissinger, Henry A., "Domestic Structure and Foreign Policy," in James Rosenau, Ed., International Politics and Foreign Policy (New York: Free Press, 1972).
- Kroef, Justus Van Der., "West New Guinea Settlement: Its Origins And Implications," Orbis, Vol. 7, No. 1 (Spring, 1963).
- Kroef, Justus Van Der., "Normalizing Relations With People's Republic of China: Indonesia's Ritual of Ambiguities," Contemporary Southeast Asia, Vol. 3 No. 3 (December, 1981).
- Kroef, Justus Van Der., "The Cambodian Conflict In Southeast Asian Strategic Consideration," Asian Profile, (April, 1980).
- Kroef, Justus Van Der., "National Security, Defense Strategy and Foreign Policy Perception of Indonesia," Orbis (Summer, 1976).
- Leifer, Michael., "Conflict and Regional Order In Southeast Asia," in Robert O Niel, Ed., Security In Southeast Asia (New York: St. Martin, 1984).

- Leifer, Michael., "Southeast Asia," in Robert Litwell, Ed., Supower Power Competition and The Third World (Lexington: Lexington Book Press, 1985).
- Lim, Cheeng Pee, "US-Japan International Rivalry In the ASEAN Countries," Contemporary Southeast Asia, Vol. 4, No. 1 (June, 1982).
- Lyon, Peter., "Indonesia," in Edward Kolodiej and Robert E Harvey Eds., Security Policies of Developing Countries (Lexington: Lexington Book Press, 1982).
- Maynard, Harold., "The Role of Indonesian Armed Forces," In Edward Olsen, Ed., The Armed Forces In Contemporaries Asian Societies (Boulder, Col. : Westview Press, 1986).
- Mc.Cawley, Peter., "Survey of Indonesian Recent Developments," Bulletin of Indonesian Economic Studies, No. 19, Vol. 2 (January, 1983).
- Mc.Cawley, Peter., Some Consequence of Pertamina Crisis In Indore sia Journal of Souteast Asian Studies, Vol. IX, No. 1 (March, 1978).
- Morrison, Charless Eand Astri Suhrke, "ASEAN and Regional Defense and Development in Southeast Asia," in Sudershan Chawla, Ed., Changing Pattern of Security and Stability in Asia (New York: Praeger Publisher, 1980).
- Nasution, Anwar, "The Indonesian Economy: Problem of Adjustment of Global Recession and Lower Oil Price," Indonesian Quartely No. 2 Vol. 2 (June, 1982).
- Pangestu, Maria., "Economic Policy of Reforms In Indonesia," Indonesian Quartely, Vol. XVIII, No. 3 (Third Quartely, 1989).

- Pao, Chang Min., "China and Southeast Asia: The Problem of Perceptual Gap," Contemporary Southeast Asia, Vol. 10. No. 1 (June, 1989).
- Panglaykim, Jusup., "The New Order and The Economy," Indonesia No. 2 (April, 1967).
- Pauker, Guy, "Indonesia : The Era of Transition," Asian Survey Vol. VII No. 2 (February, 1967).
- Robison, Richard., "Towards Class Analysis : The Indonesian Military Bureaucratic State," Indonesia No. 25 (April, 1978).
- Robison, Richard., "Culture, Politics and Economy In the Political History of New Order," Indonesia No. 12 (April, 1981).
- Ross, Andrew., "Growth, Debt and Military Spending In Southeast Asia," Contemporary Southeast Asia, Vol. 11. No. 4 (March, 1984).
- Simon, Sheldon W., "Davids and Goliaths: Small Powers-Big Powers Security Relations In Southeast Asia," Asian Survey, Vo. XXIII No. 3 (March, 1983).
- Simon, Sheldon W., "The Great Powers and Southeast Asia: Cautious Minutes or Dangerous Tango," Asian Survey, Vol. xxv, No. 9 (September, 1985).
- Sprout, Margaret and Harold Sprout, "External Environment Factors In the Study of International Politics," Journal of Conflict Resolution, Vo. 1 (December, 1957).
- Tjeng, Lie Tek., "Southeast Asian Regional Security In the 1980s View From Jakarta," in TB. Millar Ed., International Security in Southeast Asia and Southwest Pacific (St. Lucia: Queensland University Press, 1983.)

- Wanandi, Jusup, "Conflict and Cooperation In The Asia-Pacific Region: An Indonesian Perspective," Asian Survey Vol. XXI No. 6 (June, 1982).
- Wanandi, Jusup, "Security In the Asia-Pacific Region: An Indonesian Observation," Asian Survey, Vol. XX No. 6 (June, 1978).
- Weatherbee, Donald E., "ASEAN : The Patterns of National And Regional Resiliences, " in Young Whan Kiel and Lawrence E Grinter, Eds., Asia-Pacific Security: Emerging Challenges and Responses (New Delhi: Archives Publisher, 1987).
- Weinstein, Franklin B., "The Foreign Policy of Indonesia," in James Resenou, Ed., International Politics and Foreign Policy (New York: Freepress, 1972).
- Weinstein, Franklin B., "Indonesia," in Wayne Wilcox and Leo E Ross Eds., Asia and The International System (Cambridge: Wintthrop Publisher Inc., 1972).

Periodicals :

- Asian Survey (California, Berkeley)
- Bulletin Of Indonesian Economic Studies (Canberra)
- Current History (Philadelphia)
- Foreign Affairs (New York)
- Indian Quartely (New Delhi)
- Indonesian Quartely (Jakarta)
- Orbis (Philadelphia)
- Pacific Affairs (Vancouver)
- Contemporary Southeast Asia (Singapore)
- Journal of Souteast Asian Studies (Singapore)