

US Relations with Indonesia: 1970-1990's: Some Questions?

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When first invited to present my thoughts on Indonesian-US relations since 1970, I was unsure how to approach this complex and important topic, especially in such a brief presentation. I was also intimidated by the high quality of the audience and panelists of scholars, diplomats and other long-time experts on this subject. I had no academic theory prepared for identifying and explaining some essential characteristics briefly on the subject of Indonesia-US relations. Unlike my distinguished panelists and guests, I had no direct and unique knowledge of this subject based on many years of policy making. I have no lessons gained from such labors to share with you. Instead, I will raise some obvious and general questions with you that might serve to help me to understand- more as a layperson than a scholarly expert- what our experience in Indonesian-U.S. relations has been in recent decades. Where have we been? What major forces have driven our relations? Where are we now?

Question 1: What has been the primary interest driving our mutual relations in the New Order? To me, the answer seems to have been Indonesia's and the United States' mutual security interest in containing the expansion of communism in the region has been the basis of their bond.

Today, younger students of this subject in America and Indonesia may be surprised at the intensity of Americans fears of communism in the mid- 1960's and afterwards on the part of policy makers and informed citizens of that anxious and fearful time. At that time, communism appeared to be a dynamic and confident global ideology and superpower. It seemed to be riding the tide of history, especially in the less developed world. Although American policy makers had devised a Containment Strategy to block the expansion of communism, it was being seriously tested by the North Vietnamese communist leaders and by communists in other countries of Southeast Asia. For U.S. policymakers, among others, and for U.S. citizens in general, the communist threat to U.S interests in Southeast Asia and in Indonesia was very real. Indonesia had the largest popu-

ration in the region; it straddled strategic sea-lanes for vital shipping and the passage of military vessels. It had rich mineral and other resources. Its potential for economic development had never been tested but it seemed most promising (Masters, 1998, p.5-7). For such obvious reasons, the U.S will probably always have a strong security interest in Indonesia.

In 1965, of course, it seemed that while American troops were fighting to contain the expansion of communism in Vietnam and to prevent other "dominoes" in the region from being toppled by communism, Indonesia seemed likely to "fall" to communism from within. President Sukarno and the Armed forces were waging a low-scale guerilla war against his pro-Western neighbor, Malaysia, and was mobilizing so much mass political support among communist and leftist that it seemed to threaten a communist future for the society. U.S. regional and global security interests would be damaged by such a development and the situation seemed desperate. For surprising and complex reasons, the leftward momentum of Indonesia moved to the right. A failed, aborted or contrived "coup" attempt against anti-Communist generals in the military command triggered a violent counter attack against communists and others in society. General Suharto and his anti-Communist military and civilian colleagues were able to exploit the failed "coup attempt" and to crush or to control their leftist rivals.

For U.S. policy makers, Indonesia suddenly offered an exciting opportunity to help secure an unexpected "counter-domino" against the expansion of communism in the region. Having earlier tried to help an anti-Communist rebellious military-civilian force (PRRI-Permesta) against a leftist Indonesian general and having watched in fail. In 1966, U.S. policymakers seemed determined to learn from past errors. Henceforth, they would not intervene so overtly, forcefully and righteously in the murky and personalistic waters of Indonesian politics. This time, Americans would keep a low profile, listen to the advice of Indonesian political actors and accept the choice of methods- that they could not change-made by responsible authorities. Whatever moral doubts they might have about the methods employed by some anti-Communist leaders in the struggle for power, they would not intervene openly to support one faction or another, lest their efforts backfire and create greater damage.

To help New Order leaders to rebuild their shattered economy, Americans shared information on the foreign policy actions required to obtain it. Indonesian foreign policy makers ended their confrontation with Malaysia, returned to foreign investors the industrial and other properties confiscated earlier by the Suharto government, rescheduled their foreign debts and rejoined the United Nations and its financial institutions.(Gardner, 1997, p.224-246).

To me, the "pragmatic" or "realistic" character that seemed to characterize the relations between U.S. diplomats and Indonesian leaders was forged in the

traumatizing events of the 1960 s. When events took over and decisions had to be made in harrowing circumstances, Indonesian leaders acted and succeeded. They demonstrated "complex knowledge" of a delicate political situation and, by their morally questionable methods, defeated powerful political adversaries. It was the Indonesians who took charge and got the difficult job done and "they did it their way."

In subsequent international relations, for example, America respected the Indonesians' need to act "freely and independently" and to avoid entangling military alliances; they also recognized the need to represent the views of their Muslim citizens on matters affecting fellow Muslims and to act more firmly against China in matters affecting Vietnam, when the U.S. was acting differently.

In 1967, Indonesia and four anti-Communist neighbors founded ASEAN, not as a regional defense alliance against a possible Communist Chinese aggression but as a loosely-knit association of diverse states trying to build more "resilient" societies in cooperative ways. In ASEAN, Indonesia has played a constructive and imaginative role and won the respect of the world for its efforts. It worked for peaceful settlements in the latter stages of the Vietnam and Cambodian conflicts, to resolve conflicts over various island territories. Our time, Indonesia reduced its hostility to communist China and opened diplomatic relations with them in 1991. When the U.S. and Indonesia differed in their relations with China, 1970's, to 1980's, it affected their perceptions of and actions toward Vietnam. These differences did not threaten their positive relations. With its neighbors, Indonesia has proclaimed the region a zone of peace, free of nuclear weapons; and with the help of the Carter and the Clinton administrations, it secured formal recognition in international law of its status as an archipelagic territory. In recent years, the U.S. has made new bilateral efforts to cooperate positively with the military establishments of interested of ASEAN states to cooperate on security projects. ASEAN states to cooperate on security projects. The rise of Human Rights issues on the global agenda affected U.S. relations with Burma and Malaysia quite differently.

Indonesia, honoring its commitment to non-intervention in the politics of independent neighbors and itself the target of Human Rights activists globally, refused to deny Burma access to ASEAN membership for its Human Rights abuses, despite pressures from the U.S.

In search of better security relations among members, ASEAN has added a Regional Security Forum and in the U.N. Indonesia has volunteered soldiers for different U.N. Peace Operations. (Moller, 1998, p. 1087-1104). Also in the U.N., it has such good relations among different blocs of nations that it is rumored to being considered as candidate for a possible seat on an expanded Security Coun-

cil. After a long and patient campaign, President Suharto was elected to Chair the Non-Aligned Movement. Indonesia's relations with Islamic States are positive and economically rewarding and the government condemns attack on Muslims wherever it can.

By such diplomatic activities, New Order Indonesia has gradually become a more visible and active actor on the global stage and its President has been awarded global honors for successful rice growing program and family planning program.

More negatively, a more visible Indonesia has been the target of criticism by the Human Rights organization in the 1980's and 1990's, especially for its abuses of Human Rights in East Timor and Jakarta for its abuses of international labor rights. (Cohen, 1992, p.5). In 1998, the collapse of its financial structure, the riots and murders in different regions of the country, the rejection by its leader of reforms required by the IMF and the sudden change in government attracted sustained media coverage from around the world. Indonesia's high ranking as a corrupt place to do business in surveys of businessmen has also been regularly reported by the media. Overall, its image as a fastdeveloping state under extravagantly corrupt and authoritarian leaders has been a mixed one. The prominent role of several Indonesian businessmen in President Clinton's recent campaign-finance troubles seemed merely to puzzle most citizens.

In the 1990's, the end of the Cold War and Indonesia's renewal of diplomatic relations with China signaled perhaps different security relations between Indonesia and the U. S. The anti-communism that first welded the pragmatic marriage of these very different states no longer provides the same bond. Indeed, the rapid expansion of the Communist Chinese economy and its possible impact on Southeast Asia seemed to pose a more likely security threat than a classical military invasion.

In the absence of any further urgent need for a Containment Strategy by the U.S., the Clinton Administration drafted a new security strategy based on the promotion of free market economies and democratization worldwide.

Q2: How have Indonesian-U.S. Economic Relations gradually become more important than Conventional Security Relations?

In 1966, New Order leaders were not only struggling to eliminate a domestic communist threat to their claim to rule, they had also to contend with a shattered economy. Henceforth, they proclaimed Economic Development (along with Political Stability) as the two pillars of their regime.

The U.S. gradually and quietly, in a culturally sensitive low-profile style, initiated small aid programs in direct response to local requests. It then conveyed most of its aid; also in low profile style, multilaterally in a package from a new international AID Consortium composed of friendly countries from around

the free world. (Gardner 1998, p.269-270). America initially provided one-third of the aid of an extraordinarily generous package (ibid. 257). By the year 2000, the package is expected to amount to 4.72 billion. (Jakarta Post: June 28, 1999).

In the New Order, American policy makers were blocked-out of respect for local and different political priorities and values- from interviewing directly and overtly in local political affairs. They could not promote universally honored democratic rules. Not so for the rules of the free market economy! In that sector, professional economists with the IMF and World Bank economists quietly took up residence in Jakarta and worked alongside a team of U.S. educated PHD-economists who shared their respect for the rules of free market economics. Together, foreign and domestic professionals intervened daily and quietly in order to develop Indonesia; their impact was astonishing.

Fueled by a flood of aid and armed with the latest knowledge of the development process, the teams of economists transformed the economy and society. Via the media, they reported on and explained their activities. The universities expanded the production of new economists and professionals. Scholarships were awarded to send annual waves of students for over 30 years to foreign universities. As the economists reduced obstacles to foreign investments, new capital arrived to finance new hotels, office buildings, banks, restaurants, shopping malls, telecommunications, projects, roads, airlines, auto industries, steel industries— for over 30 years. Electric power expanded along with new media and air conditioning. Food production climbed and exports manufacturing exploded. The 1990's were hailing Indonesia as the next "Asian Economic Tiger".

Economically, Indonesia became disengaged directly with the modern world and the financial and other institutions that employed modern, professional rules of operation. Politically, it remained a country backward and closed. When economists tried to introduce more open, free-market rules, they were often, but not always, blocked for political reasons. Although the President claimed the title of "Father of Development" because of his support of many new programs, he was unwilling to accept the new economic rules whenever his personal political needs decreed differently. Although the President was legitimated politically by economic successes he was reluctant to cede too much independence to any other authority.

Economically, there seemed to be two different but overlapping economic directorates. One was staffed by professional economists who believed in the rules of their discipline and pressed the President to support their reforms. They— along with the IMF and World Bank and professional economists worldwide— pressed for deregulation, accountability, transparency, privatization, reduction of state subsidies, creation of working tax system and so forth. They wanted to provoke a climate for efficient and independent private and public economic

institutions operating in a free market. They wanted to create "hard" financial institutions capable of enduring the inevitable currency crisis.

Their task was monumental under any conditions but was frustrated by the unpredictability of the President's support. In times of need, when state oil revenues declined, he was pragmatic enough to permit the Economist's reforms and secure a greater flow of aid. When revenues were high, he might introduce more regulations.

As the global aid community learned of the serious political obstacles to orthodox economic reforms and as annual reports on Indonesia by international financial institutions pressed for such reforms, the President fired periodically one or another of his economists and introduced a more accommodating one.

Personally, the President retained under his remote control a large sector of the economy subject to his more political rulers. While the sector benefited by the macroeconomic reforms introduced by the economists and the international aid community, it ignored the official rules and -protected by the President- informally funded much of the Armed Forces' needs, the needs of corporate cronies of the President, the businesses of family members of the President, and others. With the President serving as a model for informal extractions of public resources, corruption spread throughout the system. It earned Indonesia global notoriety as one of the world's most corrupt nations. It must have infuriated and discouraged those who refused to compromise their values.

To be fair to the President, many of the monies diverted from the system or extracted from its unofficial profiteers funded the political and personal patronage upon which his regime floated. As astute critics of such practices have observed in 1989, the large volume of external aid and oil revenues along with the U.S. protection against external invasion freed the authoritarian government from the need to tax its citizens heavily and to make political compromises with them. (Vatiokitis, 1990, p.47-51; Schwarz, 1994, p.59-60; Crouch, 273).

Unfortunately for Suharto's political fortunes such external funds were said to be "precondition for the survival of the domestic political structure" and any negative

changes can undermine it." The power of a government that depends so heavily on such external resources is "highly vulnerable" since its stoppage can severely change its finances. Such dependence can provide the international aid community with enormous leverage over a government whenever its financial plight is sufficiently desperate and the external aid community is willing to apply its leverage. (Tanter, 1989; Washington Post: Crone, January 1998). The above analysis of the precariousness of regimes that depend for survival on funds that can be withdrawn in an instant seems to apply directly to the financial circumstances surrounding Suharto's fall. (ibid. 1998)

Although the politics of the New Order were closed by Suharto, there occurred significant socio-economic progress. Poverty rates declined, health improved, literacy rose, and the information revolution reached the "middle-income" classes of Indonesia. Large elements of society were open to a free, or at least free-er, world.

Economically, the U.S. also changed. With the end of the Cold War, the importance of the economy as a key to political success, globally and nationally, became more salient. (Destler, 1998, p.89-107). The State Department and USAID instituted business promotion programs and the Executive Office added a National Economic Council to coordinate U.S. economic policies worldwide. The World Bank and IMF became targets of isolationist politicians and the Treasury Secretary became a celebrity.

As U.S. jobs moved abroad, the foreign economic policies of the U.S. became important to ordinary people, the Congress conducted regular hearings and participated in daily debates about foreign economic policymaking. Interest groups from business, labor, agriculture and other sectors flooded Washington to promote their interests.

By the 1990's, the economy seemed to dominate the minds of policymakers more than ever before; and the professional economists who made policies in the U.S. shared the same "free market" values of their colleagues in the IMF and World Bank, and of their professional colleagues in Indonesia; and they had the support of President Clinton.

When, in 1997-1998, President Suharto confronted the "hardest" economic times of his long career and refused to accommodate -in exchange for a large bailout package to the IMF's requests for the application of long sought, independent economic rules, he refused to do so. Soon after, investors more aware of the power of the large global public economic institutions in the world feared that the President had acted unwisely and "dumped" the rupiah. Presiding over an increasingly unstable economy the President was forced to accept the IMF's rules. Soon after, following protests and political violence, he was forced to resign.

Question 3: Have Human Rights Become More Important In U.S.-International Relations?

As alluded to above, the end of the Cold War and the relaxation of security anxieties in the world made it more possible for Americans and Indonesians to consider more carefully the rights of citizens in their societies. For Americans, there has always been an almost missionary-like desire to share their democracy with others. This was not so easy when in a mortal struggle with global communism when you needed the support of every anti-Communist dictator you could find. Trying to promote democracy seriously and openly in the wrong, fragile,

undemocratic society could cost a much needed ally.

At the same time that it was courting anti-Communist dictators to be allies against a shared ideological enemy, however, Americans wondered at the morality of such behavior. Did the end justify such means? At least one scholar, Dr. Jeanne Kirkpatrick justified such a policy by noting, in the 1980's, that some non-communist dictators had in the past- eventually been replaced by democratic leaders, but this had never been the case for totalitarian communist leaders. Consequently, it was plausible to expect that our current support of dictators because they were anti-Communist might well result in improved conditions that strengthened democratic forces. During the Cold War, most if not all, American policymakers were "realists" or "pragmatists" because the environment was relatively desperate and did not permit them to follow their ideals.

About Indonesia's New Order, one young political leader observed sadly to me that "it is no time for heroes." About President Suharto, he was described by a close confidant as a man who was always afraid. (Jenkins, 1984, p.33). From the earliest days of his rule, he was described as working untiringly to secure more power by manipulating or balancing potential rivals (often his friends) against one another. By reducing the security of those around him, he added more to his own.

The President's style of "balancing" seems similar generally to the balancing style of England in the 19th century when it played balance-of-power politics to prevent the rise of a more dominant nation. It was said of England, that it was perfidious and had no true friends, only interests.

Whatever the reasons for his remarkable style of politicking, the President protected a large sector of the Economy from reform- to the dismay of his independent minded economists- to finance his political manipulations. Relying on divide and rule tactics to weaken potential threats to his interests, he also employed "carrots" to buy them off and "sticks" to intimidate them. He divided and bribed the military and used it to help central parties and elections. He used intimidation against potential enemies and on occasion, against journalists, students, intellectuals, and many others. He is said to have preferred using "carrots" more often than "sticks", but the political atmosphere that he created was a most uneasy one. It was subversive of the kinds of free and independent institutions that are the foundation of a civil and democratic society or a free market economy.

In Indonesia, the end of the Cold War witnessed a move toward more political openness by the President and members of Parliament, of the press, and students spoke out more critically and freely. This "Prague Spring" did not last very long. At the time, however, such openness was publicly and vigorously praised by the then U.S. Ambassador. To me, in retrospect, it seems to have

indicated a turn to more direct public American diplomatic support of Human Rights in the New Order, a change in policy that has continued.

Why did U.S. policy change?

In the 1970's, under President Carter, the President created a Human Rights office in the State Department; it was very active, with Presidential backing, in promoting Human Rights even during the "realistic" times of the Cold War. More "pragmatic" officials regarded it as a well-intentioned folly. The issue of "Human Rights" did not go awry, however, and large numbers of independent NGO's started up spontaneously to promote Human Rights causes. During the 1980's, efforts by members of Congress to free some "PKI" prisoners resulted in a modest success with the discreet help of Embassy officials. As the Cold War waned, and as globalization increased, more U.S. citizens learned more about Human Rights violations around the world- via news media (CNN), the Internet, and a growing number of dedicated groups. When East Timor surfaced in the news, after 1975, it inspired at least several news groups to write, give lectures and contact Congress about the problem, thus initiating an educational campaign that is increasing in power and intensity. When more jobs were exported in the 1970's, news Labor Rights groups blossomed some of which focussed their attention on the "sweat shops" in Indonesia and elsewhere. By the 1990's when President Suharto decided to crackdown on labor leaders, student demonstrators and the political party of Megawati, his actions provoked an intense response by Human Rights groups and the American media. In the Congress, these are now members of both parties willing to process different kinds of Human Rights violations whenever they are aborted by blossoming numbers of relevant pressure groups. The State Department, USAID and USIS in the 1990's- despite devastating attacks by Congressmen such as Senator Helms have stepped up their support of Human Rights and the virtues (accountability; transparency) of the free market in countries like Indonesia. The repeated visits in 1998-1999 to Indonesia by the Assistant Secretary of State for the Far East to speak directly and publicly in support of Human Rights seems a sign of strong support for this policy. Although popular support for the Human Rights of foreign citizens has not, in opinion surveys, had as high a priority as National Security on Economic Welfare issues, they seem unlikely to go awry. (Holsti, 1998, p.146). They are too well and too widely institutionalized in the Legislative and Executive branches of government and in the wider society.

Knowing of the growing interests of American Human Rights groups in Indonesia and aware of the activities of Indonesian Groups, President Suharto must have known in 1997 the world was watching the crackdown of his officials

on East Timor and elsewhere. It seems clear that there is a new consciousness regarding Human Rights being raised around the world and that abuses tolerated during the Cold War will provoke some swift response and possible retaliation.

Who would have believed ten years ago that this would be the case?

Conclusion

After reviewing some of the reporting on the New Order for this paper, I was impressed by the application of different abstract labels, such as "pragmatists" and "moralists" in order to categorize some of its major power contenders. Generally speaking, "pragmatists" were described as men who are constantly engaged in struggles for power in a lawless and ruthless political "jungle". The jungle was presided over by the paramount "pragmatist", President Suharto. Under constant pressure to secure power in an unpredictable environment, pragmatists cannot often afford in politics to indulge their moral scruples. They do not have the time; and their tasks are too pressing. "The word is too much with them."

In the "jungle" of unruly politics, task-oriented pragmatists like President Suharto achieved impressive successes and defeated powerful political challengers. Surrounded by willing aides and pitting them against one another to perform needed tasks, he sometimes employed, what more morally sensitive observers would call, dubious but effective methods. President Suharto and his pragmatists may have done so when they- refinanced, reorganized and dominated the Army; settled confrontation with Malaysia; arranged the vote for Independence in West Irian; contrived, financed and manipulated a political party system and ritual elections; invited and occupied East Timor; subsidized a costly complex of private business conglomerate, of strategic industries, of state industries, of banks, and so forth.

In the case of foreign policymakers from the U.S. doing diplomatic business, in Indonesia, they too have had to contend with much the same "political jungle". They too have had to be pragmatists and to devise ways that help them to accomplish their tasks in such an environment.

In global politics, Cold War strategists have had to play "balance of power politics", not unlike President Suharto, in order to manage their challenges and to defend their positions. Like President Suharto inside his own country, many American Cold War pragmatists can claim credit for defeating Communists, improving the lives of the healthier, better educated citizens, and avoiding all out war.

Some "pragmatists" seem disinclined to change their perception of the po-

litical world either out of habit, or age, or loyalty to policy values that long suited them and their loved ones; but most of them probably concede now that their world no longer require the same high levels of distrust and defense and can now try different methods of survival.

New Order Moralists as indicated above and described by Australian scholars Jenkins and Crouch, seem to have been less fixated on the political dangers in the environment about them and more willing to try more professional or moral reforms of the military and other organizations. In Indonesia, the "moralist" label has been applied primarily to persons who feel less vulnerable live in personal environments that are more secure for different reasons. Such persons include "retired" generals who no longer have to accomplish difficult tasks in a forbidding political climate; they include economiststechnocrats who are unusually secured by the high value placed on their professional knowledge on their access to external financial resources, or by their own faith in the scientific and universal rules of economics. Moralists may also include men of unusual faith in religious principles or in secular ethical values.

Today, the post-Cold war world seems a safer place that permits policymakers to rely often times on less-desperate political and economic methods. In this new age, instead of trying to "contain" the expansions of recalcitrant stabs primarily by military defensive methods, we can try to employ the powers of economic progress and democratization.

Today, Indonesia has surprised the world by embracing the methods of "moralists" and embarking on a new and perhaps more satisfying and happier political adventure. It is a time when people can again be heroes.

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