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INDONESIA IN 1985

Chills and Thaws

Donald E. Weatherbee

On August 17, 1985, Indonesia celebrated the 40th anniversary of its proclamation of independence from the Dutch. The four decades are almost evenly divided by the political discontinuity of *gestapu*, the aborted leftist coup of October 1, 1965, which ushered in President Suharto's "New Order" and the political dominance of the Indonesian Armed Forces. The "New Order's" ambivalence toward its historical origins was still apparent in 1985 in the contrasting rehabilitation of the public image of President Sukarno and the execution, after years of imprisonment, of four sexagenarian Indonesian Communist Party (PKI) leaders.

From the vantage point of twenty years, let alone forty, Indonesia seems to have a lot to celebrate. Compared with the turmoil, negative development, and increasing international isolation marking the late Sukarno years, Indonesia today enjoys a reasonable degree of relative political stability and economic progress and is emerging as a major regional and nonaligned international actor. Nevertheless, President Suharto warned his countrymen in his August 17th national day message "to be on guard against all kinds of threats, disturbances, and other sources of unrest." This is in the context of the generational transfer of power to a younger generation from those who first led the nation to freedom in the struggle against the Dutch and who later, in their estimation, saved the revolution from the PKI. In 1985, the government continued its efforts to consolidate the institutions of the "New Order" to ensure that regime continuity would be maintained even as individual role-holders changed.

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Domestic Politics

By the time the next general elections take place in 1987, followed by the 1988 indirect presidential election, the generational transfer will be nearly accomplished. One of the major thrusts of President Suharto's current term, now at midpoint, has been to entrench the formal structures of a Pancasila society. In a country that is statistically 90% Muslim, the Pancasila state is essentially secular, being based on the "Five Principles" of the Indonesian state. Ideological or particularistic dissent and division over the ends and means of politics is to be contained in the interests of development, and political competition is to give way to social harmony. This is to be accomplished statutorily through the passage of a package of five bills designed to set the "New Order" in constitutional concrete.

In February 1985, the political parties bill was passed requiring that all political parties espouse only the state ideology as their principle. Resisted most strongly by Muslim politicians grouped under the umbrella United Development Party (Partai Persatuan Pembangunan, PPP), the new law effectively secularizes party competition through stipulating that parties can differ only in their programs, not in their principles. The regime continues to deny that the adoption of Pancasila as the sole principle for political parties means that the country is moving toward a single-party system. Certainly the impact is such that the PPP and Indonesian Democratic Party (PDI), the other nongovernmental faction, are no longer vehicles for opposition in a competitive party system, but are to serve, as in a single-party system, and despite their residual identities, as mobilizers of support for government policy. The largest of the PPP's constituent parties, the Nahadatul Ulama (NU), has withdrawn from active politics and announced that it will be "neutral" in the next elections in so far as the voting preferences of its individual members are concerned.

Already Golkar, the government's non-party party and chief mobilizer of electoral support, is gearing up for the 1987 legislative elections. It currently holds 246 of the 364 elective seats in the Peoples Representative Assembly (DPR). The next parliament will have 500 seats: 400 elected and 100 reserved for the military. Golkar aims to win at least 280 of the contested seats to maintain its relative position. This means taking about 67.7% of an estimated 90.68 million votes, or to use Golkar's precise figures (two years in advance), 61,391,869 votes. While the PPP and PDI have fallen into internal disarray and internecine squabbling, Golkar has pushed forward with its ambitious program of organization down to the village level. At the end of Golkar's October party congress, party chairman Lt. Gen. Sudharmono reported that membership numbered 10 million, of whom 6.5 million had been given cadre training. The growth and

penetration of Golkar raises the interesting question as to whether it could provide an alternative or rival to the army as a constituent base for future aspiring presidential candidates.

It was not until June that the controversial Bill on Mass Organizations was passed. The other four bills were drawn to keep party politics confined within the Pancasila. The Bill on Mass Organizations extended the Pancasila system to all associational aspects of Indonesian society. All private voluntary social groupings must adopt the Pancasila as their sole guiding principle. If any group is deemed to have deviated from the Pancasila, the government has broad powers of intervention and dissolution. Muslim opponents of the law saw in it the imposition of a civil religion over Islamic organizations.

It was Islamic opposition to the Bill on Mass Organizations that had earlier sparked violent opposition such as the September 1984 Tanjung Priok riot. This spilled over into 1985. The country and world were shocked in January by bombings of Buddhist images at the Borobudur, linked to the commencement of the trials of those arrested in connection with the Tanjung Priok riots. Only a week after the Borobudur outrage, another national monument, the palace (*kraton*) of the Susuhunan of Solo, was leveled by fire. Sporadic bombings and incendiary attacks occurred throughout Indonesia creating a general sense of unease. In early July a fire destroyed the Metro shopping center in Jakarta's Chinatown. Two weeks later a major blaze gutted the headquarters of Radio Republik Indonesia. Twenty days after that 60 buildings in a Jakarta commercial district were engulfed in flames. The government actively discouraged speculation that these fires could have been politically motivated.

Suharto was resolute, vowing that the government would never bow to terrorism and violence. Its reaction to both the verbal and physical assault on the Pancasila society has been a crackdown on dissidents of whatever persuasion. Three series of trials in particular demonstrated the government's firm intention both to punish and to warn off "subversive" opposition. In the wake of the Tanjung Priok riots some 30 defendants were jailed for one to three years. Ten people were tried for the Bank Central Asia bombings, which were in retaliation for the Tanjung Priok killings and which had anti-Chinese overtones. Tasrif Tuasikal, an Islamic teacher and alleged "mastermind" of the plot, was given a life sentence. Former Minister of Industries Haji Mohamad Sanusi was convicted of conspiring in the plot and providing funds. He was sentenced to 19 years imprisonment. Other sentences ranged from 9 to 19 years. Other trials of radical Islamic teachers have been held around the country.

The centerpiece of the legal assault on opposition was the beginning of the trials of prominent Islamic and retired military figures for alleged links

to the Bank Central Asia bombing conspiracy and subversion. In addition to well-known Muslim spokesmen such as Tony Ardie, Marwardi Noor, and Abdul Qadir Djaelani, members of the "Petition of 50" group have also been called to the dock—first A. M. Fatwa and then, dramatically, Lt. Gen. (Ret.) Hartono Dharsono. Some members of the "Petition of 50" group, known from their 1980 "Statement of Concern," shortly after the Tanjung Priok riots drafted a White Paper censuring excessive use of force by the military and calling for an independent investigation of the affair. The part of the White Paper that, in the words of the government's indictment of Dharsono, spreads "the sense of enmity, disorder and unrest among the public at large," was the suggestion that the Tanjung Priok affair was caused by public discontent over government policy, particularly the imposition of the Pancasila as the sole guiding principle. The decision to put former Siliwangi Division commander and ASEAN Secretary-General Dharsono on trial is clearly meant as a chilling deterrent, showing that the government brooks no opposition no matter how distinguished the quarter. Other "Petition of 50" figures expected to be tried are Ali Sadikan, one time governor of Jakarta; Hoegang Iman Santoso, former national police chief; Slamet Bratanata, former minister of mines trials; and Andi Aziz, former minister of people's industries.

The uncompromising commitment of the regime to its vision of the Pancasila state can be partially attributed to an inherent antipathy to Muslim political demands. It can be further explained in terms of the political delicacy of this period of transition in Indonesia and the government's intention to take no risks as it moves toward the next elections. The government's equation of "extremism of the left" and "extremism of the right" was probably partly responsible for 1985's mini-Red scare, which saw public alarm over the alleged infiltration of Indonesia by the clandestine return of PKI exiles.

The Economy

The year 1985 was another year that saw the macroeconomic management of the economy continue to moderate the impact of lower oil prices. Oil and gas still account for 70% of Indonesia's export earnings. GDP growth in 1984 was 6.5% with inflation kept under 4%. The 1984/85 current account deficit was halved to under \$2 billion. At the end of April, foreign exchange reserves totaled \$10.5 billion as compared with the \$6.3 billion on hand when the *rupiah* was devalued in March 1983. In June 1985, the Intergovernmental Group on Indonesia approved new soft credits and grants of \$2.4 billion for the fiscal year ending March 31, 1986, the same level as the previous year. According to the World Bank, Indonesia has

been "very prudent" in its overall management of its international debt which at the end of 1984 was estimated at \$24.6 billion. The debate on industrialization strategy in Indonesia continued in 1985, fueled by the World Bank's call for "an early rationalization of industrial and trade policy" by eliminating "implicit subsidies" to inefficient and high-cost domestic industries. These industries are often, however, the best-connected politically.

Too much of a good thing continues to flood Bulog, the National Logistics Bureau, with a huge surplus of rice. Only five years ago Indonesia was still a rice deficit country, but it now has had three bumper years in a row. The 1984 harvest was 25.5 million tons with Bulog stockpiling 2.7 million tons. The 1985 harvest is estimated at 26.3 million tons with Bulog stocks rising to 3.5 million tons. Another million or more tons are privately stored. Indonesia started exporting rice in 1984 with 100,000 tons going to the Philippines and 169,000 tons to Africa. Because the internal pricing mechanism puts the cost of Bulog's stock well above world rice prices, exports would in fact have to be subsidized.

In an effort to sharpen the competitiveness of Indonesia's non-oil exports, an aggressive campaign was launched in 1985 to reform Indonesian ports. Presidential Instruction (*Inpres*) 4 swept away in April the notoriously corrupt and inefficient Indonesian Customs Service and turned the task of clearance over to the Swiss Société Général de Surveillance. Bureaucratic and administrative reforms are expected to cut harbor costs by half. That the government is resolved to achieve the goals of *Inpres* 4 seems indicated by the fact that Armed Forces Commander General Benny Murdani was placed in charge of the cleanup. Within two months dramatic changes were evident, with administrative hurdles at Tanjung Priok, Indonesia's main port, being reduced from 52 to 3, and goods time on and off the docks cut from 15 days to 2. *Inpres* 4 shows again that when convinced of a sense of economic urgency, Indonesia's leaders can act decisively in the face of vested bureaucratic and political interests. *Inpres* 4 is cut from the same pragmatic cloth as the bold austerity measures of 1983.

Foreign Policy

The year 1985 was the 30th anniversary of the Bandung Afro-Asian Conference, which signalled Indonesia's emergence on the world stage. To mark the occasion, and to announce in a sense its own reemergence on the world stage, Indonesia hosted in April a commemorative gathering of 80 nations to reaffirm the relevance of the Bandung Principles. Although short on real substance, given the requirements of fashioning a document

acceptable to all, the conference projected Indonesia as a major leader in the nonaligned movement, providing Jakarta with an extra-ASEAN platform to assert its new self-confidence and claim to proper international standing. To some extent this was at ASEAN's expense, since Indonesia gave way to India on the issues of Cambodia and Afghanistan. The Indonesian-drafted declaration referred indirectly to "conflicts in Southeast Asia and Southwest Asia."

In October 1985, at the Rome Food and Agriculture Organization meeting, President Suharto was the spokesman of the "South" to François Mitterand's "North." Suharto also undertook an East European tour, which was also seen as validating Indonesia's nonaligned credentials. Quiet lobbying tried to present Indonesia as an alternative compromise candidate to lead the nonaligned movement for the 1986-89 period. No compromise was necessary, however, since the September 1985 Luanda Nonaligned Foreign Minister's Meeting selected Zimbabwe as the venue for the 1987 summit.

One aspect of Indonesia's nonaligned diplomacy has been its continuing efforts to persuade the more politically radical African states to accept the irreversibility of Indonesia's sovereignty in East Timor. Although the issue of Timor has faded after ten years, it still refuses to go away. At the Luanda meeting, host country Angola controlled the agenda and despite strong Indonesian objections included the question of East Timor in its draft of the political resolutions. After bitter debate, the reference to East Timor was dropped. The question of East Timor was also, for the third year in a row, excluded from the agenda of the U.N. General Assembly. Even more satisfying for Indonesia was Australian Prime Minister Hawke's recognition of Indonesia's *de facto* sovereignty in East Timor and the closing down of Fretilin's radio link to Australia.

Relations also improved with Papua New Guinea as the PNG government began a more active policy designed to discourage and obstruct OPM insurgents among the thousands of Irian Jaya refugees from using PNG as a sanctuary for attacks on the Indonesian side of the border. Port Moresby's new approach also led to the forced repatriation of 12 Irian Jayans after they served prison terms in PNG for firearms offenses. The deportations sparked an Irian Jayanese riot in the border town of Vanimo near the Blackwater refugee camp. It was at this camp a year earlier that an Indonesian official mission had been attacked by OPM supporters.

It is in relations with the PRC that perhaps the greatest alteration in Indonesian foreign relations occurred in 1985. Indonesia's diplomatic relations with the PRC were suspended in the aftermath of *gestapu* in which Indonesian leadership suspected a Chinese hand. Despite sporadic civilian-based calls for normalization of relations with China, Indonesia con-

tinues to insist on an explicit disavowal of support by Beijing for communist movements and parties in Southeast Asia. There is a broader strategic background in which Indonesian security managers view the PRC as a long-range threat.

There had been some speculation that the attendance of Chinese Foreign Minister Wu Xueqian at the Bandung session—Indonesia's first official Chinese visitor in 18 years—might presage some political breakthrough. An anticipated private meeting between Wu and Suharto did not take place, either because of poor scheduling or as a diplomatic snub. The talks between Wu and Indonesian Foreign Minister Mochtar did result in the finalization of plans to resume direct Indonesian-Chinese trade, cut off since 1967. By 1984 indirect trade, mainly through Hong Kong and Singapore middlemen, had reached the modest level of \$242.9 million a year. In July 1985 a nongovernmental agreement was signed in Singapore between the Indonesian Chamber of Commerce and Industry (KADIN) and the China Council for the Promotion of International Trade (CCPIT) providing for direct trade between the two countries. This was followed by an exchange of KADIN and CCPIT trade missions to explore areas of mutual advantage. The Indonesian delegation returned at the end of July with what it claimed were commitments by the Chinese to purchase more than \$200 million of Indonesian goods, which would redress the deficit Indonesia had been running in indirect trade. Indonesian officials went out of their way to deny that the resumption of direct trade relations with the PRC was the first step toward normalization of diplomatic relations.

It is probably correct, in fact, to put the change in PRC trade policy in a commercial as opposed to political setting. It fits fully within Jakarta's aggressive efforts to broaden its non-oil exports and also to open nontraditional markets. The new direct trade ties to the PRC balance the effort made in 1984 to obtain greater economic access to the Soviet Union and East Europe. The Soviet opening was followed in October 1985 by the official visit to Indonesia of USSR Deputy Prime Minister Ryabov, the highest-level Soviet visit since 1965. In part Indonesia's "ostpolitik" reflects increased concern in Jakarta, as elsewhere in ASEAN, with what is perceived as creeping to galloping protectionism in the Japanese and Western industrial countries. High on Indonesia's bilateral agenda with the United States, for example, was its vigorous opposition to the terms of the Jenkins bill, which, as originally drafted, would have severely impacted on Indonesia's textile exports.

Indonesia continued in 1985 to pursue its "dual track" diplomacy toward Vietnam, one track being its own bilateral relationship with Hanoi, the other its adherence to ASEAN's policies on Cambodia. The "dual

track" diplomacy is itself dual-tracked in the sense of an official Indonesian policy toward Vietnam as represented through the Foreign Ministry and a military policy toward Vietnam as pursued by General Benny Murdani. While perhaps complementary in the Indonesian-Vietnamese track, the military link does complicate Indonesia's relations with Thailand, ASEAN's front-line state.

Foreign Minister Mochtar traveled to Hanoi in March 1985 and his Vietnamese counterpart Nguyen Co Thach paid a reciprocal visit to Jakarta in August. The August visit in particular was invested with great significance by Vietnam. It followed the 11th Indochinese Foreign Ministers' Meeting at which Vietnam announced its intention to withdraw its forces totally from Cambodia by 1990. Giving greater weight to Indonesia's role as ASEAN "interlocutor" than perhaps is warranted, Vietnam tried to place the August Mochtar-Thach meeting in the framework of a Vietnam-ASEAN negotiation. This is viewed from Bangkok and Beijing as an effort to drive a wedge between Indonesia and Thailand since the flexibility of the bilateral agenda allows positions previously rejected by ASEAN to resurface as Indonesian proposals. For example, in the August meeting Mochtar raised as a point the establishment of a demilitarized neutral zone on the Thai-Cambodia border, which when suggested by the Indochinese side three years earlier had been rejected by ASEAN as an effort to reduce the dispute to a Thai-Cambodia border question rather than a Vietnamese invasion of Cambodia. Symbolically, at least, Foreign Minister Thach appeared pleased at the outcome, noting that "the progress was very encouraging." A month later at the U.N. General Assembly, Vietnam's Vo Dong Giang, with reference to the Indonesian dialogue, claimed that conditions for a political settlement of the Cambodian problem were "steadily ripening." The presumption seems to be that there will be a follow-up. In October 1985, an Indonesian trade delegation visited Vietnam. Later the same month a delegation from Indonesia's National Defense Institute paid an official visit. In November, senior editors from the Indonesian Journalists' Association followed the path to Hanoi.

Contributing to the atmosphere of the Indonesian-Vietnamese relationship was the April 1985 visit to Indonesia by Vietnamese Defense Minister General Van Tien Dung, reciprocating General Murdani's visit to Vietnam a year previously. Again in his public comments Murdani stirred ASEAN. He accepted that the announced Vietnamese troop withdrawals from Cambodia were genuine, not merely disguised troop rotations, as ASEAN holds. This was particularly galling to Bangkok since it came in the wake of the most punishing Vietnamese dry-season offensive ever. Reiterating his view that Vietnam does not represent a threat to Southeast Asia, Murdani hailed Dung's visit as opening up "fine long-term prospects

for the advancement of multi-faceted relations between our two countries and armed forces." The Indonesian armed forces relationship is not limited institutionally to Vietnam's armed forces. While in Indonesia, Nguyen Co Thach made a publicly unscheduled flying visit to Murdani in Bali.

As part of his Vietnam diplomacy, Foreign Minister Mochtar also intervened between the United States and Vietnam on the issue of the MIAs. Coming out of his March 1985 visit to Hanoi, Mochtar proposed that the U.S. and Vietnam should take steps toward normalization of relations. This, in his opinion, would facilitate an environment in which the Cambodian crisis could be resolved. The first step in the process, as suggested by Mochtar, would be the establishment of a U.S. interest section in Hanoi and a speedy resolution of the MIA question. This would be synchronized with a phased withdrawal of Vietnamese troops from Cambodia. Whether at Indonesian instigation or not, certainly late 1985 saw a much more forthcoming Vietnamese position on the MIA question. It is Indonesia's belief that U.S.-Vietnamese normalization must be part of a comprehensive political settlement in Cambodia that leads Jakarta to continue to view negatively the prospect of U.S. military assistance to the Khmer resistance, even though for the sake of solidarity it joined the February 1985 ASEAN appeal.

Indonesia's higher-profile foreign policy and its meanderings from the ASEAN straight and narrow on Cambodia have caused questions to be raised as to the depth of Indonesia's commitment to ASEAN. Has Indonesia "outgrown" ASEAN as it seeks a leadership role consonant with its relative power and new-found political confidence? In Michael Leifer's words: "There is a growing willingness in Jakarta to think aloud about the unthinkable because ASEAN is seen to be holding Indonesia back."¹ But because some elements of the Jakarta foreign policy elite are worriedly frustrated over Cambodia does not mean that they would lightly abandon the structure of regional cooperation that has served them so well in so many ways. The real problem is the degree to which ASEAN will be perceived in Jakarta as being strategically penetrated by extra-regional interest in competition with the working out of Indonesian national interest in the ASEAN setting.

1. Michael Leifer, "Indonesia in ASEAN—Fed up being led by the nose," *Far Eastern Economic Review*, October 3, 1985, p. 26.