CHAPTER - II
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The foreign policy of a country is influenced by a number of factors such as (i) its historical experience; (ii) its mode of evolution into an independent state; (iii) its geographical location; (iv) its economic situation; (v) its cultural tradition and psyche of the people; and (vi) its leaders and their experience, etc.\(^1\)

As mentioned in the previous chapter, Indonesia had to fight for its independence against the Dutch and this had an effect on its foreign policy. This can be clearly understood from the Preamble of the 1945 Constitution, which states:

"Independence is the right of all Nations, and therefore colonialism must be abolished from the face of the earth, for it is incompatible with humanitarianism and justice."\(^2\)


This reflects Indonesia's anti-colonial and "Independent" and "Active" foreign policy. Further in the fourth paragraph of the preamble, of the Constitution states that "to form a government of the state of Indonesia", which shall protect all the people of Indonesia and their entire native land and in order to improve the public welfare, to advance intellectual life of the people and to contribute to the establishment of a world order based on freedom abiding peace and social justice.

These words emphasised that the objectives of the Indonesian foreign policy consists of three things, namely: (1) to protect the whole of the Indonesian people and the entire country of Indonesia; (2) to promote the economic well being of the people and develop their intellectual life; and (3) to contribute in implementing an order in the world which is based upon independence, abiding peace and social justice. The first and second are internal aims, while the third shows the independent and active nature of Indonesian Foreign Policy.

3. For the meaning of the term "Independent" and "Active" foreign policy see Mohammed Hatta, "Indonesia’s Foreign Policy", Foreign Affairs, Vol.XXXI, No.3, April 1953, New York, pp.443-44.

4. Because at that Indonesia was yet to be formed and Indonesia had unilaterally declared her Independence which was not recognised by the Dutch.

The foreign policy of Indonesia has a constitutional basis as well as an ideal basis. The Constitutional basis is the 1945 Constitution as illustrated above, while the ideal one is Panca Sila (Five Principles) as incorporated in the preamble to the 1945 Constitution. The five principles are (i) belief in one God; (ii) humanitarianism; (iii) national unity; (iv) consensual democracy; and (v) Social justice.

Panca Sila being the Philosophical basis of the Indonesian foreign policy, means that Indonesia has to establish good relationship with other countries on the basis of Independence, equality, mutual respect and mutual benefit, not only for mutual national interest, but also for the purpose of creating a new and better world order based on independence, abiding peace and social justice.\(^6\)

The first indications of Indonesian foreign policy were contained in Prime Minister Sultan Sjahrir's speech at the Asian Relations Conference in New Delhi in March 1947. Sultan Sjahrir, reflecting on the political conditions of post-war Asia and the emergence of newly independent Asian states, requested the newly independent states to follow a foreign Policy that did not aggravate international tensions but which would help in bridging the difference between the

\(^6\) Ibid., P.672.
two super powers. The conference was initiated by Jawaharlal Nehru and convened by the Indian Council of World Affairs.

The ideological orientations of the decision making elite and their perceptions of the US and Union of Soviet Socialist Republic (USSR), promoted a policy of Non-alignment. Neither the capitalist West, nor the communist USSR could appeal in a decisive way to the nationalists such as Sjahrrir, Vice President Mohammed Hatta and President Sukarno. The Indonesian Society has a long cultural tradition of Synthesis and as such the decision makers did not look at the cold war blocs in East-West terms. Further, Indonesia does not have a common border with USSR or PRC. A direct threat from that direction to Indonesian independence was not possible. Consequently there was no pressing need for Indonesia to make a choice between the two blocs. The decision makers felt that an Independent policy would keep her from enmity with either party, preserve her from the damage to her own interests that would follow from taking sides. Hence on September 2, 1948 the then Prime Minister Mr. Mohammed Hatta stated before the Central


Indonesian national committee:

Have the Indonesian people fighting for their freedom no other course of action open to them than to choose between being pro Russian or pro American? Is there no other position that can be taken in the pursuit of our national ideals? The government is of the opinion that the position to be taken is that Indonesia should not be a passive party in the arena of international politics but that it should be an active agent entitled to determine its own standpoint with the right to fight for its own goal—the goal of a fully independent Indonesia.  

This clearly elucidated the foreign policy stance of Indonesia. Mr. Mohammed Hatta termed the foreign policy to be followed by Indonesia as "independent" and "active" Foreign Policy, independent because it reflects the nation's determination to follow its own path through various international problems; active, because it is a manifestation of the desire to participate within the limits of her abilities in solving world's problems as Indonesia is a member of the family of nations for the sake of world peace, friendship and prosperity.  

Thus, Prime Minister Natsir, who succeeded Mohammed Hatta in September 1950, declared before the Indonesian Parliament on September 21, 1950:


"Between the two powers a conflict of ideology and policy has been burgeoning. This has become more and more intense and every bloc has been trying to look for more allies and to form their respective blocs, namely the western bloc under the leadership of the US and the Eastern bloc under the leadership of USSR. This conflict of ideology has become serious and has been enlarging itself and has created the cold war, which could develop any moment into a war at the frontier of the sphere of influence of the two power blocs. In this very dangerous situation Indonesia had decided to follow the course of an independent and active foreign policy. In this conduct of foreign policy the interest of the Indonesian people will be always its primary objective, while the government is always looking for ways and means to support every effort to preserve world peace."

Thus Indonesia opted to follow her own course with regard to various international problems, without taking sides in the competition between USSR and US: Indonesia called this non-aligned policy as "Independent" and "Active". This principle served as a guiding principle in the execution of Indonesian foreign policy, throughout the Liberal Democracy period.

All the cabinet during this period were coalitions of ideologically heterogeneous political parties. The Masjumi (Modernist-Islamic) were anti-communist and pro-Western generally. Sukarno and the Partai Nationale Indonesia (PNI) were generally suspicious of the Western powers. Mohammed

Hatta and Sultan Sjahbir — led socialist were anti-communist, but not always pro-Western. Hence, non-alignment offered and ideological consensus on foreign policy. Trouble arose whenever a Prime Minister or Foreign Minister tried to push Indonesian 'independent' and 'active' foreign policy eastward or westward. As Herbert Feith has aptly remarked 'independent' and 'active' foreign policy became 'a sort of ideological prism through which all policies had to be refracted'.12

During the guided democracy period Sukarno assumed the functions of both the Head of State and Government as President and Prime Minister respectively from 9th July 1959.13 During this time "independent" and "active" foreign policy principle of Indonesia underwent a change. This can be clearly inferred from the contents of the speech given by President Sukarno on September 30, 1960 before the UN General Assembly entitled "To Build the World Anew".14 In his speech though the President did not abandon the


Independent and active non-aligned principle and that of peaceful co-existence, he spoke on the need to build up the forces of the newly independent countries in an attempt to build a new world order, he said the prevailing world order was in favour of the old established forces of colonialism, neo-colonialism and imperialism. He was of the opinion that Old Established Forces were exploiting the newly independent countries.¹⁵

He interpreted that the source of tension and problems in the world was not due to the cold war between the two super powers USA and USSR, but because of the conflict between the new emerging forces for freedom and justice and the old forces of domination.¹⁶ Sukarno said that non-aligned countries must allay themselves with the new emerging forces that were challenging the imperialist colonialist order.¹⁷ With this radical and militant ideology of Sukarno the "independent" and "active" (non-aligned) foreign policy of Indonesia gradually assumed a distinct tilt towards the socialist bloc. Soon after the


⁴ Kirdi Dipoyudo, "Indonesia’s Foreign Policy towards the Middle East and Africa", Indonesia Quarterly, Vol.XIII, No.4, October 1985, p.474.
solution of the West Irian problem in 1962, Sukarno embarked upon a confrontation policy against Malaysia when Malaya announced the formation of Federation of Malaysia. China was the only ardent supporter of Indonesia and relationship between the two countries became very close. Thus in August 1965 Sukarno in his speech on the anniversary of the proclamation of Independence, he (Sukarno) enthused over building an anti-imperialist axis, namely the axis of Jakarta-Phnom Penh, Hanoi - Peking - Pyongyang. By this act Sukarno completely abandoned the "independent" and "active" principle in foreign policy.18

In September 1965, after the abortive communist coup attempt, PKI was accused of attempting to topple the government of the Republic of Indonesia with China's help.19 The military slowly led by General Suharto came to power; this government was called the New order (ordre-baru) Government.

On 15 October 1965 Sukarno under pressure from the Army appointed Major General Suharto of the Army Reserve Command KOSTRAD) as the army chief. Similarly under pressure from

the armed forces on March 11, 1966 Sukarno delegated the executive power to General Suharto. After this decisive act, the transition to a quasi-military government moved at an accelerated phase.\(^{20}\) On March 17, 1966 Suharto using his new authority banned the PKI and on March 18, he ordered the arrest of fifteen ministers in Sukarno's Dwikora cabinet including the Foreign Minister Subandrio. Following this on March 30, 1966 Suharto included a number of new ministers in the purged Dwikora cabinet and established the Ampera cabinet. Adam Malik was appointed as the Deputy Prime Minister for Political and Social Affairs as well as Foreign Minister, and the Sultan of Yogjakarta as Deputy Prime Minister for Economic, Financial and Development Affairs.\(^{21}\)

Along with changes in the Government, foreign policy also underwent some changes. General Suharto renounced the flamboyant and radical style of his predecessor's foreign policy and gave high priority to the termination of confrontation against Malaysia and normalisation of relations between Jakarta and Kuala Lumpur. The New order Government stressed that the principal duty of Indonesia's foreign policy was to serve national interests defined


largely in terms of economic interests. The confrontation policy of Sukarno against Malaysia had caused economic disarray. Thus Foreign Minister Adam Malik stated that the confrontation of Malaysia consumed as much as 60 per cent of government revenues and pledged to seek a peaceful solution to the problem with Malaysia.22 Hence the new order Foreign Minister said that Indonesia would follow a policy of confrontation of stomachs instead of confrontation of Malaysia. In other words the new order government will give priority to the economy of the country and the economic well being of the people.23

Adam Malik also assumed that Indonesia's withdrawal from United Nations and International Monetary Fund (here in after IMF) on 7th January 1965 as a protest when Malaysia was elected as a non-permanent member of the Security Council, and the alliance with People's Republic of China lost Indonesia not only the support of Western countries, but also the respect of its fellow non-aligned Afro-Asian

2. Frederick Bunnell, Loc. Cit., p.25.

nations. Thus the imperatives or key notes of the New order foreign policy was to follow a genuine non-aligned foreign policy rooted in a sober calculation of what was the best for Indonesia.

The new order said that the foreign policy of the old order under Sukarno had deviated from "independent" and "active" (non-aligned) foreign policy principle. In a state address on 16th August 1966 Indonesia's acting President, General Suharto, before the house of representatives, said that the old order conducted a beacon foreign policy, without giving importance to the pressing economic interests of the people and the country. He further stated that the priority (keynote - Dominant idea) of the new order's foreign policy would be to serve the national interest, particularly economic interest, that is, economic development of the country and the people. Indonesia's diplomatic relations with China was suspended in 1966.


Frederick Bunnell, Loc. Cit., p.25.


The confrontation policy with Malaysia was abandoned and Indonesia paid more attention in advancing a climate of peace in the region. Indonesia was one of the founder members of the Association of South East Asian Nations (ASEAN) and it played an active role in the formation of ASEAN on 8 August 1967. Attention was also paid to improve the relations with Soviet Union which had suffered because of Indonesia's alliance with China during Sukarno period. Indonesia rejoined United Nations on 27 September 1966 and renewed its membership in the IMF.

The US, Japan and other Western Countries appreciated this new key note (economic development) in Indonesian foreign policy and felt obliged to help Indonesia in her economic reconstruction and development. Japan took the initiative for arranging economic assistance to Indonesia. Japan offered $30 million as emergency credit and organised in Tokyo on September 1956 a meeting of non-communist donor countries consisting of herself, the US, Great Britain, France, Germany, Italy and the Netherlands.

At this meeting, Indonesia succeeded in convincing the Western creditor countries on the postponement of Indonesia's repayment of debts. Indonesia's improved relations with the Western countries paved the way for obtaining new credits. The developed capitalist countries formed the so called Inter-Governmental Group on Indonesia (IGGI) the members of which were Indonesia, US, Australia, Belgium, Japan, West Germany, England, Italy, Canada, Netherlands, France, IBRD, IMF, ADB, IDA and Australia, Denmark, Norway, New Zealand and Switzerland as observers in Paris in December 1996.31 As a result of her new imperatives in her foreign policy, the new order government was able to secure the maximum aid and assistance from creditor countries and was able to improve her economy. Thus the key note of Indonesia's foreign policy had economic development as the priority after the new order came to power.

The New order believed that a truly independent and active foreign policy would be possible only when strong national resilience is achieved. Hence in the first stage, the New order reconceptualised foreign policy based upon the need to build national resilience (Economic, Social, Political, etc.) but mainly defined in terms of economic

Thus the element of *Pembangunan ekonomi* (Economic Development) in foreign policy found its expression through a policy designed to secure foreign aid. This changed approach in foreign policy by the New order logically brought Indonesia closer to the more rich and developed capitalist countries from which the aid and investments could emerge. As a result, the New order's foreign policy looked neither independent nor active, when compared to the Sukarno's revolutionary foreign policy during the Guided Democracy period.  

But the New order believes that an "independent and active" policy could be pursued only by sound pragmatism: the fulfillment of national resilience through economic development).

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Ibid., p.312.