

INDONESIA'S CONVALESCENCE

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President Sukarno's quiet removal from power in March 1966 has noticeably cleared the politically polluted air of Indonesia. Attention has now shifted from the past to the future and the former "Great Leader of the Revolution" has disappeared from public view both personally and as an ever-present image on the wall. It is most unlikely that he will be prosecuted either on charges of corruption or for involvement in the September 30 Affair, which resulted, in 1965, in the assassination of six Army leaders.

There is, allegedly, no hard evidence of substantial fortunes amassed by Sukarno while in office, although hard pressed for foreign exchange and confronted by rather unhappy eastern and western creditors, the new regime may have reasons to be discreet about any nest eggs to which it was able to gain access. What is being shown in Djakarta are a number of chits, each for tens of thousands of dollars, signed by Sukarno during his travels abroad.

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This may have been mere pocket money drawn from public funds by a spendthrift, but not necessarily truly corrupt man.

Similarly, interest in Sukarno's involvement in the sequence of events which resulted in the destruction of the Communist Party of Indonesia and in the establishment of Army rule, vanished after the transfer of power to General Suharto in March 1967. The accepted view in Djakarta seems to be that Sukarno's role in the murder of General Yani, the Army Commander, and of five of his colleagues on the General Staff was a passive one: He made no efforts to stop the conspirators but may not have known in detail what their plans were. What stands out in historical perspective is not so much Sukarno's wickedness as his weakness of character.

The transfer of power took place so quietly and in fact so elegantly for a society which lacked institutionalized ways for dealing with the problem of succession that the expected shock waves were no more than a brief ripple on the surface of Indonesian society. The new regime waited another two months, until May, before it decreed that Sukarno was to live at the summer palace in Bogor and was no longer permitted to use any of his former titles.

The new Acting President, General Suharto, is expected to stay in power at least until the general elections, scheduled for July 1968. It is still hard to tell whether General Suharto sees himself as the future elected president of Indonesia. At a press conference in mid-April he

answered a question concerning his appearance in military uniform by saying that he does not see himself separate from the Army. Some of his close associates think that at this time he really thinks of himself still as a caretaker of the government rather than as the new political leaders of the Indonesian nation.

Currently Indonesia has no legitimate representative bodies, as no general elections have been held since 1955. After 1960 Sukarno, reverting to colonial tradition, had appointed members of Parliament loyal to his regime. Last year the new rulers shuffled the cards once more, replacing by the same method pro-Communists with anti-Communists.

The need to normalize political life and create meaningful constitutional foundations for the future is keenly felt in Djakarta today, as a reaction to the disappointments experienced both with parliamentary government and with the leadership principle. The more patriotic elements of the elite, who see their country as a potential great power, desire not only domestic political stability but also international respectability. Bitter experience may have finally taught them that neither can be secured unless the political defects of their past forms of government are corrected. For this reason, and also as the result of the normal competition for political power between various contending groups, the search for a new political formula is actively pursued at present.

A satisfactory solution would have to facilitate the creation of stable governments based on a partnership between the political parties, some of which have fairly strong historical roots, functional groups, such as farmers,

workers, and students who were not adequately represented by the political parties, and the armed forces who see themselves as the custodians of the national revolution. It would also have to reconcile the inherent tensions and suspicions between overpopulated Java, deficient in natural resources, and the much better endowed Outer Islands which fear exploitation, preferably without resorting to federalism which is still associated in nationalist minds with the "divide and rule" maneuvers attempted by the Dutch twenty years ago.

If elections are to be held in the near future these questions must be answered in the course of devising an electoral system. The armed forces and their political allies advocate single member districts and want some form of guaranteed representation for themselves. The established political parties prefer proportional representation and hope, somewhat unrealistically, to return to the parliamentary rules of the game which prevailed in the decade preceding Sukarno's dictatorship.

According to the bill discussed by Indonesia's quasi-Parliament this spring, members of the armed forces would be denied the right to vote and to be elected, the argument being that as guardians of the state their unity should not be jeopardized by political rivalries. The same bill proposes also to disenfranchise all members of the now-banned Communist Party of Indonesia and of its former front organizations.

Whereas the political neutralization of the armed forces (which include the police) would concern less than half a million persons, the disenfranchisement of those

formerly connected with the extreme left could affect, if Communist membership claims were accurate, about 15 million people or about one quarter of the total potential electorate of about 60 million. If this electoral bill is enacted a substantial segment of the population will lack representation. This might increase the covert and subversive appeal of Communism. By contrast, the armed forces would receive by appointment 25 percent of the seats in Parliament and would therefore be overrepresented although disenfranchised.

These proposals reflect of course the political reality of present-day Indonesia, but also the fact that despite their dominant power the military are seeking not only political stability but also civilian participation in an as broadly representative government as, in their view, circumstances permit. In this respect the Indonesian military compare rather favorably with those in other countries currently governed by their officer corps. The temptation to bring about political stability exclusively by repressive measures is of course always great in unsettled countries and much patience is needed to negotiate with the far from admirable leaders of political parties. Whether this exercise in political self-control will pay off remains to be seen.

To complicate the picture, efforts to normalize the political life of Indonesia by restoring representative government are likely to clash with the first really drastic efforts to secure economic stabilization and rehabilitation after twenty-five years of economic decline which began with the Japanese invasion of the islands in March 1942.

To participate in general elections, the political parties will need large amounts of money. In a country in which the average per capita income has declined from about \$80 annually in 1962 to \$73 annually in 1966 and in which civic culture is very weak, electoral campaigns cannot be financed by voluntary contributions. Therefore the political parties are forced by the logic of the situation to use their influence to obtain financial benefits from the state, in the form of import and export licenses and various other profitable favors.

The economic advisors of the "New Order" are trying to reduce governmental controls of the economy and to give market forces as free a play as possible. While such policy is likely to contribute substantially to an economic revival of the country, it renders much more difficult the traffic of influence on which the political parties depend for their war chest. They are therefore likely to obstruct stubbornly the liberalization of the economy and thus to interfere again with badly overdue rehabilitation and development.

It will not be easy to overcome this inherent conflict between political and economic interests. Even more difficult will be to change the mentality of the nationalist elites who have been almost exclusively the economic beneficiaries of independence. For the past two decades the country's resources have been exploited primarily for quick immediate returns with total disregard for long-term growth. The Japanese during the war and then the returning Dutch after 1946 had little interest in reinvestments and even maintenance beyond the minimum necessary, as their economic future in Indonesia looked far from promising.

Less obvious are the reasons why the Indonesian elites, who wrenched control of their economy out of the hands of the Dutch, engaged in the incredible mismanagement which wrecked their national patrimony in the final years of Sukarno's dictatorship.

The view was widely held in recent years that the leaders of the Communist Party maneuvered Sukarno and his majordomo, Dr. Subandrio, away from any constructive economic policy in the hope of benefitting politically from the economic chaos thus engendered.

At first glance the story sounds plausible. It may even contain a grain of truth. But the methodic pursuit of such a policy assumes a degree of "planning for evil" sharply in contrast, in retrospect, with the incompetence and lack of imagination evidenced by Communist leaders during the events of September-October 1965, which led to the destruction of their mass movement and to their own death.

The Indonesian economy was probably wrecked stupidly rather than willfully by a handful of incompetent politicians. The mystery that demands explanation is the passivity of the Indonesian urban-nationalist elite who watched this process without reacting to the evident destruction of economic assets of which they had become the proprietors and beneficiaries. After all, in contrast with the almost self-sufficient rural population, they all lived directly or indirectly off the proceeds of Indonesia's export sector of the economy.

In the villages, after independence, in part by design and in part by sloth, the hand of the government was lighter than under alien rule. Taxes were not collected and corvee was not exacted, bringing public works practically to a standstill. The trade-off was probably not unpleasant to villagers to whom potholes in the road are not the major nuisance that they are to urban motorists. If anything it slows down cars driving through the countryside and saves the lives of their chickens.

The situation of the nationalist elites was entirely different. They could be viewed as the lucky new stockholders of a corporation which in the early years after independence was able to distribute as much as \$1,000 million in profits (or to be more exact, export proceeds). Whether they were politicians, diplomatists, civil servants, soldiers or businessmen, they all participated in some fashion in the liberal distribution of these export proceeds, while the masses received nothing except better educational opportunities than under the Dutch.

Topping the cake, these nationalist elites benefitted also from the Cold War and obtained from both east and west easy credits and some free gifts allowing them to indulge their national vanity and engage not only in conspicuous consumption beyond their means but even in the brief illusion of being already a great power.

Surprisingly, the elites proved incapable of protecting their own selfish economic interests. By 1966 export proceeds had dropped to \$600 million, the foreign

debt could no longer be serviced, and letters of credit from the Bank of Indonesia had become unacceptable abroad. A cynical observer could argue that the shareholders finally fired Sukarno as Chairman of the Board only in the face of bankruptcy. If it is true that Sukarno nowadays drives around in a Volkswagen, this can still be viewed as a rather generous settlement for a manager who has caused his stockholders such grievous financial losses.

The real problem facing General Suharto's "New Order" now is whether the new team will play according to the old rules of the game, dividing as before the economic bounty that came with independence, or whether at last the welfare of the masses will guide the government's future policies. As Acting President General Suharto does not seem prone to bombastic speechmaking. He relies on the professional judgment of a small number of very competent and honest academic economists, directly responsible to him, and seems to be willing to follow their advice despite increasing opposition from vested interests hurt by the drastic inflationary policies currently being pursued. It will be interesting to watch whether General Suharto, who unlike most Asian leaders is truly of peasant stock, has more real concern for the masses than other leaders of urban extraction, who usually identify with the rich rather than with the poor.

An analysis of the Indonesian situation at this time leads to the conclusion that in the next few years the country's convalescence will depend almost completely on General Suharto's wisdom and strength of character.

Tout nouveau, tout beau, of course, but in the first stage of his political career he demonstrated both in dealing with Sukarno.

He will now have to rely on the same personalized qualities in dealing with his own political power base, the Armed Forces. An Army of 256,000, a Navy of 46,000 and an Air Force of 22,000 men are not excessively large for a nation of 110 million strewn across an archipelago spanning 3,000 miles. General Suharto's problem in the near future will be to feed, clothe, and pay these troops to prevent unrest and disaffection.

This will involve a certain measure of tolerance with the barter trade practiced for many years by regional commanders, although in the context of the foreign trade policy of the central government this amounts to smuggling. He will also have to close his eyes to certain arrangements between senior officers and the business community as long as they are undertaken for the welfare of whole army units rather than for the personal enrichment of individual military.

The line dividing old-fashioned corruption from special financial arrangements for the purpose of keeping control over the troops until the economic and financial crisis subsides is admittedly a thin one and only the personal attention and forcefulness of the man at the top can keep things from getting out of hand. Under such circumstances standard rules of behavior do not apply but this makes it only more important to follow strictly the special guidelines required by circumstances, especially as they cannot be submitted to public scrutiny.

If General Suharto succeeds in keeping the Armed Forces both disciplined and reasonably satisfied, it will be much easier for him to give adequate support to his economic advisors, whose stabilization program will be increasingly attacked both by the business community and by political interests eager to secure popular support from demagogic opposition to the bitter medicine prescribed by the economic doctors.

The business community, artificially nurtured by governmental credits and protectionism, is understandably up in arms. There is not much love lost for a stabilization policy which denies them further credits, although the government has no other source of revenue for this purpose than more deficit financing, and a foreign exchange policy which makes imported consumer goods cheaper than domestic products. Of course both policies can be criticized by economic nationalists. They will argue that General Suharto's economic advisors are nipping in the bud Indonesia's infant industries.

There is, of course, a conflict of interests in all developing countries between the immediately obvious needs of the agricultural masses who stand to gain from a stable currency and from cheap manufactured goods and the protectionist needs of domestic manufacturers and merchants eager to use the resources and instrumentalities of the state to strengthen their position in the economic system. Like others before him, General Suharto will have to throw his support to one group or the other.

In a country which was in imminent danger of being taken over by the largest Communist party outside the Communist world, the stringencies of the political situation are obvious. There are real risks in sacrificing at this juncture the short-term needs of the masses for the sake of long-term economic growth. Furthermore, if elections are held as promised in 1968 and the "New Order" can devise a political formula that would permit the people to express their support for General Suharto, simple electoral arithmetics dictate an economic policy that would sacrifice the votes of the mercantile classes for those of the teeming millions.

But the populist option is not without dangers, either. Vested economic interests will, of course, attempt to form an alliance against the new regime with major historical parties, the Nationalist Party (PNI) and the Mosel Party (NU) which survived by hook or crook the political holocaust of the Sukarno era or with new political forces eagerly seeking a power base in the present set-up.

Unless General Suharto is strong and lucky and manages to hold the loyalty of the officer corps, these various economic and political forces, galvanized by their common opposition to the economic stabilization program and sustained by intense political ambitions, may be able to secure the support of some elements among the military against their present leader.

If this happens, Indonesia may find itself on the same sad political treadmill worked by the people of Latin America for one and a half centuries, alternating between

military juntas and civilian politicians equally incapable, in the long run, of giving the masses a better life.

But because of the frailty of the Indonesian social system in which after less than two decades of independence all institutions lack solid moorings, failure to achieve economic and political stabilization can lead in the next few years to more dire consequences than a replication of Latin American patterns. The activist, covert remnants of the Communist Party of Indonesia could, with support from Peking, graft an insurgency onto the growing despair of overpopulated rural Java. The student action fronts who proved their mettle in supporting the "New Order" against Sukarno could lose faith in the leadership of all members of the old generation and take things into their own inexperienced hands. The result could be an indigenous form of urban middle-class fascism.

Worse still, both extremes might become active at about the same time, thus setting the stage for a civil war of unprecedented ferocity, if the massacres of Communists in late 1965 and 1966 are symptomatic of the forms violence takes in Indonesia when civilized restraints break down. This thought raises such gruesome prospects that men of good will everywhere can only hope that the convalescence of Indonesia will not be arrested by the action of individuals or groups whose vision is limited by their eagerness for immediate economic or political gains.

If you look at this picture of the world and of the country, it is not a pretty picture to look at. In fact it is a dismal, tense, not open, not fluid, not comfortable, very unpleasant picture.

These pictures are not awfully likely. But they could happen. They are not inconceivable. Five years ago this might have looked ridiculous. But now it is not. I think the U.S. can solve the problems. But I don't think they can be solved in five years. They will take a continued effort -- a combination of economic and political factors and controlled force. I think the notion that economic welfare and opportunity will do it alone is wrong. Electing negro mayors alone won't do it. A strong police won't do it alone, either. You have got to have all of these things working together. And it will take time. Just as the kind of problems there are in Vietnam are soluble, but will also take time.

