Southeast Asia

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Values, Governance,
and Indonesia's Foreign Policy

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Any attempt to analyze the relationship between political values and governance and how it affects a country's foreign policy has to confront two formidable challenges. First, the task of identifying values has always been problematic. The problem is evident when one attempts to identify what individuals regard as their most important values. Even two individuals within the same cultural matrix may subscribe to different sets of values. The task becomes more difficult when one attempts to formulate national values, especially in the case of a heterogeneous country like Indonesia. Indeed, while it is not hard to see that values exist, they are certainly not accessible to the verificationist or empiricist.[1]

Second, such an attempt faces the problem of determining the sources of the values to be analyzed. For example, "Whose values are we talking about?" and "Who is in a position to assert what constitutes national values?" are among the legitimate questions to be asked. Is it the values of the government or the society that count in a country's national political discourse? Where do the values held by a particular group, say capitalists or an ethnic group, stand within the wider framework of a state's national values? Whose values can be regarded as the dominant ones? Values have many sources. They may come from the governing elite, the capitalist class, or the rest of society.[2] These multiple sources further complicate attempts to present values as a cluster of empirical phenomena or as an identifiable entity.

Despite such conceptual problems, however, few would argue that values have no social and political significance not only for the way in

which a polity is organized and managed but also for relations between states. The literature of international relations theory has long addressed the question of values, even though its resurgence under the rubric of a "new normative theory" of international relations became evident only after the end of the cold war.[3] More and more states have begun to make national values an integral part of their foreign policy agenda. There are also cases where countries have attempted to project their values into the wider regional and global arena, as reflected in the ongoing debate over "Asian" versus "Western" values. The role of values in both domestic politics and foreign policy becomes even more significant in that values change, along with the social and political life of a nation.

However, the question of how a country's domestic political values influence its conduct of foreign policy remains scarcely explored. This chapter will address the relationship among values, governance, and foreign policy in the Indonesia of Suharto's New Order. Values in this chapter are understood in terms of the dominant values as defined by the ruling elite. An argument that needs to be advanced in this regard is that the governing elite often acts as the author of values, especially in postcolonial states that gained independence after World War II. The relationship among values, governance, and foreign policy in Indonesia, therefore, will be analyzed in terms of the quest by the New Order government to create and maintain a political order based on a set of dominant values claimed to be inherited from Indonesia's past. It is also on these values that the New Order's style of governance has been based for more than three decades.

The discussion is divided into four parts. The first examines the origins of Indonesia's dominant political values in terms of its history and culture. The second examines how Indonesia's foreign policy during the first two decades of New Order rule reflected the dominant values of the governing elite. It begins with an analysis of Indonesia's dominant political values as defined by the governing elite, followed by an examination of how the acceptance of those values by society was ensured (style of governance). The third part discusses how two decades of economic development have transformed state-society relations and the challenges that transformation has posed to the dominant values of the governing elite. The fourth part examines how the domestic changes since the end of the 1980s discussed in the third part are reflected in the conduct of foreign policy. It is argued that in a number of ways the foreign policy of the New Order reflects the

government's attitude and response to the growing demand by society that the government embrace more democratic values in the domestic domain. This is evident in the New Order's resistance to Western democratic values and pressure to respect human rights, and its view of the noneconomic impact of globalization.

VALUES AND GOVERNANCE IN INDONESIA'S PAST

The Republic of Indonesia assumed its formal identity as a single political entity after a group of nationalists led by Sukarno and Mohammad Hatta proclaimed its independence from the Netherlands in August 1945. It is the successor of various kingdoms that ruled large parts of what is now Indonesia's territory. Indeed, as Michael Leifer has pointed out, "It was given political form through the ability of the Dutch to impose administrative unity on a distended archipelago and a social diversity" (1983a, xiii). This historical background and social diversity, which manifests itself in cultural diversity as well, together with the long struggle against Dutch colonialism, the struggle for independence, and the quest to establish a modern identity as a postcolonial state, serve as the primary sources of Indonesia's values, which in turn set the parameters for Indonesians' view of themselves and others. In this context, values are understood as products of a nation's history and culture, serving as the basis for judging what is "good" and "bad" and what is "ours" and "theirs." Equally important, values also function as the basis on which the distinction between "us" and "them" is made and maintained.

Indeed, as in other societies, history and culture serve as two important sources of values for Indonesia's society. In this regard, it is often noted that the contemporary form of Indonesia's politics and state-society relations has its roots in the period of Hindu-Buddhist kingdoms, when a specific concept of politics developed and the relationship between the ruler and the ruled was defined. During that period, the kingdom was conceived as a representation of the cosmos on earth, and the king (*raja*) was regarded as an incarnation of God. Since the legitimacy of the king was based on his being a divine incarnation, his power and authority were almost unlimited (Koentjaraningrat 1975, 16). Society regarded the king as *narendra* and *narapati*, namely, the one who was "the most honoured, the most respected by his officials, asked for his blessing, someone to whom people could ask many questions and the one who played a role as the provider of guidance"[4] (Zoetmulder

1911 quoted in Partokusumo 1995, 135). These idealized qualities provided further legitimacy for the king to exercise absolute rights over the whole kingdom under his control, acting as a god-king (*dewa-raja*). Meanwhile, the people were expected to subscribe to the principle of *sabda panditaratu*, the king's word is the law (Partokusumo 1995, 204). In other words, the king demanded unreserved obedience from his subjects, who in turn felt that obeying him constituted one of the highest virtues. It is not surprising then that this mutual understanding of power relations paved the way for the supremacy of the state over society.

Within such a political framework, a hierarchical social order emerged. This was clearly spelled out in the *Nagarakertagama*, a long narrative poem written in 1395 by Prapanca, a court poet at the height of the Majapahit kingdom. In this chronicle, which tells us much about the nature of politics and governance in a Hindu-Javanese kingdom, Prapanca described how everyone had appropriate duties and privileges: "The Shivaite's son shall be a Shivaite, the Buddhist's son shall be a Buddhist, the Radja's son shall be a Radja, the common layman's son shall be a common layman, the commoner's son shall be a commoner, and all classes shall follow their own avocation" (quoted in Zainuddin 1968, 50–51). The main function of a god-king in this society, at least in theory, was therefore to provide and guarantee such an order. Prapanca praised his ruler when he wrote: "Orderly are the villages all over the country, giving wealth" (quoted in Zainuddin 1968, 50). Prapanca's assertion clearly revealed the correlation between order or stability and prosperity, two values that resurfaced in the political thought of Indonesia's New Order six centuries later.

Unity also served as the basis for an ordered governance. When chaos occurred, a *ratu adil* (just prince) emerged to restore unity, which provided the basis for the reestablishment of that order. Seen in this context, Javanese history clearly reveals the glory of a number of great restorers of unity after a period of chaos. As one historian has noted, "Airlangga was the tenth century restorer of unity; Ken Angrok, for all his violence, was the Just Prince of the twelfth century; while Kertanegara, for the thirteenth century, and Hajam Wuruk (Radjasanagara) for the fourteenth, filled a comparable role" (Zainuddin 1968, 51). In twentieth-century Indonesia, such a role can also be extended to the first president of Indonesia, Sukarno, who restored unity after Dutch colonialism, and to the second president, Suharto, who brought the

country back to unity and order in the aftermath of internal political turmoil at the end of 1965.

The coming of Islam, while providing a framework for the dominant values in society, did little to change the nature of the state and the basic political order that had developed in early periods (Partokusumo 1995, 204). A political structure that began with and was dominated by a *raja* with absolute power and authority remained intact. The state continued to take the form of a monarchy. This was the main feature of the later Mataram kingdom (sixteenth to nineteenth century). The king was no longer seen as a god-king; that doctrine was replaced with the concept of *agung binathara* (noble as a god) (Partokusumo 1995, 205). In the eighteenth century, it became customary for kings of Mataram to add the title Kalipatullah (an Arabic term meaning "representative of God on earth"). Like their predecessors, Javanese kings during the later Mataram period also assumed glorious titles that signified their primacy within the state. The fifth ruler of the Mataram kingdom, Sultan Agung (r. 1613–1645), who succeeded in conquering all Java and restoring its political unity, for example, assumed the title Sultan Agung Senopati Ing Alogo Ngabdurrahman Sayidin Panotogomo, which expressed the quality and status of the king as head of state, commander of the armed forces, and religious leader (Kusumoprojo 1992, 19). Islamic Javanese kings also bore the title Susuhunan, which reflected the influence of the Hindu-Javanese period.[5] As the noted Indonesian scholar Koentjaraningrat has asserted, "The civilization that flourished in the Central Javanese court of Pajang, and subsequently of Mataram, during the sixteenth and seventeenth centuries, still preserved many elements of the earlier Hindu-Buddhist-Javanese tradition" (1985, 53).

The political order also reflected the supremacy of the king, and for that matter the state, over society. The hierarchical relationship between the king and his subjects (the people) was maintained and was, in fact, based on a close personal relationship between the ruler and the ruled, as demonstrated by the concept of *kawula-gusti* (servant and master). This concept signifies close ties of mutual respect and responsibility between the ruler and the ruled, in which the former is expected to take care of and give guidance (*momong*) to the latter, while the latter is expected to place trust and loyalty in the former. All in all, the concept stresses "the role of the ruler in a definitely higher position than the subject, who is bound into submission by an everlasting

feeling of gratitude" (Moertono 1968, 26), acquiescence, and subservience.[6] It is not surprising that this line of political thinking gained currency within Javanese society, because people believed that the king "was the one and only medium linking the micro-cosmos of man and the macro-cosmos of the gods," hence the idea of the king as God's *warana* (or *wahana*, deputy or representative)" (Moertono 1968, 35). In this conception, therefore, the state served as the institution in which the king maintained dominance.

The king's obligation to maintain order and harmony continued to be a central element of politics and the practice of statecraft during the later Mataram period. This primary task also denoted a clear continuation between the Hindu-Buddhist period and the later Mataram period. The importance of the task for Javanese rulers has been convincingly argued by Moertono: "The Javanese, therefore, would not consider the state to have fulfilled its obligations if it did not encourage an inner psychological order (*tentrem*, peace and tranquillity of heart) as well as enforcing the formal order (*tata*). Only then is the state of perfect balance, of perfect harmony, achieved" (1968, 3). Javanese kings' preference for lasting stability and firmness, as a manifestation of order and harmony, was reflected in their names, such as Paku Buwana (Nail of the Universe), Hamengku Buwana (Sustainer of the Universe), and Paku Alam (Nail of the World) (Moertono 1968, 37; Anderson 1990, 45).

The function of the state as the provider of order and the guardian of harmony, to be achieved through the maintenance of unity between the ruler and the ruled, was given a special place in the political thought of the later Mataram period. This was reflected in the concept of *manunggaling kawulo-Gusti*, the merging of man and God (Partokusumo 1995, 298), which in political life referred to the importance of unity between the ruled and the ruler. Moreover, the ruler, who had always served as the core of the traditional polity, personified the unity of society. The urge for unity, according to Anderson, was central to Javanese political attitudes (1990, 37). Indeed, the concept of *manuggal* (to become one) reflected the primacy of unity in the Javanese philosophy of life (Partokusumo 1995, 298). At the microcosmic level of state life, the paramount importance of unity was also related to the king's task of preventing his sovereign realm from disintegrating or being lost to a usurper.

From the above discussion of the historical and cultural dimensions of Indonesia's political values, it can be concluded that three core

values assumed paramount importance in the practice of statecraft: order, harmony, and unity. The history of the old Javanese kingdoms, during both the period of the Hindu-Buddhist kingdoms and that of the Islamic Mataram kingdom, is dominated by stories of rulers trying to achieve these values in daily life. It is also important to note that the supremacy of the state over society, which was reflected in the concept of *manunggaling kawulo-Gusti*, constituted an important political feature of the old polity of Indonesia. It was within this hierarchical political framework that observance of the three dominant political values—order, harmony, and unity—was imposed and assured. As we shall see in the following discussion, those values, and the dominant political feature of the supremacy of the state over society, have continued to color the political process in modern Indonesia.

DOMESTIC POLITICS AND FOREIGN POLICY UNDER THE NEW ORDER (1966–1988)
Instituting the Dominant Values and Style of Governance

The New Order government came to power in March 1966, shortly after internal turmoil that brought about a dramatic change in Indonesia's political structure.[7] Its rise was made possible by the elimination of the Indonesian Communist Party (PKI) and the formation of a coalition among the military, students, Islamic groups, and selected party politicians with the object of stripping President Sukarno of power. It can be described as an "impossible coalition," because it included social forces with differing ideological standpoints. The only basis upon which its parties could unite was a common interest in overthrowing the same enemy. In 1967, not long after the rise of the New Order government, the coalition began to disintegrate. Under Suharto's leadership, the New Order government was determined to secure its position as the new power holder.

In its attempt to consolidate its position, the government was faced with the problem of strengthening its legitimacy as power holder. For this purpose, it presented itself as the government that had saved Indonesia from collapse. It denounced the previous period of Guided Democracy as one of *penyelewengan* (deviance) from the Pancasila and Undang-Undand Dasar 1945 (UUD 1945, or 1945 Constitution). To demonstrate its role as savior (*penyelamat*) and therefore as legitimate power holder, the government set for itself the task of "return to the original Pancasila and the Constitution of 1945" (*kembali ke Pancasila*

dan UUD 1945 yang sebenarnya), the ideological and constitutional basis of the state of Indonesia.[8] Sukarno's obsession with revolution during the Guided Democracy era was replaced by Suharto's developmental pragmatism. The New Order did not seek a return to the parliamentary democracy of the 1950s or the creation of a distinct new political system. Rather, it made the "purifying of the implementation" (*memurnikan pelaksanaan*) of the old its primary task. Like the Old Order, the New Order functioned on the ideological foundation of the Pancasila (albeit with a different interpretation) and the constitutional basis of the UUD 1945.

The New Order introduced the establishment of two core values as its main mission: economic development (*pembangunan ekonomi*) and its prerequisite, political stability (*stabilitas politik*). These two core political values also served as the basis of the regime's legitimacy. Deviation from, and threats to, the prescribed values were seen as potentially destabilizing the country, which would disrupt economic development. It was claimed that the New Order government, backed by the military as the main pillar of political power, was imbued with the task of safeguarding the republic from such a threat. Indeed, as a leading Indonesian political scientist has correctly pointed out, "political stability and economic growth constitute the dual leitmotif of the New Order in justifying its entitlement to rule" (Pabottingi 1997, 30). In this context, it was also claimed that the promise of stability and development could only be delivered by a strong government under the New Order leadership.

The New Order also sought legitimacy through the quest for a new political format that suited the above objectives, embarking upon a political maneuver that aimed on the one hand to reduce the role and influence of political parties and on the other hand to strengthen its own role by creating a new political vehicle, Golkar, through which its aspirations could be legitimately channeled. Through employing Golkar as an electoral machine the New Order further legitimized its rule in the general election of July 1971, winning 62.8 percent of the vote, or 227 of the 360 contested seats. The Dewan Perwakilan Rakyat (DPR), or House of Representatives, initially had 460 members. However, since 100 seats were to be filled by government-appointed members, including 75 seats reserved for the military, it was evident that Golkar and government-appointed members of parliament would hold an overwhelming majority. Therefore, in a parliament consisting partly of appointed seats and guaranteed representation, the military did not

have to worry about a hostile legislature that might hinder the implementation of government policies. On the contrary, through Golkar and appointed members, it was able to control the legislative branch of government.[9]

The New Order regime also strongly believed that the pre-1965 period's failure to attain stability was caused by party politics. In the eyes of New Order leaders, political parties were concerned more with their narrow interests than with the interests of the whole nation. Nonetheless, they saw that to establish stability they needed to "regularize" a society imbued with a strong sense of political participation inherited from the Sukarno era. The nature of Indonesia's polity was reflected in the determination of Old Order political parties to resist the New Order regime's attempt to limit their position and role in the political system. Even though the government had expressed its desire to "simplify" (*menyederhanakan*) the party system by limiting the number of parties to three at the end of 1969, the existing parties succeeded in maintaining their existence and identity in the general election of July 1971, in which ten parties, including the government-backed Golkar, participated. The election was a drastic failure for political parties but a massive victory for Golkar, which strengthened the government's grip on power.[10]

With this reassuring result, the government intensified its attempt to simplify the party system and sought to free domestic politics from the ideological and political rivalry and conflict that had characterized the previous period. Through Golkar, public servants were asked to dissociate themselves from parties and give their "monoloyalty" to Golkar instead. Then there was the doctrine of the "floating mass" to "safeguard" the people from manipulation by competing parties, thus effectively barring parties from political activities in rural areas. In 1973, all political parties were compelled to regroup into two new parties, the United Development Party (PPP) and the Indonesian Democratic Party (PDI). Finally, in 1985, these two parties, along with ORMAS (mass organizations), were obliged to accept the Pancasila as their sole ideological foundation. The result was that the position of parties and other political forces was weakened, and they were unable to establish their own power bases, independent of the government. They functioned not as opposition forces to the government but more as "partners" to it in ensuring the smooth implementation of the government's development program.

These attempts by the New Order to establish a new political format

reflected the conviction of its leaders that a noncompetitive or family-like political system best suited Indonesia's own culture and priorities. In such a political system, all groups in society were geared to work with one another in a spirit of *gotong-royong* (togetherness), not against one another. The leaders also believed that the nation should be freed from all political and ideological rivalry and conflict. The journalist Adam Schwarz aptly sums up the essence of this system: "The nation is akin to a family to which all societal groups belong and contribute. Family matters can be discussed, though politely, but in the end the father makes the decisions. Continued opposition to, or excessively blunt criticism of, his decisions is considered destabilising, disloyal and in extreme cases subversive and unpatriotic" (1994, 235).

To ensure the sustainability of such a noncompetitive political system, the New Order government emphasized the primacy of Indonesia's own cultural values as the primary sources of national identity. Suharto, for example, maintained: "I am reminded that a nation that neglects its cultural heritage will lose its identity. A nation without its identity will be weak, and in the end, a weak nation will deteriorate from within and without. . . . Only a nation with its own identity can be a nation with self-confidence . . . [and] it is this self-confidence, this ability to be self-reliant and creative that are keys to success in development" (Suharto 1991 quoted in Schwarz 1994, 230). In 1982, Suharto also stressed the cultural origins of the state ideology of Pancasila, arguing that it was dug out of the soil of Javanese history (Liddle 1996, 79). Such remarks reflected a strong desire on the part of the New Order to revive traditional values of governance as the appropriate recipe for coping with the complex reality of contemporary Indonesian politics.

In this regard, there were a number of political values that the New Order government attempted to inject into the political process. First, a consensual approach to politics was seen as a basic value that needed to be preserved. The New Order government maintained that this value constituted the core element of Indonesia's self-styled democracy, stressing the importance of *musyawarah* (consultation) and *konsensus* (consensus) as the two most significant political values according to which the political process should be conducted. The very concept of political opposition had no place in the Pancasila ideology. In the words of a prominent legal activist, "opposition is interpreted as distrust of the good faith of the ruler; just as it would be inconceivable that children demand that their father account for his acts, it is inconceivable that the people demand that the ruler be accountable for his deeds"

(quoted in Schwarz 1994, 235). Modes of decision making other than *musyawarah*, such as voting, were seen as mechanisms that did not originate in Indonesia's own culture and therefore should be avoided.

Second, the New Order maintained that Indonesia's political process should be based on the values of communitarianism, the primacy of societal interests over those of individuals. With such a value system, the distinction between the majority and the minority was deemed irrelevant to Indonesia's political process. The views of both the majority and the minority would be given equal consideration in the making of any governmental policies. All political activities were supposed to be conducted for the public good. Individual rights were respected insofar as their articulation did not impinge on the fulfillment of the objectives and interests of society as a whole. When certain individual liberties were constrained, that should be seen as the requirement for maintaining stability and promoting economic development (Schwarz 1994, 233).

Third, communitarian values were considered to play a significant role in maintaining the values of social order and harmony, which served as core political values for preserving internal order and promoting national development. No one was expected to upset the social order and harmony by advancing personal interests. Moreover, conflict had no place in social interactions. As Edward Aspinall has observed, "there was no place in Indonesia for conflicting interests either within society or between society and state" (1996, 217). When it did occur, either in the political realm or in the public sphere, its resolution tended to take a cultural rather than a legal form. The maintenance of social order and harmony was seen as the basis upon which society could function properly. In this regard, it was also claimed that the maintenance of social order and harmony was possible only if each individual exercised self-discipline and tolerance.

Fourth, efforts to maintain stability and promote development required individuals and society to subscribe to the value of respect for authority and elders in politics. The rulers, in the Indonesian (or Javanese, to be more specific) cultural context, were closely identified with God or were seen as God's *wahana*. As mentioned earlier, obeying the king constituted one of the highest virtues (Pabottingi 1995, 238). This notion of the position of the ruler established a hierarchical pattern of authority between the ruler and the ruled. Patterns of authority were closely linked to values stressing respect for elders. Obedience became an important value in Indonesia's political process. When Indonesian

politics entered the short-lived era of *keterbukaan* (openness) in 1990–1991, Rachmat Witoelar, then secretary-general of Golkar, for example, warned people "not to hurt the feelings of the older generation" (quoted in Schwarz 1994, 233). Such a warning reflected what Koentjaraningrat has identified as a significant value of Javanese society: "a great reliance on, trust in, and respect for seniors and superiors" (1985, 458).

Fifth, to ensure that these political values were observed for the benefit of the state and society as a whole, not the narrow interests of political groups or individuals, the New Order emphasized the significance of ideological conformity. The main purpose was to create a "Pancasila state," which required a single, uniform understanding of both the nature of the Indonesian state and Pancasila as the state ideology. The New Order did not define the Pancasila state as a theocratic state; the government would not allow any religion to set itself up as the official religion. The Pancasila state was not a secular state either, however; the government recognized the existence of religions and was even "obliged to encourage and promote their development through the state's support and policies" (Hikam 1996, 139).

Many Indonesians agreed that the achievement of political stability by invoking ideological conformity was marked by the acceptance of Pancasila as *asas tunggal* (the sole ideological basis) by all political parties and ORMAS after the introduction of five bills on political development (*pembangunan politik*) in 1985.[11] All parties and ORMAS were now required to adopt Pancasila as *asas tunggal*. This removed any possibility of parties and ORMAS using ideological values other than those prescribed by the state for political purposes. With the adoption of Pancasila as *asas tunggal*, political forces outside the New Order were not permitted to claim any special representation on behalf of the interests of a particular group in society or to have a special concern for particular political issues, such as social justice (Robison 1993, 44). This measure also effectively removed the ideological links between political parties and their traditional constituencies.[12] It was therefore expected to mitigate ideology-driven conflict among social and political forces. The introduction of *asas tunggal* into Indonesia's political life was deemed the final step in the New Order government's long attempt to "homogenize" (*menyeragamkan*) the national political platform as the prime foundation for political stability (Karim 1992, 55).

By the mid-1980s, Indonesia enjoyed unprecedented political stability. The position of the New Order regime had become more secure;

there had been no significant challenges from its critics and opponents. The government had succeeded in silencing critics and exercising tight control over political participation, thus removing potential and actual challenges by the military, students, political parties, and Islamic groups. Indeed, it can be said that by the mid-1980s there was no serious challenge to the regime's legitimacy, even though the military continued to maintain the view that the "latent danger" of communism still constituted the main threat to Indonesia's national security and stability. As a leading Muslim scholar has asserted, "the long process of political restructuring since 1967 had been more or less accomplished in 1985" (Saidi 1993, 13).

The government invoked these measures to assure society's acceptance of the dominant values through a combination of cooptation, reward, and punishment. There were at least four elements in the New Order's strategy to ensure its hold on power: exemplary repression, cooptation, ideological indoctrination, and winning acceptance by delivering economic goods (Mackie 1993, 81). Political stability, which required strong government control over political forces outside the elite, had been achieved in part "by suppressing and containing the scope of political conflict through repressive or quasi-repressive measures" (Fatah 1994, 142) and also through what William Liddle has called "Latin American–style corporatist cooptation (or creation) of organizations representing acceptable interests" (1987, 213). Through this strategy, the government succeeded in removing potential challenges by political forces outside the state and established internal stability. Such political measures, undertaken for two decades in the name of development and stability, led to the strengthening of state power at all levels of society.

It should be noted, however, that domestic stability did not necessarily mean a total absence of challenges to the New Order government. Indeed, as a leading Indonesian scholar has demonstrated, its legitimacy has been contested throughout its more than thirty years of rule (Pabottingi 1995). The state's attempt to establish dominant political values was deemed to compete with other sources of values which also flourished and evolved in Indonesia's polity. In this regard, there were at least two major challenges to the New Order's attempts to institute the nation's dominant values during the 1980s.

The first major challenge was triggered by a speech by Suharto on March 27, 1980, in which he spoke of the "threat" to Pancasila and UUD 1945 from those who still oriented themselves to the value systems of

the past, in which he included "Marxism, Leninism, communism, socialism, marhaenism, nationalism, and religion." He also urged the military to choose "its partners from like-minded groups who truly defend Pancasila and have no doubts about Pancasila whatsoever" (*Kompas* 8 April 1980). The speech upset a large number of people, prompting them to challenge Suharto to explain himself further. The most direct challenge came from a group consisting of fifty retired generals, formerly prominent civilian leaders, and intellectuals who were increasingly critical of Suharto and government policies. In May 1980, the group signed a petition called "Statement of Concern" and submitted it to the DPR. The group argued that the president's speech had "misconstrued" Pancasila and caused controversy within society. The group objected to Suharto's using Pancasila "as a means to threaten political enemies" rather than as "a basis for unity" (quoted in Bresnan 1993, 207). The group asked the DPR to consider these issues. The New Order reacted swiftly to the group and managed to sideline it.

The second major challenge came from Islam, especially in regard to the introduction of *asas tunggal* in 1985. For the Islamic groups, that would have the effect of repudiating their religious identity. Muslim groups had suspected that the introduction of *asas tunggal* was intended to weaken further the role of Islam in political life. As mentioned earlier, Islam was not given an official place in the political system of the New Order. Islamic-related political expression was permitted only through the role of the PPP, and even that was to be carried out within the boundaries of acceptable political conduct as mandated by *asas tunggal* and Pancasila. This dashed the Islamic groups' hope that the emergence of the New Order, which Islam had played an important part in establishing, would pave the way for Islam to play a commensurate political role in the new setting. Some segments of the Muslim community saw the stipulation of *asas tunggal* as another attempt to push Islam further to the sidelines of national politics by asking them to subordinate their religion to another system of moral values (Mackie 1993, 82). Disillusionment over politics found its fiercest manifestation in a bloody clash between government troops and Muslims in the Jakarta port district of Tanjung Priok in September 1984.

Despite all the challenges it encountered during this period of searching for a new political format, the New Order gained the ascendancy and managed to assure the acceptance of Pancasila by all social and political forces as the expression of the political values that served

as the basis of the state. By mid-1985, the situation was firmly under the government's control. Two bills on *asas tunggal* (the Golkar and Mass Organizations bills) were passed by acclamation without any significant amendment. Moreover, to give substance to its chosen ideological values, and also to the basis of its legitimacy, the New Order continued to invoke development and stability as core values of the Pancasila state. Official statements on how politics should be conducted also showed a strong emphasis on the need for all levels of society to uphold, observe, and maintain the values of order, harmony, and unity. As shown in the following discussion, the foreign policy of New Order Indonesia reflected these dominant values.

The Dominant Values and Foreign Policy

I argued earlier that the New Order's introduction of dominant values into politics resulted in a political system in which the state was stronger than society. This feature changed the nature of linkages between domestic politics and foreign policy. During the pre–New Order period, foreign policy issues were often used as powerful instruments by which one group could attack and discredit other groups. It is important to note that under the New Order Indonesia's foreign policy was no longer subject to the power game in domestic politics. Foreign policy ceased to function as a battleground where contending forces used particular foreign policy issues to alienate and dismiss political opponents. More important, foreign policy was no longer permitted to be used as a political weapon by which opposition forces could criticize the government's implementation of its program of economic development.

The government maintained that the main function of foreign policy was to serve broad national interests. Domestic politics was not allowed to encroach on the conduct of foreign policy, and vice versa. Foreign policy ceased to function as an instrument that competing political elites could manipulate to advance their domestic agendas. Only the government was in a position to decide what function foreign policy should fulfill. If the main function of foreign policy during the Sukarno period had, in most cases, been to serve the political interests of competing domestic elites, it now served the interests and purposes of a unified, strong government. In other words, foreign policy under the New Order returned to its conventional function of advancing the interests of the state within the international community.

More important, the conduct of the New Order's foreign policy

reflected the core values of the state, development and stability. The realization of these twin values guided the conduct of New Order foreign policy from 1966 onward. In the government's view, foreign policy was to be carried out in a manner that brought concrete benefits to Indonesia's economic development. The result was rather dramatic. The policy of maintaining independence, the hallmark of Sukarno's foreign policy, gave way to the policy of development. Although Ministry of Foreign Affairs officials, intellectuals, and other segments of society continued to push for a more active international role for Indonesia, the New Order government firmly believed that such a role could not be attained until after Indonesia possessed "national vitality." The result was a conscious choice to pursue a "low-profile" international role for the benefit of domestic economic reconstruction. In short, the government saw foreign policy as an integral part of national policy directed toward achieving national interests defined largely in terms of economic development.

The projection of development as a dominant value into foreign policy found its expression in a policy designed to secure foreign aid. This approach brought Indonesia closer to the prosperous noncommunist West from which aid could come. It began with Indonesia's rapprochement with a number of Western countries, notably the United States. With the help of a number of American-educated Indonesian economists (the technocrats), the New Order regime drew up an economic recovery plan that required substantial financial assistance from abroad for its success. Indonesia was greatly helped in this by the establishment of a multilateral donor body, the Inter-Governmental Group on Indonesia (IGGI), which consisted of a number of Western countries and Japan.[13] The International Monetary Fund and the World Bank also poured in financial assistance. So evident were the changes in Jakarta's relationship with the West that critics characterized Indonesia as a "good boy" of the West and its international financial institutions.

The second value, stability and order in domestic politics, was also projected into the conduct of foreign policy in the form of preventing foreign elements from interfering in Indonesia's internal affairs and endangering domestic political order. This found its strongest expression in the New Order's policy of normalizing diplomatic relations with the People's Republic of China, especially from 1967 to the mid-1980s.[14] Indonesia's policy toward China during that period was a result of a complex relationship between the New Order's two core political

values of development and stability on the one hand and its perception of threat on the other. In this regard, as mentioned earlier, the government maintained that the success of economic development depended on internal political stability. Economic development and the maintenance of national stability constituted two significant values that needed to be safeguarded. Their legitimacy was reinforced by the government's perception of threat, specifically, its perception of communist subversion as a threat. This perception in turn restructured foreign policy. Such a threat, the New Order believed, might come from the remnant of Indonesia's communists, China, and the ethnic Chinese minority.

These three sources of threat, in the New Order's view, were closely related. What was perceived as the communist threat was construed not only in the form of the possible revival of the PKI, but also in the form of communist attempts to subvert the country's economic development and political stability. China was seen as an external threat, not directly through military aggression but indirectly through subversive activities, especially in helping the PKI make a comeback. The government believed that China often involved itself in Indonesia's internal politics. Such involvement was seen to have reached its peak in the mid-1960s when Beijing supported the PKI in the party's attempt to gain political ascendancy in Indonesian politics. Between the internal and external communist threats stood the ethnic Chinese community, which the government suspected of providing a potential link between the two, a link whereby China could channel subversive activities to Indonesia.

This logic prevented Indonesia from restoring diplomatic relations with China for more than two decades. The government worried that the restoration of diplomatic ties would provide opportunities for China to interfere once again in Indonesia's internal affairs, with devastating effects on domestic stability, which in turn would hamper economic development. Even though there were significant changes in China's foreign policy from the end of the 1970s onward, key members of the New Order leadership—especially the military—remained suspicious of China's intentions. In their view, as along as Indonesia's domestic stability was not yet secured, there was no need for the restoration of diplomatic relations with China. While normalizing diplomatic ties might have brought with it certain advantages, especially the strengthening of Indonesia's status as a nonaligned country, the primacy of internal stability continued to serve as the major constraint

to normalizing diplomatic relations with China until August 1990.

Indonesia's policy toward the Muslim world also reflected the dominant values that the government wanted to project into domestic politics, namely, the values embodied in the idea of Indonesia as a Pancasila state that rejected the notions of a theocratic and a secular state both. To reflect the nature of Indonesia as a Pancasila state in international relations, the government took great care not to allow its foreign policy to be dictated by religious considerations. As Suryadinata has observed, "Indonesia's foreign policy under Suharto stays 'non-Islamic' in character, that is, Islamic solidarity is neither the basis for, nor the major consideration in Jakarta's foreign policy" (1995, 291–292). If Indonesia's policy of nonrecognition of Israel generated the impression that Indonesia's sympathy lay with the Arabs, that policy was not based on religious solidarity. It was based more on Third World nationalism and on a principle of justice in which Indonesia's national interests constituted the primary consideration (Suryadinata 1995, 292–293; Leifer 1983b).

Indonesia's policy toward the Association of Southeast Asian Nations (ASEAN) provides another example of the projection of the values of order and harmony into foreign policy. Indonesia has been a leading player in this regional organization since its inception in August 1967. Through ASEAN, Indonesia sought to project its preference for order, harmony, and unity onto the regional level. This was also demonstrated by ASEAN's adoption of *musyawarah* and *konsensus*—two principles that were primarily, though not exclusively, associated with Indonesian village life—as decision-making instruments to guarantee harmony among member states and to achieve order at the regional level. To ensure the maintenance and observance of these values within ASEAN, in a number of cases Indonesia demonstrated its ability to accommodate national interests with regional ones. For example, a study of ASEAN countries' voting patterns at the United Nations showed that "Indonesia had mostly uphold [*sic*] ASEAN's unity" (Salim 1981 quoted in Anwar 1992, 57). Its attitude toward the question of foreign military bases in the early years of ASEAN is also illustrative. While strongly opposed to the presence of foreign bases in Southeast Asia, Indonesia accepted the argument that it was unrealistic to demand their immediate removal and was ready to compromise by emphasizing the temporary nature of their presence (Suryadinata 1996, 67–68). Indonesia also sought to ensure that Southeast Asia would be

a conflict-free region. Indeed, the preservation of order, harmony, and unity within ASEAN has been, and will continue to be, the primary agenda of Indonesia's regional policy.

DEVELOPMENT AND PRESSURE FOR CHANGE IN THE 1990S

The Transformation of Society

As mentioned earlier, the first two decades of New Order rule gave the regime an increasingly patrimonialist character. The strengthening of authority and the dominance of the state over society left the New Order with considerable power to implement its program of economic development. Two decades of New Order rule also resulted in the steady improvement of Indonesia's economy. Until the early 1980s, the government relied heavily on "stability for development" as the prime foundation of its legitimacy. In this section I will argue that by the mid-1980s the very success of economic development had itself become the most important source of the regime's legitimacy. However, as a result of the pace and scale of economic development, the government was faced with new economic, social, and political problems. The rise of new problems attendant upon the success of economic development opened up new challenges from outside the regime. New political values, such as democratization and human rights, provided a ground for challenges posed by emerging societal forces, such as nongovernmental organizations (NGOs) and urban-based intellectuals. Those challenges have become more evident since the early 1990s.

Indeed, there is no doubt that after more than two decades of New Order rule, Indonesia had undergone a dramatic transformation. Economically speaking, much had been done by the New Order. The dramatic process of industrialization had transformed the economy. In the 1980s and early 1990s, the economy grew an average 7 percent annually. Per capita gross national product rose from US$70 in 1970 to around US$1,000 in 1996. The incidence of poverty dropped sharply, from 60 percent in 1970 to around 15 percent in 1990 (Schwarz 1994, 58). Education, literacy, and health indicators were way up. The internal structure of the economy had also undergone impressive changes. The contribution of oil and gas to national revenue from export earnings, which in the early 1980s accounted for more than 80 percent, dropped sharply to only 20 percent in the mid-1990s (Schwarz 1997, 125). In 1991, the share of agriculture in gross domestic product declined to 19.5

percent, compared with 53.9 percent in 1960. The share of manufacturing increased from 8.4 percent to 21.3 percent over the same period (Robison 1996, 79).

The success of economic development also resulted in a number of significant changes in Indonesia's social and political structures, which began to unfold in the late 1980s. In this regard, there were at least five major developments that may have a significant impact on state-society relations in the late New Order period and, by implication, on the contest over values within the broader framework of national politics. The first development was the strengthening of large private-sector firms and of the capitalist class in general, including the rise of a sizable *pribumi* (indigenous) capitalist class. A sharp decline in government revenues owing to the drop in oil prices since 1982 led to the restructuring and greater liberalization of the economy, with the object of promoting non-oil and -gas exports, especially manufactured products. This policy led to the increasing role of the private sector, mainly Indonesians of Chinese descent, in contributing to the national economy.

The second development was the entry of what Richard Robison (1996) has called "the New Rich" onto the national stage. More than thirty years of New Order economic development have led to the emergence of new urban groups with skills, jobs, and incomes comparable to those of their counterparts in most developed countries. Whether these forces have already formed an emerging middle class in Indonesia remains far from clear, however. Daniel Lev, for example, believes that the middle class has grown significantly during the New Order (1990, 44–48). Others, such as Liddle, are not too sure who should be properly labeled the middle class in Indonesia's context. As Liddle has warned, "Indonesian society and its New Order Government . . . do not fit that [Western] model [of how society functions and changes]" (1990, 52). What is certain, however, is that these new groups are seen by many commentators as the product of state policies. In many respects, they believe that the future of their prosperity depends very much on the order and stability provided by the New Order government. Therefore, their attitude toward the democratization process remains open to debate (Robison 1996, 85).

The third development, related to the second, was the revival of Islamic-oriented middle-class politics. As noted by Michael Vatikiotis, this development should be understood as a largely urban and middle-class phenomenon, which can be attributed in part to "the increasing

number of Muslim devotees who are joining the ranks of the urban middle class" (1996, 152). Liddle has noted that "government, economic and cultural policies have led to the rapid growth of a larger, better educated, and relatively prosperous *santri* [devout Muslim] community" (1996, 279–280). The new generation of Muslim leaders, at least its majority, which no longer entertained the idea of turning Indonesia into an Islamic state, began to speak about the need for a greater role for Islam in politics and policy making. Some of these leaders may have sought the "Islamization" of Indonesian society, but the majority formulated "the empowerment of the Muslim community" in political and economic terms as their agenda.[15]

The fourth development was the rise of critical, educated groups in society. This group can be conveniently divided into two main groups. One consisted of those who were involved in, and channeled their political and social concerns through, NGOs. The number of NGOs has increased sharply in the last twenty years, to approximately ten thousand, of which more than one-third are based in the capital, Jakarta. This group also represented a new generation of Indonesians, mainly born after the inception of the New Order in 1966, outspokenly expressing their societal and political concerns. The other group consisted of critical intellectuals, both within the state bureaucracy (such as the Indonesian Institute of Sciences and private and state universities) and without (such as members of ORMAS and private research institutions). Many commentators and analysts have speculated whether these groups constitute the seeds of civil society in Indonesia.[16]

The fifth development was the spread of labor activism. According to official sources, there were 190 strikes in 1992, an increase from 130 in 1991 and 60 in 1990. What is interesting in the case of Indonesia's labor strikes is that almost all were considered illegal. Indonesian workers are obliged to pass through a series of arbitration tribunals and to ask for permission from the Ministry of Manpower before they can call a strike. Aware that such regulations constrain the articulation of their interests, however, more and more workers have ignored the required procedures for settling disputes and gone on strike anyway (Schwarz 1994, 259–260). The growing role of the labor movement in Indonesia is also indicated by the emergence of two independent labor unions since 1990, despite government regulation that permits only one labor union, the All Indonesia Workers Union (SPSI). More important, the spread of labor activism has put the New Order's policy

toward the labor movement under international scrutiny, especially from the United States (Suryadinata 1996, 142).

These developments clearly constituted a major transformation of Indonesian society. As we shall see in the following section, the four groups identified above—the private sector, the New Rich, the Muslim middle class, and critical groups—and their political agendas and values have had a discernible impact both on state-society relations and on the debate over which political values should be seen as appropriate for Indonesia. Indeed, they constitute the catalysts for change in both the core political values and the style of governance of the New Order government.

The Political Impacts of Social and Political Changes

What is the impact of social and economic transformation on Indonesia's values and style of governance? It is important to understand that the rise of new forces means at least two things. First, it signifies greater pluralism in Indonesian society. Second, it indicates the weakening of the state's domination of society. These two conditions have resulted primarily from the imbalance or gap between economic development and political reform. Rapid economic transformation has not been followed by corresponding development in the political field. This gap serves as a source of tension between the state and society. On the one hand, the government continues to invoke the significance and continued relevance of the political values upon which the country's political process has been based. Consequently, there has been little change in the style of governance, which reflects the nature of the New Order as a patrimonial state. On the other hand, some forces in society have begun to press for change by demanding that the government incorporate new values—such as greater democracy, transparency in the decision-making process, and respect for human rights —that are seen as imperative for a modern state like Indonesia in entering the twenty-first century and coping with its formidable challenges.

Differences of view between the government and society are clearly evident in the debate over the significance and meaning of democratic values for Indonesia. There have been growing demands from large segments of society for greater democracy or, at least, greater participation in politics. These demands pose a challenge to both the legitimacy of the regime and the state's dominance over society. It is important to recognize, however, that this challenge is not directed against Pancasila

as a source of political values. Nor is it directed against the whole set of political values currently invoked by the ruling elite. It is directed more at the way the political system has been functioning or how the existing political values have been implemented. At issue is not so much the legitimacy of the New Order government as the basic values upon which that legitimacy is based and the way the New Order has governed since its inception in 1966. In other words, the dominant values as defined by the government and its style of governance are being challenged.

The ruling elite, meanwhile, maintains that it is imperative for Indonesia to stick to its own form of democracy as defined by that elite. Whenever the government feels the need to accommodate the popular view, its response to demands for greater democracy remains vague. It continues to claim that the need to maintain development, stability, and social order should be the defining framework for greater freedom in society. Resistance to change is great, but pressure for change cannot be easily dismissed. Such pressure comes from other sources, as well: the globalization process and its ramifications, such as the spread of new values, notably democracy and greater respect for human rights. Globalization strengthens domestic calls for the government to incorporate those values in politics, which in turn requires a change in the style of governance.

FOREIGN POLICY IN THE 1990S: RESISTING GLOBAL VALUES?

How have such social and political changes in the domestic domain affected foreign policy? I mentioned earlier that the New Order succeeded in changing the nature of linkages between domestic politics and foreign policy. Domestic politics is not allowed to intrude on foreign policy. More important, foreign policy has ceased to function as an instrument that can be manipulated by competing political elites to advance their domestic political interests. The government is in a position to make the best of whatever function foreign policy can fulfill. Nevertheless, the New Order has allowed elites to freely comment on and debate foreign policy matters. Thus, it has become less and less likely that competing elites will seek foreign allies in their domestic struggles.

However, the contest over values between the state and society in the domestic political arena has manifested itself in the New Order's

foreign policy, especially since the early 1990s. Foreign policy reflects the ruling elite's determination to protect and sustain what it has defined as the core political values. In this regard, the government seeks to ensure that foreign policy will continue to function as an instrument to prevent "foreign elements" from exacerbating existing domestic tension. Such attempts are made by, for example, contrasting the suitability of Indonesia's own political values for Indonesia's political process with "foreign" values that originate in Western notions of democracy and human rights. The excesses of the experiment with parliamentary democracy during the 1950s, a period marked by the endless bickering of contending political parties, is often cited as evidence of the unsuitability of such a system for Indonesia (Liddle 1996, 184–185).

In today's Indonesia, this is reflected, for example, in the regime's cautious and problematic approach toward globalization. On the one hand, the government welcomes the positive impact of globalization on economic development because it encourages growth. On the other hand, the government realizes that economic growth has political consequences. As mentioned earlier, economic development has been accompanied by the rise of new groups in society that demand greater participation in the policy process and politics, and the emergence of new ideas and demands, such as democracy, human rights, and social justice. The government is fully aware of the implications of such developments for its attempt to define, and set parameters to, the core political values upon which Indonesia's polity is organized.

This attitude has been reflected in the New Order leaders' perception of the meaning, nature, and political impact of globalization. While welcoming the impact of globalization on economic growth, the government also repeatedly warns of its "negative" impact on Indonesia's cultural identity and thus on Indonesia's way of conducting politics. In this regard, the New Order tends to perceive globalization in terms of competition between the developed West and the developing East. For example, the government's wariness over the internationalization of "foreign" values, especially liberal democracy and its emphasis on the universality of human rights, has led to the emergence of a strong perception among the ruling elite that globalization has been used by developed countries as an instrument to pressure developing countries. There have also been "warnings" by government officials that the West, riding on the globalization process, is trying to impose its own political and cultural values on others, including Indonesia (Alatas 1997, 14).

In this regard, it is often emphasized that globalization poses a potential threat to the state ideology of Pancasila. Suharto, for example, has maintained that "it is not unlikely that the opening up of society due to the globalization process will change our attitude toward national ideology. But we should not let this happen" (*Media Indonesia* 3 October 1997). This threat, according to former Coordinating Minister for People's Welfare Surono, stems from "friction between the value system of Pancasila and new value systems [from outside]" (*Angkatan Bersenjata* 18 January 1992). Former Vice-President Try Soetristo has warned that "globalization . . . may have a negative impact on Indonesia's culture" (*Bisnis Indonesia* 15 August 1997). The strongest warning has come from Rudini, former minister of home affairs, who believes that "globalization can strengthen the influence of liberalism, which fosters individualism, and deteriorate our nationalism, which in turn can encourage ethnic separatism, with the effect of subverting the authority of the government" (*Angkatan Bersenjata* 25 September 1992). Suharto himself warned that "foreign values" that have penetrated Indonesia through globalization could weaken Indonesia's national values and national outlook (*wawasan kebangsaan*) (*Suara Karya* 12 March 1997).

This perception of the forces of globalization explains the New Order's strong reaction to any attempt by Western countries to use issues like human rights, democratization, labor rights, and the environment as parameters in their policies toward Indonesia. While some elements in the government recognize the need for gradual change, there is deep suspicion among the ruling elite that such issues can easily be used by certain domestic forces to justify their opposition to the government. It is not surprising, therefore, that political leaders have stepped up their dismissal of the Western notion of democracy as inappropriate for Indonesia. For example, then–Minister of Research and Technology B. J. Habibie condemned voting as a manifestation of a "conflict-prone democracy" suitable only for a society with a culture of conflict (*Republika* 19 January 1994). Liberal democracy has also been criticized as a form of democracy based on individualism and an obsession with personal rights, interests, and freedoms as opposed to the interests of society as a whole. In short, it is clear that in its response to the global spread of democracy following the end of the cold war, the New Order continues to stress that Pancasila democracy, which is seen to have its roots in Indonesia's own cultural values, is the most suitable form of democracy for Indonesia. This view has been clearly expressed by

the government, which views democracy and democratization as a "dynamic process that should be in conformity with the fundamental values of each nation and constantly adapted to the evolving realities" (Alatas 1997, 16).

Indonesia's tendency to demonstrate continually its strong commitment to the Non-Aligned Movement (NAM) and South-South cooperation also reflects the country's attempt to preserve its unique identity and its independence. It is felt that such an undertaking is imperative for developing countries in the context of international relations increasingly characterized by the growing role of developed countries in economic and political matters. However, it is also important to note that Jakarta's approach to this issue is somewhat different from that during the Sukarno era. Former President Suharto, for example, maintained that there was no need for the developing South to confront the developed North. "The Jakarta Message," the final document of the tenth NAM summit, held in Jakarta in September 1993, called for closer cooperation between North and South as well as between South and South. The NAM's transformation from a political movement to an economic one has closely reflected the vision of Indonesia during its chairmanship in the 1992–1995 period. Equally important, Indonesia's continued interest in South-South cooperation indicates its desire to reduce undue dependence on the North (Anwar 1994, 158). In justifying Indonesia's position as an ardent advocate of South-South cooperation, Foreign Minister Ali Alatas has maintained that the endeavor is important "not only as a way by which developing countries can gain leverage in their dealings with the developed world but also, and more important, as a strategy of self-reliance (Alatas 1997, 12). In other words, preserving core domestic values would continue to be an important function of Indonesia's foreign policy for years to come.

CONCLUSION

This chapter has examined how the dominant political values, as defined by the New Order regime, have been reflected in Indonesia's foreign policy since the inception of the regime in 1966. For over thirty years, the New Order has maintained that development, stability, and the notion of the Indonesian state as neither secular nor theocratic (Islamic) constitute three core political values that should guide the way the state and society are organized. The New Order has also maintained

that the state's ability to actualize these values requires strong commitment by society to observe other values as well: the primacy of consensus and deliberation in politics, communitarianism, social order and harmony, and respect for authority and elders. These values are all ingrained in the Pancasila ideology and thus, it is asserted, embody Indonesia's own cultural heritage.

Compliance with these values is ensured through the New Order's style of governance, which relies on a combination of cooptation, selective repression, and rewards. It has worked systematically and gradually toward the creation of a noncompetitive or familylike political format that forbids the emergence of opposition. Conflict, either within society or between society and state, has no place in such a system. Forces outside the government are obliged to play a "partnership role" with the government in ensuring the implementation of governmental development policies. This arrangement has led to the strengthening of state power over society, which explains why societal values have had little or no significant bearing on the conduct of Indonesia's foreign policy since 1966. New Order foreign policy has been consistently directed at securing foreign aid, maintaining internal political order (including the regime's security), and projecting a nationalist image into the wider international community.

The social and economic transformation of society, which began to unfold at the end of 1980s, has not yet been followed by a corresponding transformation in the style of governance and in the substance of the dominant values. True, the success of economic development has led to the emergence of new groups in society that have altered state-society relations in the late New Order period. It is also evident that these groups, by demanding that the government incorporate alternative values in politics, have been able to draw the ruling elite into a debate over the merits and continued relevance of the existing values and style of governance. However, even though the government has begun to encounter a number of challenges posed by these groups, especially with regard to its dominant position over society and its privilege in defining the dominant values, its stamp and grip on power and policy making remain strong.

This also explains the government's continued dominance in projecting its interests and values through foreign policy. Foreign policy is still subordinated to the regime's domestic political interests. In the context of changing state-society relations within the domestic domain, however, foreign policy continues to reflect the main concerns

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of the ruling elite. The New Order also sees the need for foreign policy to contain the unwelcome impacts of globalization on the dominant values embodied in Indonesia's political process. In short, foreign policy continues to serve as an instrument by which the dominant values as defined by the ruling elite are preserved. In other words, values do matter in the conduct of foreign policy. In the Indonesian case, their role in foreign policy is reflected in the government's cautious attitude and response to society's growing demand for a more democratic political system. This caution, as demonstrated in this chapter, can be understood in terms of the value priorities of the ruling elite in the domestic domain.

One formidable challenge to foreign policy in the next century will be the struggle to reconcile the desire to maintain Indonesia's unique domestic values and the growing pressure for change stemming from outside forces. The ongoing contest of values in the domestic domain will make this challenge even more problematic.

NOTES

1. I am indebted to Farish A. Noor for this point.

2. I would like to thank Professor Chia Siow Yue for this point.

3. See, for example, Brown (1992).

4. All translations from Indonesian sources are by the author.

5. For brief explanations of this term, see Partokusumo (1995, 303–304) and Steinberg (1987, 84).

6. For a more comprehensive discussion of this complex subject, see Moertono (1968), especially chapter 2.

7. Parts of this section are based on Sukma (1997).

8. Pancasila (Five Principles) is the state ideology of Indonesia. The five principles are belief in God, a just and civilized humanitarianism, national unity, democracy through consultation and consensus, and social justice.

9. For a comprehensive discussion of Golkar and the armed forces' role in it, see Suryadinata (1989).

10. For an analysis of the 1971 general election, see Lee (1974).

11. The five bills were the Political Parties and Golkar Bill, the Election Bill, the DPR/MPR (Majelis Permusyawaratan Rakyat, or People's Consultative Assembly) Bill, a referendum bill, and the Mass Organizations Bill.

12. The introduction of *asas tunggal* significantly reduced the power base of the PPP and the PDI. The PPP could no longer claim to represent the interests of the Muslim community, which had traditionally constituted the party's main power base, and the PDI lost its credence as the representative of

nationalist aspirations. This provided an opportunity for the ruling party, Golkar, as the main beneficiary of *asas tunggal*, to broaden its claim to be a political organization representing all elements of society, including Islamic and nationalist.

13. The IGGI was dissolved in 1992 on Indonesia's insistence, in response to the Netherlands' criticism of Indonesia following the Dili Incident of November 1991. It was replaced by the Consultative Group on Indonesia, a consortium coordinated by the World Bank. See Sukma (1994).

14. For a comprehensive study of Indonesia's policy toward China since the suspension of diplomatic relations, see Sukma (1997).

15. For scholarly discussions of Islam and politics in Indonesia in the 1990s, especially the Muslim community's perception of the state and its political values, see Hefner (1993) and Ramage (1995).

16. For a comprehensive study of NGOs in Indonesia and their political aspirations, see Eldridge (1995).

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