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INDONESIA'S NEW ORDER, PANCASILA, AND DEVELOPMENT

by

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INTRODUCTION

The American School of Political Science, and its approaches to Modernization and Development, was skillfully by politely taken to pieces and to task at the 10th I.C.U.S. in Seoul, Korea, in 1981. The author of the paper "American Modernization Theories From Asian Perspectives", 1 Professor Sung Joe K.S. Hahn, after examining the models of many prominent scholars concluded:

The American theorists have shown the direction and provided a way of national survival, along with the goal of affluent democratic state building, free from the threat of Communism. However, the American modernization theories have not provided an adequate clarification of the goal and objectives related to the political and social change. Their basic assumptions are that traditional society is a backward society; that modern society is an advanced society; and that modernization is westernization. Anticipating that new nations will imitate the Western society, they do not raise the question as to whether or not the Western democracies are the ideal state of human existence.

As far as I am concerned, modernization and development should imply the actualization of individual, group and national potentiality for the promotion of human welfare and world peace, that is, national self-realization, or the self-perfection of a nation state. It involves the creation of unique political and socio-economic institutions most suitable to the indigenous cultural and social milieu, because the imitation of foreign institutions do not help solving the problems in the course of nation building and development. This is very important because the Western

model has been standing in the way of appropriate institutions, workable in the Asian setting. Modernization and development also involve the establishment of national identity, popular satisfaction and identification with the socio-political system, and accompanying strong national pride and loyalty which the American theorists have failed so far.

Modernization of new nations involves the creation of a new holistic culture and workable institutions based on the marriage of tradition and westernization. The new holistic or integral culture is the child born of the parents of modern scientific culture and traditional spiritual culture - the invisible, internal values and the visible, external instrumental values. It stands on the harmony of the golden means of Western rationality and the Eastern tradition of super-rationality; of individualism and communalism; of nationalism and internationalism.

A desirable form of modernization should be the process of socio-economic, cultural and political change, directed to national self-fulfilment, sefl-assurance and self-affirmation. The main reasons for the common limitations were attributed to their scholarly tendency and academic orientation: they are by and large un-historical, if not anti-historical; non-philosophical, if not anti-philosophical, unmoral, if not immoral; un-ideological, if not inclined to anti-ideological conservatism. One cannot anticipate a viable and useful theory building, with which we can explain and sagaciously prescribe the goal and process of socio-political change from their un-integral or unbalance approach. I believe that the American modernization theories will produce more constructive and illuminating analysis and more useful results if they attempt to approach the study of

modernization and development from this holistic and integral conceptual ${\sf ground.}^2$

This paper intends to take Prof. Hahn's sage advice, although not by constructing any model of how Indonesia functions but rather by discussing the political and development changes that have occurred since 1966. In recognition of Prof. Hahn's contribution to the field, the author will not use the terms "modernization" and "westernization" but will instead use Prof. Hahn's term "national self-realisation," for this phrase is absolutely suitable for Indonesia.

That this paper is sympathetic to Indenosia's New Order, its Government, its active supporters and advisers, and their ultimate aims is a fact that the author does not hide, but it is a sympathy based upon an unbiased appraisal of Indonesian development since Independence. As a professional political scientist of some experience, the author has found it astounding that while a large majority of professional and experienced economists and rural $sociologists^3$ are highly supportive of the present Government in their writings, a large crop of political scientists, particularly in Australia and at Cornell University,4 can see nothing good in the regime and seem to devote themselves solely to suggestions of uncontrollable violence, corruption, cynicism, fraud, coercion, etc. The author hopes that this paper, even in part, compensates for their lack of charity, understanding, and balance. In dealing with the unrestrained and often gleeful criticism and denunciation or post-1966 Indonesia, one naturally attempts to puzzle out the reasons underlying this prejudice. For many it would seem plausible that the critics come from the extreme left-wing. The author personally finds this argument glib and superficial. Rather, he suspects that the biased are trapped in the very culture-bound world as aptly described by Prof. Hahn. Some aspects of this walleyed view of a developing nation like Indonesia is latently racist, in so far that the

critics assume that the totalitarianism of the Chinese or Soviet model, with their collectivism and communalism, their lack of pluralism but surfeit of blind dogmatism, is the most and best that overcrowded brown, yellow, and black nations can achieve. In keeping with this culture-bound perspective is the failure to acknowledge what Clifford $Geertz^5$ in his various excellent writings discussed and rediscovered a long time ago: that virtually all Indonesians are highly spiritual and certainly receptive to a religiously based national philosophy of self-realisation in keeping with their own traditional beliefs. The military and non-military men and women who have staffed Indonesian Governments since 1966 have had their religious, spiritual, and moral beliefs ignored or maligned by these "experts." They are castigated as being moved only by the prospect of power and/or greed; forgotten or ignored is the real impact and influence of the state philosophy of Pancasila⁶. In all, the critics see Suharto and his active supporters as little better than cynical and hypocritical milkers of the state economy. This paper hopes to refute these arguments. The main contentions of this paper are that (1) Indonesia is becoming less authoritarian and more pluralistic, (2) that the system developed by Suharto is flexible enough to allow for stable, competitive politics within a context of strong executive or Presidential Government as called for by the 1945 Constitution, (3) that the military has been reformed so that it is both a united vehicle for development and a true representative of all ethnic and religious groups, (4) that Indonesia's economy is rapidly and systematically being developed with growth not being made an all-powerful goal but in concert with a trade-off to equity and a redistribution of wealth, (5) that Unitary Indonesia is being made a genuine reality without the need of an external enemy to spur on nationalism, (6) and that the Pancasila is a good part of the binding force allowing for all of the preceeding five points, not mere window-dressing, namely, an indigenous philosophy or ideology that permits for development to take place at all, for it provides the

I. BACKGROUND

In 1967, after eighteen months of exhausting and Byzantine manoeuvering and near civil war, General Suharto became President of Indonesia. Suharto inherited a nation that an eminent economist had been forced to call the "chronic dropout." In setting to work, Suharto had to take stock of the debits and the credits of his country's eighteen year performance since the Dutch decamped, of the twenty-two years since the declaration of Indepence and of the centuries of colonialism. Suharto could look back to the days before the western intrusion in the 16th century with pride, as can all Indonesians irrespective of island and origin. For Westerners and those who slavishly bow to absolute compartmentalisation, debits and credits take on the fixed nature of opposites like that between Good and Evil. But given the eclectic nature and relativity of the whole system (nay, Universe) of beliefs in Indonesia, especially Suharto's native Central Java, debit and credit are seen to be in flux; all things can be regenerated.

Previous to the colonial experience, the various sultanates and kingdoms, particularly on Java and parts of Sumatra, Kalimantan, and Sulawesi, were reasonably prosperous, certainly self-sufficient and far-away states, showed every sign of growth and development of indigenous forms of capitalism. The arrival of the Portuguese and the Dutch, their cruel rapaciousness, and policy of divide and rule destroyed not only these later prospects but a good part of the functioning of indigenous society as well. The natural leadership was either wiped out or restructured into servants of the Colonial Dutch East India Company and later Government. The peasantry was effected not only in their indirect subservience to

foreign rule but in what they could and could not cultivate. Change and "Reform" throughout Dutch rule meant only the substitution or alteration of function to suit the Company or Royal Exchequer. In essence, only village traditional law, the Adat, and spiritual and religious values survived, although often in a mutated form. However, what the Dutch could not stop was the ultimate development if Indonesian nationalism. Due to a refusal to make any substantial investment in state education, the Dutch created a world where political leadership largely came from the urban financial elite. Initially moderate in their views and demands, indigenous leaders became increasingly radicalised by Dutch intransigence and transparent attempts at deception. The Dutch were able to hang on as long as they did by not only arresting and sending off to labour camps all potential leaders but by also continuing a policy of divide and rule. Namely, by pitting Orthodox Muslim Santri against the religiously eclectic civil service elite of the Priyayi, and both against the Abangan peasantry also ethnic group against ethnic group.

In 1942, the Imperial Japanese Army and Navy settled the Dutch problem of how best to hang on to its colony. The Japanese, too, vacillated in their dealings with the now explosive Indonesian nationalist movement. Japanese policy was a mixture of good intentions and cynical behaviour. The Japanese military was badly split on the question of Indonesian Independence. However, during her occupation, Japan created a national army, and Japan's defeat left behind the following legacy: (a) Indonesian nationalism was now widespread and armed as a result of varying degrees of Japanese support, (b) Indonesian politics were already fractured by previous Dutch manipulation; the situation was exacerbated by the Japanese who followed closely the Dutch pattern of manipulation, (c) both the long Dutch occupation and shorter Japanese one, while producing a generation of revolutionaries as a result, had left the country in a state of financial ruin and pitifully little in the way of an infrastructure. Indonesia's struggle for complete

independence from 1945 to 1949 is too well known to repeat. However, what is significant is the long-term influence and what amounted to revolutions in the Revolution and the roles played by prominent individuals and groups during this period.

Indonesia and Indonesian nationalism only came into vogue after World War I within a small elite, mostly made up of Sumatrans and Javanese. Thus, the struggle against the Dutch in 1945-49 was almost exclusively fought in Sumatra and Java but in the name of all Indonesian peoples. Given this thinness of the Indonesian Nationalist veneer, it was only natural that the Dutch in Aceh were fought in the name of Islamic fundamentalism while in Central and East Java, the Dutch were fought in the name of Pancasila. Further confusion was sown by the refusal of the Indonesian Communist Party (PKI) to cooperate with the Nationalist struggle against the Dutch. The PKI had been founded in 1920, encouraged by Dutch Communists, such as well-known H.J. Sneevliet, who preferred to see it as a vehicle for destroying Western Capitalism at its weakest link: its Colonial Empires. The early Party's most prominent Indonesian, Tan Malaka, saw only too clearly that the PKI was designed as a Leninist and a Stalinist tool of Moscow and protested when the PKI, at Moscow's orders, organised an attempted uprising against the Dutch in 1926 which was doomed from the start and guaranteed, so Tan Malaka prophesied, to endanger the infant Nationalist movement; events proved him right. However, the cruelty of the Dutch in dealing with the Communists earned them the mantle of Martyres to the Nationalist Cause. This image, later combined with their consistent refusal to cooperate with the occupying Japanese, allowed the PKI to offer themselves as rivals to the Nationalists. Thus, broadly speaking, 1945 saw three combatants against the Dutch: Islamic-Fundamentalists, Pancasila Nationalists, and the Communists. In 1948, the PKI began a second putsch, this time against the Nationalists. The PKI was defeated by the Indonesian Republican

Army after three months of fighting and much bloodshed. Ironically, it would be the effectiveness of the Army in preventing a PKI coup that would speed up the process of final independence: the growing rift between Washington and Moscow, particularly after the Communist coup in Prague in February, 1948, caused the United States and Britain to modify its stance in regard to non-communist Wars of National Liberation. With the Indonesian nationalists now growing in Washington's esteem, the Dutch committed an act of folly by attacking in force the nationalist provisional capital of Jogyakarta and capturing Sukarno and Hatta. With American connivance, the United Nations intervened and ordered the Dutch out of Indonesia.

The Indonesian Army never forgave or forgot PKI perfidy, not did it fail to note Sukarno's ambivalence in dealing with those politicians, such as Sjahrir and Sjarifuddin, who would have settled for a less than truly independent Indonesia. Indeed, ambivalence summed up most of Sukarno's career previous to 1949. Forever long on rhetoric and short on concrete poposals or constructive action, Sukarno would play the role of the Wayang hero - perhaps Bima 10 - to satisfy an often unsophisticated mass audience. Sukarno's priyayi background, a profound knowledge of Javanese mysticism, and a personal interest in modern political theory prepared him for the cynical manipulation of the largely uneducated masses - or rather - the manipulation of the masses educated only in the rich folklore and drama of Wayang, a people who were grounded in the imminent expectation of the advent of the Ratu Adil¹¹. That Sukarno had to be kidnapped on 15 August, 1945, by exuberant youthful supporters of totally independent Indonesia to bring about the final declaration of that independence stands as a judgment of his true character. With the notable exception of Muhammed Hatta and the Sultan of Jogyakarta, the politicians proved a disappointing group to Indonesia's masses who initially greeted 17 August, 1945, with determination but had their enthusiasm dampered by the selfish manoeuverings of the politicians.

The Republican Army provided a different picture. Outside of those military units supporting religious and sectarian politics, the mainstream of the army was made up of civilians who had been trained by the Japanese and who pledged themselves to defend what had been declared on the 17th of August, 1945, and to the stated philosophy of that unitary Indonesia, namely to follow the Pancasila and to create a non-sectarian but religious Indonesia with loyalty only to indigenous beliefs and institutions. This made the PKI, local chauvinism, and Moslem extremism, unacceptable. Some of its officers had been Dutch trained and careerists, such as Suharto, but the bulk were accidental sodiers. Ill-equipped and surviving upon their own ingenuity, an expertise in commerce and industry developed within the Army to satisfy its own requirements without recourse to the politicians. The lessons of the Revolution were not really lost on the Army. Post-1949 events would reinforce these attitudes, and the non-military skills, political and economic, would come in handy. 12

The poetry of the 1945-1949 Revolution failed to be followed by the prose of making a Unitary Indonesia a reality based upon the Pancasila. The politicians and their multiplicity of political parties were unable to provide the stability and continuity of strong Governmental direction. Rhetoric was no substitute for economic and political decisiveness. Political horse-trading and instability were two main features of 1949-1957 Indonesia. This was followed by the inevitable charge of Javanese domination of the country and resultant uprisings in Sulawesi, the Moluccas, West Java, and finally Sumatra. Parliamentary democracy as a model copied from the Netherlands and elsewhere found no fertile soild in impoverished and factionalised Indonesia. President Sukarno, whose prestige remained high, decided to act in the face of chaos and on July 5, 1959, restored the 1945 Constitution which called for a Presidential regime with an appointed Cabinet not directly responsible to Parliament. Two years previous to this, Sukarno began

calling for "Guided Democracy." It is interesting to note that Muhammad Hatta, who supported the idea of returning to the Constitution of 1945, failed to see any improvement in Indonesia's situation with Sukarno in absolute control, and thus he retired in 1956 from politics an untarnished but bitter founder of the Republic.

Unfortunately, Sukarno, by 1959, was a complete captive of his own flamboyant rhetoric. Technocratic advice, such as from profesionally trained economists, was ignored, while Sukarno dreamed up one disastrous nationalist campaign after another: the struggle against NEKOLIM and Malaysia, the struggle for NEFO and NASAKOM, ¹³ etc. The power vacuum was rapidly being filled by the PKI in alliance with the People's Republic of China. In the final year of unrestrained NASAKOM, the price of rice rose 900% and indigenous entrepreneurs were almost mortally wounded by a reform of the currency which "legally" robbed it of its last reserves of capital. ¹⁴

By 1965, the old party system had been hobbled; a NASAKOM "Parliament" had declared Sukarno "President for Life;" Indonesia was held together only by brute force to overcome the reaction to Sukarnoism by religious extremists and separatists; the economy was in tatters; and Indonesia was almost at war with Malaysia and its supporters: Britain, Australia and New Zealand. Indonesia angrily quit the United Nations when Malaysia was admitted as a member in November, 1964 and sought an alliance based upon Sukarno's dream of a Jakarta-Pnompenh-Hanoi-Peking-Pyongyang Axis, the Vanguard of the NEFOs. The only meaningful institution outside of Sukarno's grasp was the Army which did not fail to notice Indonesia's precarious position. However, the Army was still factionalised and largely committed to following Sukarno almost to the precipice. By mid-1965, the proximity of the precipice was beginning to overcome factionalism within its ranks. With the 1948 PKI coup in mind, the Army balked at Sukarno's plans to build a "Fifth Force" in the form of a Peoples Militia under the wing of the PKI. At

the same time, China offered to supply the arms needed to build the "Fifth Force;" in 1965, Chinese arms began to enter the country illegally. In spite of the warning bells, the Army still did not move. Over-confident of success and fearful that Sukarno's sudden death would rob them of his protection, pro-PKI army dissidents struck in the early hours of 1 October, 1965. The conflicting and complicated events of 1 October 1965 until the final peaceful removal of Sukarno eighteen months later in March, 1967, are best covered elsewhere 16. What is important to this paper is the style of Suharto in accomplishing what amounts to being a second Indonesian political revolution, a style that would set the tone of his future rule.

On the morning of the attempted coup, the pro-PKI mutineers kidnapped and brutally murdered six of Indonesia's most senior generals. General Nasutin only just managed to escape. Due to the manoeuverings of Sukarno on that day and his behaviour afterwards, there is strong suspicion of his involvement in the coup. The murders of six important "Heroes of the Revolution" sparked off a wave of popular indignation which led to a civilian massacre of PKI cadres and members which required ultimately the Army to intervene and halt. Nasution was initially preoccupied with his mortally wounded daughter who had been shot that 1 October morning in a raid on his home, and so the drive to put down the pro-PKI mutiny fell to a then relatively unimportant but nonetheless well-known Lt. General Suharto who at the moment the back of the coup was broken and its web untangled, could see the results of the dramatic kaleidoscopic change: (1) spontaneous massacres, performed by Muslim extremists, anti-Communist Sukarnoists, and student groups, had removed the PKI from the equation, (2) this left the still factionalised Army and the strong personality of Sukarno momentarily as the main holders of power, (3) Sukarno's refusal to recognise the reality of PKI involvement and his moves to save the last remnants of the PKI by keeping alive the myth of NASAKOM were discrediting him with an ever-increasing number of military men

and the population at large. (4) As a result the Army was slowly reconstituted and Sukarnoists within its ranks pushed into lucrative but powerless overseas ambassadorial posts while the other branches of the military were slowly neutralised. (5) Finally, in March, 1966, Saharto took over as acting President. With Javanese tact, Sukarno was portrayed to the public as having emulated King Habioso of the Wayang who nobly abdicated and went into retirement to save his kingdom. Despite pressure to do so, Suharto would neither bring Sukarno to trial nor execute him. Outside of the massacre of the PKI which cannot be attributed to Suharto, the style of change in direction was largely bloodless, gradual, and precise. The Government and all the Ministries of the New Order were declared open to technocratic advice and influence which led to two changes that would begin anew the process of national self-realisation: (1) the stable Government of the New Order altered the foreign policy dramatically; namely, Konfrontasi with Malaysia ended, the idea of a Jakarta-Pnompenh-Hanoi-Peking-Pyongyang axis was dropped, and membership of the U.N. renewed, (2) the stable Government of the New Order, within the confines of the Pancaslila, with technocrats in alliance with the Army, opened the nation up to foreign investment, foreign loans, and internal capital investment.

II. SUHARTO, THE NEW ORDER, AND NATIONAL SELF-REALISATION

If we comprehend the full meaning of the symbolic importance of the President of the Republic, we can see the value in analysing the style of leadership. Suharto, as a true son of Central Java, is steeped in religious, moral and political eclectism. As any novice in the field knows, the main stream of Indonesia is tolerance. The fanaticism of sectarianism and dogma are eschewed.

Open-minded, prepared to experiment, Suharto could examine the balance sheet in March, 1967: (1) The Nation had been nearly rent asunder, first by the PKI and the mutiny, and then by its bloody aftermath and by Sukarno's attempts at apologising for the PKI and justifying NASAKOM.¹⁷ (2) Indonesia had nearly gone to war with Malaysia and its powerful allies. (3) The economy was in ruins. (4) The PKI was perhaps gone, but the equally discredited Parties, lawful and unlawful under Guided Democracy, were seeking to fill the vacuum as was Islamic Fundamentalism. (5) Factionalism within the military was under control but still a factor.

Thus read the debit column. The credit side had (1) The Executive-Presidential system of the 1945 Constitution, (2) the reserve of goodwill of the Indonesian population and even more important of the now re-emerging intellectual and technocratic classes, (3) the versatility of the Armed Forces 18, (4) the Political Philosophy of Pancasila, (5) the goodwill of the Western nations which provided credits, investments, in addition to the able assistance of the World Bank and the I.M.F. The balance sheet now read, the New Order set to work to establish a Unitary Indonesian state, where economic growth would be tempered by an equitable distribution of new wealth, where the Pancasila and 1945 Constitution would condition parties, religious groups, the military, etc. to a sense of duty, responsibility and selflessness, and where performance was more important than revolutionary rhetoric.

The New Order was able to begin in earnest its transformation of Indonesia in 1967 once the divisions within the armed forces had been overcome and one direction set. 19 The first task was to move on from transforming the armed forces from an arena of intrigue, rivalry, and jealousy into a spark-plug of national development and then to reforming, re-channelling, and re-vitalising the discredited political parties and professional politicians. Suharto was encouraged by his military

and non-military advisers to ban all parties, but he chose to follow a firm policy of making use of all the credits on the balance sheet and, where possible, to transform the debits into credits. With the exception of the banned PKI, the old political parties were allowed to operate but only within the confines of the Pancasila, the 1945 Constitution, and with a mentality of constructive criticism; namely, Guided Democracy was not to be scrapped but altered. The old Sukarnoist PNI (Indonesia National Party), and two moderate Muslim parties, N.U. (Renaissance of Ulama), and Parnusi (Indonesian Muslim Party), joined Suharto's Cabinet. It is interesting to note that parties and profession all politicians once confronted with an activist, goal-oriented Government rose to the occasion and transformed themselves in an electric atmosphere of pulling together and saving Unitary Indonesia from chaos and bankruptcy. Those unable to change went into peaceful political oblivion. Once the New Order was firmly established, the press of Indonesia became surprisingly free ²⁰, certainly far freer than it ever was under highly sensitive Sukarno. In 1971, the situation had so improved at every level that elections were called. Vigorous supporters of the New Order concept formed their own non-party grouping, with Suharto's blessing, the Joint Secretariat of Functional Groups, commonly known as Golkar. This new "party" was formed to emphasize the importance of Pancasila as an indigenous social, moral, and political guidline for development, and it was also designed fo fill the vacuum left by the demise of the PKI with an appeal to the downtrodden on painfully overpopulated Java. Golkar won a stunning 63% of the vote in a tense but honest contest. Only the moderate Muslim Party, NU (Renaissance of Ulama), had any real success, obtaining 19% of the vote. With Golkar openly the "Government Party" and highly successful, the opposition parties faced reality and began to merge along more mature and less personal and religious lines into two parties: the Development Unit Party (PPP) for the broadsweep of Muslim interests and the Indonesian Democracy Party (PDI) from the old Sukarnoist PNI and the various Christian parties.²¹ Between a free press and the existence of organized and vigorous opposition parties as well as the traditional maintenance of absolute religious fredom and tolerance, Indonesia is becoming more and more pluralistic. Built into the New Order is the mechanism for continual political transformation. Can the same be said for totalitarian systems?

Indonesia's new found stability within the New Order permitted a fresh approach to national self-realization. The "Why?" of Development, while easy to formulate - namely, to fulfil the social and economic obligations of the Pancasila it was nonetheless difficult to fit it in with the orthodox approaches to growth to be found then in the World Bank, the I.M. F., and elsewhere. The "How" was achieved by a synthesis of indigenous and overseas professional advice and its step by step application. Previous large and small plans and projects of Parliamentary and Guided Democracy Indonesia had failed not only because of instability but because of poor selection of project, incompatible with Indonesian human and physical infrastructure, but also because of excessive bureaucratism and the curse of run-away inflation. Sukarno's Indonesia was a hopeless hodge-podge of Stalinist and Maoist grand schemes alongside the indigenous economy. As mentioned previously, political horsetrading and rhetoric were offered up as substitutes for rational economic planning. Sukarno's idea was to fuel both nationalism and the national economy with the seizure of Dutch, British, and American property. The alienation of the West combined with the hobbling of indigenous investment proved a recipe for economic collapse.

Sukarno's still-born Eight Year Plan of 1961 was scrapped, while many economic restrictions of the Old Order were removed. In 1969, the First Repelita (Five Year Plan) was inaugurated. This plan recognized that the emergence of the New Order did not automatically remove all the chronic economic problems of the past. Thus, Repelita I planned for industries directly related to agriculture with

heavy emphasis upon improving this vital sector of the economy. This first step also provided for classic income - substitution industrialization. Grandiose schemes that offered no solution to Indonesia's unemployment and underemployment problems as well as no answers to chronic food shortages had no place in Repelita I.

As opposed to earlier piece-meal planning, Repelita I was launched with a mind towards a plan for Repelita II, III and so on. In this year's Draft Budget, Suharto has reiterated that five Repelita will be required to place Indonesia at the "Take Off Point," namely, 1994. Repelita II was built upon the achievements of Repelita I and graduated to developing an adequate export industry in raw materials. Repelita III naturally had its emphasis on manufacturing finished products from those same raw materials for export. The emphasis upon import-substitutes has remained a constant in all three Repelita. We are now in the last months of Repelita III. Initially Repelita IV was to move Indonesia on a steady course to conceiving of larger industrial schemes - such as expanding Sukarno's now revamped Krakatau Steel - but the drop in the price of oil may force Indonesia's technocrats to rethink its direction. With Indonesia now entering a demographically explosive time - in spite of a highly successful birth-control effort, another early mile-stone in the New Order - when new millions will now be entering an already over-strained work-force.

The average 7% a year growth rate in GDP and a staggering decline in inflation from 639% to 10% were made possible by a number of factors including stability, the high price of oil after 1974, rational overall planning, but also because of the investment laws brought in at the outset of the New Order. Vast amounts of overseas investment, loans, and aid have been received and, are in the eyes of most professional economists, being properly employed.

This paper does not pretend to deal adequately with economic development, as the author is not an economist. However, the author recognises the interaction

between political stability and economic development. From the very start, Suharto, and the New Order have engaged in both economic and political development. Progress in one has meant progress in the other. The achievements are noteworthy²². This is certainly not to say that Indonesia under Suharto has made no mistakes, had no scandals, and has no problems. The Suharto government which Crouch, McVey, May and others would have us believe is corrupt and authoritarian to the core, bereft of any sincere concern for the downtrodden, etc., admits to these failings and to the existence of short and long term economic problems.²³ Suharto, his supporters, and advisers initially addressed themselves to the problem of "Development into what and to what purpose." The fundamental equalitarianism, based upon traditional village democracy, of the Pancasila was not to be bypassed for the sake of expediency; as such, the regime has consistently monitored the extent of the growth of wealth in the hands of a capitalistic minority. Pancasila does not call for either a classless society or class warfare, but it is essentially equalitarian. By the same token, foreign investment, too, has been monitored. That a non-Marxist regime in the Third World, even worse, one dedicated to a Belief in God, could be equalitarian seems incredible to certain political scientists who often overlook or discount it, 2^{4} while well-meaning, mainstream economists such as Benjamin Higgins, only too aware of the implications of the Pancasila, despair at the Governmental manacles on domestic and imported capitalism. At the onset of the New Order and in response to those wasted years under the domination of Sukarno and the politicians, Higgins, through the vehicle of an unnamed Indonesian economist (and this may very well be Higgins' using an old literaty ploy) suggests that an unrestrained growth strategy should implant itself in Indonesia but in the garb of traditional Indonesian "socialistic slogans;" Gotong-Royong, Ramah-Tamah, and Musjawarat Desa Mutual Assistance, the Family Society, and Village Deliberative Democracy. The New Order has not been prepared to depart from

any of the aforementioned concepts as implied in the Pancasila - even at the expense of growth. Pancasila is not ideological window-dressing.

Amongst the serious economic problems the New Order will have to solve is the continued very high rate of unemployment and under-employment. Indeed, so serious, is the problem, that annually one and a half million new jobs have to be found just to stay in place. Needless to say, this situation has serious social consequences as well as being a waste of human potential. Almost all economists are in agreement that emphasis must be placed upon labour intensive industries, particularly in the manufacturing for export arena. Professor Arsjad-Anwar in his article "Trade Strategies and Industrial Development in Indonesia" argues strenuously for this, and there is increasing evidence that his voice, amongst others, is being heeded, and has been heeded, in the Government, particularly if one reads President Suharto's recent draft budgetary speech. The recent trend is for the Government to earmark special funds (Inpres) for investment in areas of the economy which would allow for increased employment opportunities: roading, construction of schools, etc. The Government has never been slow to react to positive and constructive criticism and suggestion. Professor Arsjad-Anwar is not in jail but in his post as Professor of Economics and Director of the Institute of Applied Economic Research in the University of Indonesia, Jakarta.

If this paper deals with economics only in the social and political context, some mention must be made of Indonesia's encouragement in the work of indigenous and foreign Village Sociologists such as Bogor's eminent Professor Sajogyo and Japan's Professors Hayami and Kikuchi. Forever mindful of the fact that the Indonesian peoples' quintessential experience is in the soil, and that village law, Adat, and Musyawarah (deliberation)/ Mufakat (consensus) are the cornerstone of Pancasila, the New Order has attempted to alter the trend of growth and development being largely urban oriented to a more balanced growth rate and one

beneficial to the agricultural sector. Sajogyo has attempted to pin-point in Java, where, along with Bali, land hunger is at its worst, the best means of reform of tenancy agreements. The trans-migration of Javanese and Balinese from their crowded, over-cultivated islands, has long been the goal, but Government policy says it must be achieved by the carrot and not by the stick.

If we concentrate only on the negative aspects of Indonesia: that nearly half of Indonesia continues to live below the subsistence level and survives on government and private assistance, that unemployment problems are overshadowed only by the extent of underemployment, that the drop in oil income combined with the sting which the demographic curve is likely to inflict, how is it that the author is able to argue positively about the New Order? Quite simply, even categorising as above, is a Western outlook and approach, which our Korean colleague, Professor Hahn, cautions us to avoid. From the Indonesian perspective, the New Order did not create these problems but inherited them. Further, the regime is seen as attempting to come to grips through constructive and equitable measures. The problems above can be approached in their economic pigeon-holes, divorced from Unitary Indonesian nationalism, self-esteem, religious, moral, and social values only by Westerners or those influenced markedly by them. To the Indonesian in the street, in the village, etc., the New Order, its overall promise and performance, and the popular perception of what that national self-realisation ought to be is a single package. Political stability, a rational economy and foreign policy, the essence and not the window-dressing of Pancasila, is that total package. If we digest whole Crouch's and others' analyses of the New Order, we have to dismiss dozens of eminent indigenous and foreign economists and rural sociologists; we would have to discount the various studies of Indonesia's economic performance as fabrications. If the Army's generals are all crooks, devoid of all patriotism like the Mafia, who have grown rich on foreign investment, aid, and loans as well as by a multitude of

traditional rackets, why is it that growth and development are highly visible everywhere in Indonesia and that the peasants have not taken to the hills and into the jungles as guerillas in a resurgent PKI? Is a Police State, State Terror, etc., the answer? If it is, then why were Batista, Somoza, and others <u>not</u> successful?

Crouch and others are glib in their discussion of corruption, as if it did not exist in Australia, New Zealand, America, or Russia, Viet Nam, and China, for that matter. Crouch's main thesis is that circumstances of chaos and near anarchy during the War of Independence and then during Guided Democracy obliged the Army to develop skills in commerce and industry to finance the Army's very existence, and that what began as a patriotic act of necessity soon became an act of pillage for both personal gain and political power. Furthermore, the Army is seen as treacherous in developing an alternative domestic and foreign policy to combat Sukarno's NASAKOM and Konfrontasi. Underlying the charge of unrestrained corruption, the veritable looting of the National Treasury, is a faith that military men cannot engage in commerce without being or becoming corrupt. Once again, we have this Western attitude of compartmentalising: the Indonesian Army should remain in their barracks, until called upon by civilian authority legally constituted or not - and should look the other way while the Government starves it of funds, destroys an economy, embarks upon an insane foreign policy and military adventures, proposes an alliance with China and a real war with Malaysia and her supporters, opens the door to power-sharing with the PKI, and finally proposes the establishment of a rival military and a peoples' militia, not bound by any oath to the Constitution or to the Governing Philosophy. Indonesia in 1965 was very much a Third World Nation on a brink of catastrophe; can Crouch expect the Army there to imitate cadets from West Point or Sandhurst? Indeed, it was not until the pro-PKI 30th of September Movement struck that the Army moved.

It is interesting to note that the two scandals made most of in Crouch's

book and article, Pertamina (the Government owned oil monopoly) and Bulog (the all important and crucial food distribution agency) have both reformed themselves after being exposed by the free local press. In regard to Bulog, the FAO recently described it as "... the best food agency in the Asia Pacific region as viewed from its capability to overcome food problems in Indonesia, a country which has a big population." Can Crouch really argue that corruption once exposed and investigated in Indonesia is allowed to carry on? Or is the FAO an agency of liars and crooks or somehow involved in a capitalistic plot?

In this paper, we have seen various Indonesian institutions reformed and developed step by step and in a rational and permanent manner. Amongst these institutions, as previously discussed, has been the military. Rivalry between branches and within branches of the military has been greatly reduced through reorganisation, transfer, and removal. If in 1965 or 1967, the Army was dominated by Sumatrans and Javanese, this was only natural since the War for Independence was almost exclusively fought in these two islands. However, with stability and the irreversible growth of Unitary Indonesian nationalism, the Army, as well as all branches of the armed forces, becomes every year more and more integrated, with representatives from throughout the Archipelago. Indonesia has a modern staff college in Magelang which is turning out an officer corps of professional soldiers who are rapidly replacing the Generation of 1945 and will eventually replace the Generation of 1965. These men are imbued with the philosophy of Pancasila and with the notion that with stability, technology, and continued growth, the future role of the Army will be lessened but still within the tradition of the "Dual Function."

III. CONCLUSIONS

This paper is not a Paean to the models built by Janowitz, Pauker, and Pye which justified the suitability and modernising ability of the military in various Third World Nations.²⁵ Rather, it is an attempt to set the record straight as to the nature of the New Order, its origins, background, its performance, aims, achievements, and failings. A set of unique circumstances enabled Indonesia to develop and achieve national self-realisation after 1967 - a set of circumstances, really not to be found in their entirety elsewhere; and, so, model-building becomes even more futile. Essentially, the simple faith of a simple people was rekindled after twenty years of false starts, cynical deception, and virtual collapse. The simple faith began with Javanese Messianism and with the prophesies of the Medieval Javanese King Jayabaya, that the greatness of the archipelago and true social justice would be restored by a noble prince, a reincarnation of the Buddha, after hundreds of years of domination by white people and three years of a yellow people. Merdeka - freedom - to the simple people meant a restoration of a land of milk and honey. Sukarno proved to be no Ratu Adil, however much he played upon their traditional expectations. Suharto and the New Order, on the other hand, have attempted to maintain and re-invigorate the best of traditional institutions, beliefs, and customs while slowly building new institutions, not to take their place, but to make it possible for the old values of the spirit to be realised. Suharto and the New Order, in summary, have been able to satisfy both spiritual needs and material needs by substituting rational planning for rhetoric, a rational foreign policy for dangerous adventures, the indigenous philosophy of Pancasila for foreign Marxism, by substituting Unitary Indonesian nationalism for religious and ethnic sectarianism, by replacing self-seeking politics in civilian and military life with constructive, simplified political parties and with a single, overall Supreme Command of all the

armed forces. In economic and social matters, the regime has consistently kept the lid on raising expectations. Economists may moan, but the New Order is not prepared to see additional sections of the community buying electric can-openers and toothbrushes when there are those who regard a full belly as a luxury. For some time, Indonesia will resemble in the market place the classic case of importsubstitution economics of the Third World variety. The author can appreciate the motive of mainstream economists pointing an accusative finger in this regard, but he cannot condone those "humanistic" political scientists who choose to overlook this side of the New Order and Pancasila Democracy. Is it because, they cannot conceive of any morality coming from brown-coloured military men who profess a belief in God and in the possibility of a just and equitable society based upon an ideology which is clearly not Marxist, but clearly suitable to the complexity of Indonesia and its diverse people? If we seek answers to why development is taking place in Indonesia, we must conclude that while the New Order leadership provided a stable, rational, and reformist atmosphere, where indigenous and foreign investment could flourish, where old institutions could either be upgraded or discarded, that leadership also based its legitimacy upon popular sovereignty and upon an acceptable, utilitarian and indigenous philosophy of what the ideal Indonesian Republic ought to be: the Pancasila.

NOTES

- 1. Proceedings of The Tenth International Conference on the Unity of the Sciences, Seoul, Korea, 1981, New York City, 1982. Vol. II, pp. 943-63.
- 2. Ibid., 960-61.
- 3. See especially Higgins, Benjamin, Economic Development, London, 1967; Wong, John ASEAN Economics in Perspective, London, 1979; Garnaut, Ross, editor, ASEAN in a Changing Pacific and World Economy, Canberra, 1980; Gupta, Syamaprasad, A Model for Income Distribution, Employment, and Growth: A Case Study of Indonesia, Baltimore, 1977.
- 4. See especially Anderson, Benedict, R. O'G. and McVey, Ruth. A Preliminary

 Analysis of the 1 October, 1965 Coup in Indonesia, Ithaca, 1971; Crouch,
 Harold The Army and Politics in Indonesia, London, 1978; and his article
 "The Trend to Authoritarianism: the Post-1945 Period" in Aveling, Harry
 The Development of Indonesian Society, St Lucia (Queensland, Australia),
 1980; May, Brian The Indonesian Tragedy, London, 1963.
- 5. See especially his definitive The Religion of Java, (New York, 1960). A proper grounding in Geertz's works is required for any understanding of development potential in Indonesia. The fundamental religious nature if Indonesia makes a pattern of development along Soviet or Chinese Communist lines impossible without a highly coercive regime along Maoist, Stalinist or Pol Potist Police state methods; is this what the academic enemies of the New Order want?
- 6. The Five Principles are (1) The belief in one God; (2) A just and civilised humanitarianism; (3) A Unitary Indonesian State; (4) Democracy; (5) Social Justice. These principles were systematised in a speech delivered by Sukarno on 1 June, 1945 during the Japanese occupation. With the end in sight for Japan, Sukarno attempted to distance himself from his previous theory of the Panca Dharma (Five Duties) which called for an Indonesia within the Japanese Empire and "Co-Prosperity Sphere." The Panca Dharma are rarely researched in Indonesia due to the embarrassment of Sukarno's over-enthusiasm for collaboration with Japan. However, it is wrong both to attribute the 1945 enunciation of Pancasila to Sukarno's zigwrong both to attribute the 1945 enunciation of Pancasila to Sukarno's zigzagging opportunism or to his own philosophical creation; rather, the Pancasila was the natural product of forty years of growth of Indonesian Nationalism based upon timeless Indonesian traditional ideals. There is much of Hatta, Thamrin, Kartini, Diponegoro, Sultan Agung, etc. within these loosely worded principles.

The reader should note that the Pancasila, along with the Koran, Bible, and Hindu lore, is required for study, analysis, exegesis, etc. at every level in school and university, in the armed forces, civil service, and even in private enterprise. Every married couple at their wedding must swear to teach its meaning to their future children.

7. For a good summary of pre-colonial economic conditions in the archipelago, see especially Higgins, Benjamin, op. cit.

- 8. The terms Santri, Priyayi, and Abangan are usually applied to Java, but their equivalence is to be found in the outer islands amongst Muslim peoples. Santri are orthodox Muslims who are largely unaffected by the residues of animistic, Hindu, and Buddhist belief. They are, on the average, of a higher educational, economic, and social level than their Abangan counterparts. The Abangan are largely nominal Muslim who are influenced in roughly equal parts by Islam, Hinduism, animism, and even Buddhism. For the most part, they are economically badly off. The Priyayi share a sophisticated form of Abangan belief and are descendents or imitators of courtly civil servants in the towns, and in the villages; as such, they share an economic position with the Santri but are socially higher. The lines between these classes are becoming more and more blurred in today's Indonesia. It is within this religious tradition that both tolerance and fanaticism compete. The Pancasila militates in favour of tolerance and absolutely against aggressive fanaticism.
- 9. See especially, Dahm, Bernhard <u>History of Indonesia in the Twentieth Century</u>, London, 1971; Kahin, George Mct, <u>Nationalism and Revolution in Indonesia</u>, Ithaca, 1952; Reid, Anthony J.S. <u>The Indonesian National Revolution</u> 1945-1950, Melbourne, 1974.
- 10. Experts in the field have difficulty in assessing Sukarno. He is a national leader who invites negative and positive superlatives. Legge, J.D., Sukarno, London, 1972, while objective, is largely sympathetic to Sularno; Dahm, Bernhard, Sukarno, London, 1969 is similar in tone and usually gives Sukarno the benefit of the doubt; Penders, C.L.M. Sukarno, London, 1974 is unashamedly hostile and scathing. The author of this paper is inclined toward Penders. Indonesian writers show the love-hate relationship that persists, and one is especially advised to read Adam Malik's often candid autobiography In the Service of the Republic, Singapore, 1979. A distillation of all of the above probably reveals that Sukarno is worthy of sharing a front-line place in Indonesia's Struggle for Independence 1927-41 along with Hatla, Thamrin, and others; largely discredits himself in his over-enthusiastic collaboration with the Japanese occupiers, 1942-45; has a very mixed record during the Struggle, 1945-1949; serves his country and people well as President 1949 to 1956, and is an impressive focal point of unity during those frustrating and disappointing years; was an unqualified disaster for his country during his own imposed and run Guided Democracy, 1957-1966. The quandary Indonesia and the New Order are in in trying to assess his performance is revealed in both trying to undo his damage and, at the same time, proceeding to build a monument to him at his burial site in Blitar, East Java. Left to the author, his monument inscription would read, "(Empty but dangerous) rhetoric followed Poetry."

The reader should know that the famous Javanese and Balinese "Shadow Puppets" (Wayand) are not for mere entertainment. Rather, they are a traditional means of imparting a sense of spiritual, religious, and public morality. Normally, the subject matter of the Wayang comes from the Hindu epics, especially the Mahabarata and the Ramayana, but in times past, Muslim proselytisers used the medium to promote Islam, and more recently it has been used to introduce the concept of Pancasila, birthcontrol, better work and health habits, etc. Sukarno enjoyed playing upon

the popular knowledge of the Wayang and Hindu classics and liked to be compared with the romantic and often naughty Bima. It is to Suharto's credit that although coming from a very traditional setting - more so, even than the young pampered Sukarno - he has not encouraged any personal comparison with noble Wayang heroes - much less Bima! - and has allowed no cult of personality.

- 11. Within Javanese tradition, in particular, there exists the messianic myth of the Ratu Adil, the Noble Prince, who would be a reincarnation of the Buddha and would come to lead his people to freedom and prosperity. The Ratu Adil would behave in an exemplary manner and restore courtly greatness. Typical of Indonesian eclecticism, that old Hindu-Buddhist myth combined with a later Islamic messianic notion of the Mahdi. The great Central Javanese revolutionary leader of the mid-19th century, Diponegoro, attempted to incorporate all of the Ratu Adil's and Mahdi's ascetic virtues into his own personality. Sukarno's flamboyant approach to the image of the messiah was to restore greatness to Indonesia by an aggressive foreign policy and grandiose but empty domestic projects. Suharto and the New Order have done everything to distance themselves from tempting myths and to make state-craft a neutral and impartial function of the nation.
- 12. Crouch sees all military expansion into traditionally non-military endeavours as sinister. It is really quite the opposite. Had the military not engaged in economics, politics, and diplomacy 1945-1965, the Struggle for Independence might not have been won; complete economic collapse would have occurred, had every section of the nation followed Sukarno's direction; total war with Malaysia might have ensued, had not the army opened its own dialogue with Kuala Lumpur, Canberra, and London. For a good assortment of factual materials but a prejudiced analysis, see Crouch, op. cit. A more objective and sympathetic view of the Army's "Dual Function" are Ulf Sundhausen's various articles on the subject as well as his 1971 Ph.D. thesis for Monash University, Melbourne, Australia "The Political Orientation and Political Involvement of the Indonesian Officer Corps, 1945-1966: the Siliwangi Division and the Army Headquarters." Sundhausen reminds the reader of the fact that military involvement in social welfare, food distribution, econimic and trade administration, etc. has its origins in 1945 and obtained legitimacy and the blessing of Sukarno who described the Army as having a legitimate "Dual Function;" namely, military and socio-political functions.
- 13. Pity the poor student of the Indonesian language and/or its politics: the acronym is a way of life. NEKOLIM is the three scourges of neocolonialism, Colonialism, and Imperialism. The previous term might have Chinese or Soviet Communist origin, but NEFO is a purely Sukarnoist concept: New Emerging Forces, namely, China's Maoism, Nasser's Arab Socialism, Sukarno's NASAKOM, etc. Had the attempted GESTAPU coup not taken place, then Sukarno could have gone ahead with his planned Conference of NEFOS which he organised after he ordered Indonesia's withdrawal from the United Nations, dominated, so he thought, by OLEFO's. Let the author relieve you of your confusion in trying to follow the previous sentence. NASAKOM is the acronym for Sukarno's long lasting dream of combining in one movement Indonesia's three dominant social ideas: Nationalism, Religion, and Communism. Indeed, Sukarno spent

or wasted a lifetime in trying to graft religious idealism onto Marxist atheistic materialism; did Sukarno anticipate the Catholic Liberation Theology of the late 70's and 80's? GESTAPU is the acronym for the 30th September Movement, purposefully made to sound like Gestapo by its enemies; Sukarno called it GESTOK both to neutralise the sound of the acronym and to shift the blame away from the coup plotters and their PKI allies. GESTOK means 1 October Movement, the day the generals were murdered and also the day the coup was smashed by Suharto, whose rise to the top began also on that day. OLEFOS are Old Established Forces, namely the imperialists.

- 14. See, especially, Higgins, Benjamin "Indonesia, the Chronic Dropout" in Higgins, B. op. cit.
- 15. The other four forces were the Army, Navy, Airforce, and Police. Sukarno played the four off of each other as well as encourging growing factionism within each of the various armed forces, especially the traditionally anti-PKI Army. Sukarno's technique is well documented in Crouch, op. cit.
- 16. Several conflicting theories about the attempted coup, its repression, Suharto's intentions at various stages of the eighteen month political game which finally led to Sukarno's forced resignation, etc. lead the open-minded to read widely and to examine the various facts, claims, etc. What interests the author, and hopefully the reader, is rather Suharto's style in moving around the pieces, picking off his opponents and overly-exuberant supporters, avoiding further bloodshed after the spontaneous violence against the PKI, to legitimise the New Order by making no emotional move; thus, there was no room for Sukarno being brought to trial or even the total destruction of his reputation. There was no need for a new Constitution or State Philosophy, rather a new and rational application of these two institutions. Crouch makes a great production of the Javanese attitude of "One Step at a Time" to show Suharto's slow, calculating, but sinister personality. Yes, calculating and slow, especially in view of Sukarno's indecent haste in making important decisions, all of them to avoid a rational economic strategy, but the author disputes the charge of sinister in the light of the New Order's measurable achievements.
- 17. Sukarno went so far as to declare himself a Marxist on several occasions right before and after the attempted coup. He continued to support NASAKOM and the PKI publically until his removal in March 1967.
- 18. It is well documented (see, especially, Sundhausen, U. op. cit.) that the Army had engaged in a range of economic, political, and administrative activities since the very early days of the Declaration of Indonesian Independence. Crouch and the author disagree as to its propriety, suitability, and to the Army's integrity. Crouch gives us a vast collection of innuendo and acts as prosecutor, judge, and jury, but where is the proof? The author assumes innocent until proven guilty.
- 19. Suharto used extreme anti-Sukarnoists to drive the last blind supporters of Sukarno from the military. Those ousted were not shot but rather posted abroad to embassies or to important posts in the outer islands. The turn of the extremist anti-Sukarnoists to be purged followed, and they were

sent on the same non-violent route. Suharto has always preferred a slow but peaceful and permanent transformation of all situations unacceptable to the New Order.

- 20. It is interesting to note that virtually all of Crouch's revelations about corruption come from Indonesian newspapers, magazines, public reports, etc. Much respected Adam Malik discusses corruption in his previously cited autobiography. Compare this freedom to expose corruption and governmental inadequacies with the domestic press in Soviet Russia, Communist China, Franco's Spain, Mussolini's Italy, etc. In my own country, the defamation laws inhibit the revelation of corruption and wastage, because under the law "the truth can be used to defame;" indeed, in New Zealand only once a revelation is uttered in parliament which is immune to the laws of defamation can newspapers freely publish these revelations and the electronic media broadcast them. See especially The Press Act of Indonesia which has been published in English by The Indonesian Department of Information.
- 21. In the last General Election held in May, 1982, the percentage breakdown into Party choice of those who voted (91.34%) is as follows: Golkar 63.7%; PPP 28.3%; PDI 8.0%. The Indonesians, however, have the peculiar system of basing party voting percentages on the basis of 100% of those eligible to vote which produces very different results: Golkar 58.52%; PDI 7.25%.
- 22. The table which follows, as used in the Arsjad-Anwar article, "Trade Strategies and Industrial Development in Indonesia" (Garnaut, op. cit., p. 208), sums up the achievements of the New Order. It is true, also, that less happy times lie ahead as a result of the fall in the price of oil and increased numbers coming on to the work force. This regime, at least, has planned rationally for this bad turn of events. Of further interest, and as a point of comparison, is the fact that Indonesia's growth rate since 1968 has been consistently the highest amongst all developing nations. The World Development Report for the year 1981 reveals additional objective indicators of Indonesia's performance under the New Order. In comparing Indonesia with countries in the Third World, we find a slightly better than average life expectancy rate, a much better than average literacy rate, and the highest annual income in the group. Only in the area of inflation was Indonesia's performance poor. In terms of daily per capita calorie supply, Indonesia by 1977 was providing its population's total intake needs plus a 5% surplus. In 1960, there were 46,780 Indonesians for every physician; in 1977, it had dropped sharply to 13,640. The education figures are equally impressive: in 1960, 71% of school-age children received primary education; in 1977, 94%. In 1960, only 6% received a high school education; in 1977, 22%. In this year's draft budgetary address to the House of the People's Representatives, President Suharto indicated that while expenditure for the military and bureaucracy will definitely be reduced as a cost-cutting exercise in the face of the drop in the price of oil and the continuing world-wide recession, expenditure, on education will increase as would investment in agriculture, housing, medical facilities, and other social services.

In any final encounter with the subject of whether Indonesia has Pancasila Democracy or has, as Crouch and others would have us believe, a corrupt

Military Clique clutching at its throat, one must examine the extent of military expenditure in Indonesia in comparison with other nations in its economic grouping, or with any nation. The reader must judge for himself from the table which follows on the next two pages.

- 23. See especially, Suharto's Presidential Budgetary Speeches to the House of the People's Representatives.
- 24. See especially, once again, Crouch's cited works and also May, Brian op. cit.
- 25. It is interesting to note that the works of Janowitz, Pauker, and Pye are well-known in Indonesian Military circles. See, especially, Notosusanto, Nugroho Brig. Gen. The National Struggle and the Armed Forces in Indonesia, Jakarata, 1979.

TABLE I: Indonesia: average annual rate of growth of gross domestic product, at constant prices, by industry of origin and expenditure 1960-77 (per cent)

Description	1960-6 ^a	1966-8 ^a	1960-8 ^a	1968-71 ^a	1971-7 ^b	1971-3 ^b	1973-7 ^b	
A Industry of origin	1 80	3.21	2.22	4.25	5.44	8.79	3.81	
1 Agriculture (a) Food crops (b) Smallholder cash crops (c) Estate crops (d) Animal husbandry (e) Forestry (f) Fisheries 2 Mining and quarrying II Secondary industry 3 Manufacturing 4 Construction 5 Electricity, gas, water III Tertiary industry 6 Transportation and communication 7 Other services Gross domestic product	1.94 2.01 3.38 0.39 2.27 -11.40 7.76 1.13 1.84 1.81 1.03 7.52 2.55 0.79 2.10	2.53 3.00 1.59 -5.13 5.01 11.55 -0.84 13.10 5.76 6.02 2.35 16.32 5.08 2.28 5.41 4.09	2.09 2.26 2.93 -1.02 2.95 -6.14 4.00 2.80 2.80 1.81 9.66 3.18 1.16 3.43	3.26 2.40 0.56 6.47 4.42 24.11 3.57 14.25 14.74 12.44 25.07 9.26 9.21 11.43 8.93	3.75 3.56 1.91 5.46 5.11 5.24 2.95 11.67 13.90 13.37 15.47 13.37 15.47 13.21 9.17 10.76 8.96 7.94	4.66 3.42 -0.65 3.78 17.30 1.14 22.81 17.23 15.18 23.78 10.94 10.27 10.63 10.63 10.36	3.01 1.16 8.65 5.68 0.32 3.87 6.48 12.27 12.47 11.52 14.36 8.63 10.83 8.34 6.75	
B Expenditures 1 Private consumption expenditure 2 Government consumption expenditure 3 Consumption expenditure 4 Gross domestic capital formation 5 Exports 6 Minus imports Gross domestic product 7 Net factor income payable abroad 8 Gross national product	2.01 -1.86 1.56 4.81 1.12 -1.23 2.10 2.45	6.29 -3.92 5.28 6.66 5.00 17.01 4.09 3.98	3.06 12.38 2.47 5.27 2.08 3.05 2.59 2.59	4.39 9.29 4.84 27.42 14.49 13.88 7.13 5.98 7.13	7.81 12.31 8.37 13.34 10.01 17.94 7.94 30.35 7.38	9.46 17.53 10.42 18.05 23.30 34.27 34.27 35.58 9.12	6.99 6.78 7.36 11.06 3.91 10.54 10.54 12.32 6.52	

a At constant 1960 prices. b At constant 1973 prices.

Source: Central Bureau of Statistics.

TABLE II:

Est.

Para-

Peru Venezuela	Mexico	Cuha	Colombia	Argentina	Latin America	Thailand	Singapore	Philippines	Pakistan	New Zealand	Malaysia	Korea, South	Korea, North	Japan	Indonesia	India	China (Taiwan)	China	Asia Australia	Zimbabwe	South Africa	Nigeria	Africa Ethiopia	Syria	Sudan	Saudi Arabia	Israel	Iraq	Iran	Egypt	Middle East Algeria
383 494	586	ם ו	106	1,031))	542	344	407	725	243	385	943	878	4,620	1,108	2,660			2,492	102	1,332	1,786	84	706	120	6,771	3,552	1,064	8,800	6,103	285
n.a. 1,118	803	1.100	15 07c'T	3,380)))	1,092	574	962	1,540	426	1,465	3,460			2,070	4,406	n.a.	56,941	3,900	444	2,556	1,702	385	4,040	245			2,700	4,200	n.a.	705
n.a. 1,399	1,166	ם ב	n n.a.	n.a.		1,279	n.a.	863	n.a.	n.a.	2,250	4,400	1,470	11,497	2,387	5,119	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,389	n.a.	27,695 1		n.a.	n.a.	n.a.	914
24 41	10	ָ ב	4	4 5		13	152	10	10	79	31	28	54	42	9	4	61	n.a.	184	16	53	28	ω	96	7	1,153	1,045	107	268	163	17
n.a. 53	12	111	1.3 1.3	L2.3	#) #	23	2:39	20	n.a.	135	108	91	74	75	14	7	n.a.	56	272	0	89	22	17	459	13	2,513	1,333	202	110	n.a.	36
n.a. 85	17	ם ני	n n.a.	n.a.		26	n.a.	17	17	n.a.	157	113	74	98	υ	7	n.a.	n.a.	n.a.	n.a.	n.a	n.a.	n.a.	261	n.a.	2,664	1,835	n.a.	n.a.	n.a.	47
15.3	2.4	ם ני	יי היי	o) I	25.7	18.1	19.3	12.3	4.3	17.3	29.2	n.a.	6.6	16.7	21.1	n.a.	n.a.	8.6	12.3	18.5	11.8	19.4	25.3	15.1	20.0	50.1	43.7	24.9	42.0	4.7
n.a.	1.1	ט ע י	ο σ ω α	T2.T	; 1	20.5	16.5	13.0	n.a.	3.9	14.3	36.0	14.6	4.7	12.3	16.7	n.a.	n.a.	9.7	22.0	18.1	8.7	n.a.	30.5	12.7	28.1	32.0	24.0	12.3	n.a.	5.3
n.a.	n.a.	מ נ	n n	n.a.		18.7	n.a.	n.a.	n.a.	n.a.	23.0	n.a.	14.7	5.0	n.a.	16.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	30.8	n.a.	31.0	30.6	n.a.	n.a.	n.a.	n.a.
3.1 1.7	0.7	J C) L	, 0		3.7	5.3	2.6	7.2	1.8	4.0	5.1	n.a.	0.9	3.8	3.0	6.9	n.a.	3.2	3.0		7.1		15.1	n.a.	18.0	35.9	7.9	17.4	50.4	2.2
n.a. 2.3	n.a.	р :	g	n.a.		n.a.	6.1	2.0	n.a.	1.8	n.a.	5.7	n.a.	0.9	n.a.	3.8	n.a.	a		n.a.	n.a.	n.a.	n.a.	13.1	n.a.	n.a.	23.2	n.a.	n.a.	n.a.	n.a.
56.0 44.0	332.5	117 0	245.5	133.5	i !	204.0	30.0	67.0	392.0	12.7	61.0	625.0	467.0	236.0					69.1	5.7	50.5	208.0	44.8	177.5	48.6	47.0	156.0	135.0	250.0	322.5	63.0
95.5 40.5	357.0	206.0	2/2.6	139.5		230.8	42.0						678.0						71.0	13.5	86.1	146.0	229.5	247.5	68.0	47.0	169.6	242.3	240.0	367.0	101.0
130.0	369.5	227 0	2/2.6	185.5			42.0	112.8	450.6	12.9	102.0		782.0	243.0	273.0	1,104.0			72.6	34.0	92.7	156.0	230.0	222.5	71.0	51.7	172.0	252.3	195.0	367.0	101.0
n.a.	250.0	130.0	560.0	250.0		500.0	50.0	124.0	513.0	9.8	51.0	1,240.0	300.0	41.6	n.a.	240.0	1,170.0	n.a.	63.8	16.0	157.0	2.0	20.0	102.5	n.a.	n.a.	504.0	250.0	400.0	335.0	100.0
25.0 20.0	1 .	180.0	185.U	43.0		44.5	37.5	110.5	109.1	1	90.0	2,800.0	38.0	1	82.0	300.0	100.0	12.0	I	40.0	145.0	ı	169.0	9.8	3.5	36.5	4.5	79.8	75.0	139.0	10.0

afferences is designed to show national trends only;
differences in the scope of government sector invalidate
international comparisons.

Dased on local currency.GNP estimated where official figures
currently of calculating suitable exchange rates makes

The difficulty of calculating suitable exchange rates makes * Source:

The Military Balance 1981-1982 (London, International Institute of Strategic Studies, 1981).

TABLE I: Indonesia: average annual rate of growth of gross domestic product, at constant prices, by industry of origin and expenditure 1960-77 (per cent)

Description	1960-6ª	1966-8 ^a	1960-8 ^a	1968-71 ^a	1971-7 ^b	1971-3 ^b	1973-7 ^b	
A Industry of origin								
ary	1.89	3.21	2.22					
1 Agriculture	1.94	2.53	2.09	3.26	3.75	5.37	2.94	
(a) Food crops	2.01	3.00	2.26			•		
(b) Smallholder cash crops	3.38	1.59	2.93			8		
(c) Estate crops	0.39	-5.13	-1.02				•	
Animal	2.27	5.01	2.95	9				
(e) Forestry	-11.40	11.55	-6.14	24.11			•	
(f) Fisheries	7.76	-0.84	5.54	9				
2 Mining and quarrying	1.13	13.10	4.00	14.25				
II Secondary industry	1.84	5.76	2.80			0		
3 Manufacturing	1.81	6.02	2.84			0		
4 Construction	1.03	2.35	1.81					
5 Electricity, gas, water	7.52	16.32	9.66	9.26				
III Tertiary industry	2.55	5.08	3.18			9		
6 Transportation and communication	0.79	2.28	1,16					
7 Other services	2.77	5.41	3.43	•				
Gross domestic product	2.10	4.09	2.59				•	
B Expenditures 1 Private consumption expenditure	2.01	6.29	3.06	0	7.81		•	
2 Government consumption expenditure	-1.86	-3.92	-2.38		12.31			
3 Consumption expenditure	1.56	5.28	2,47		8.37			
4 Gross domestic capital formation	4.81	6.66	5.27	7.	13.34			
5 Exports	1.12	5.00	2.08		10.01			
6 Minus imports	-1.23	17.01	3.05	ω	17.94		8	
Gross domestic product	2.10	4.09	2.59		7.94	9		
Net fac	2.45	3.98	2.83	5.98	30.35	75.58	12.32	
8 Gross national product	2.09	4.09	2.59		7.38			

Source: Central Bureau of Statistics.

a At constant 1960 prices.
b At constant 1973 prices.

TABLE II:

Comparisons of Defence Expenditure and Military Manpower 1975-81*

Other European Austria Eire Finland Spain Sweden Switzerland Yugoslavia	NATO f Belgium Britain Canada Denmark France Germany Greece Italy Luxembourg Netherlands Norway Portugal Turkey United States	Warsaw Pact Bulgaria 457 Czechoslovakia 1,706 Germany,East 2,550 Hungary 506 Poland 2,011 Romania 707 Soviet Union 124,000	Country
128 128 388 1,701 2,483 1,047 1,705	1,971 11,118 2,965 939 13,984 16,142 1,435 4,700 22 2,978 929 1,088 929 1,088	457 1,706 2,550 506 2,011 707	1975
915 285 656 n.a. 3,588 1,832 3,634	3,735 24,448 4,240 1,404 20,2209 25,120 25,120 1,7709 6,580 49 5,239 1,570 1,570 2,921 1,2700	1,140 3,520 4.790 1,080 4,670 1,470 n.a.	\$ million
870 n.a. 713 3,980 3,790 1,840 3,470	3,560 28,660 4,990 1,520 926,008 25,000 8,887 51 4,930 n.a. 944 3,106 17,023	1,340 n.a. 6.960 1,240 n.a. 1,350	ion 1981
54 41 83 48 303 160	200 198 130 185 264 259 159 159 218 218 232 124 55	52 116 148 48 59 33	\$ 1
122 86 142 129 432 290 164	378 437 177 274 374 410 236 n.a. 134 374 383 90 54	128 229 285 101 131 66	per head
116 n.a. 149 105 455 154	359 512 205 295 483 405 1155 1140 348 n.a. 94 67	151 n.a. 415 115 n.a. 61	1981
3.7 4.3 5.0 14.5 10.5 19.3	10.0 11.6 11.9 7.3 20.2 24.4 25.5 9.7 3.0 11.0 8.2 35.2	6.0 7.3 7.9 3.5 7.0	% of sp 1975
4.1 3.3 5.4 12.5 7.7 18.9	9.3 12.3 n.a. 6.4 20.3 22.2 19.8 n.a. 7.3 10.8 110.8	7.5 7.5 6.0 4.0	f governmen spending
3.8 n.a. 5.1 12.0 7.7 20.2 n.a.	9.0 12.3 9.1 7.1 20.5 22.6 22.6 5.1 9.5 10.9	n	nent
1.6 1.6 1.8 1.8 5.6	3.9 3.9 3.9 5.9	2.7 3.8 5.5 2.4 3.1 1.7	% of
1.5 1.5 2.2 1.5 1.5	5.1 2.4 3.9 4.2 3.9 4.2 5.1 2.9 4.2 5.2	3.4 4.0 6.1 2.3 3.2 1.3	GNP ^h
38.0 12.1 36.3 302.3 69.8 18.5 230.0	87.0 345.0 77.0 34.0 502.0 495.0 161.2 421.0 0.6 112.5 35.0 217.0 453.0	152.0 200.0 143.0 105.0 293.0 171.0	Numbers force
50.3 14.8 39.9 342.0 66.1 18.5 264.0	87.9 329.2 78.6 35.1 494.7 495.0 181.5 366.0 0.7 115.0 37.0 59.5 567.0	149.0 195.0 162.0 93.0 317.5 184.5	in s (C
50.3 14.0 39.9 342.0 64.3 20.5 252.5	89.5 343.6 79.5 32.6 504.6 495.0 193.5 366.0 0.7 102.8 37.0 70.9 569.0	149.0 194.0 167.0 101.0 319.5 184.5	1981
910.0 22.5 700.0 1,085.0 500.0 621.5	155.5 276.4 23.3 57.5 450.0 750.0 738.0 - 171.0 162.0 n.a. 470.0	240.0 325.0 305.0 143.0 605.0 300.0	reserv- ists (000)
4.0 104.0 0.5 2,020.0	16.0 6.9 73.3 88.9 - 34.0 193.9 0.5 12.7 85.0 37.3	175.0 157.5 70.2 75.0 72.0 37.0 560.0	Para- military (000)

b into based c unav c Reserv dree di	This s	ven	Peru	Mexico	Cuba	COT	Brazil	Arg	Lat	7110	TI C	Ph1	Pak.	New	Mal	Kor	Kor	Japan	Ind	India	China	China	Aus	Asia	MTZ	Sou	DTN	Afr Eth	syria	o nuan	Saudi	E S. I	Traq		32 Egypt	Alc	Mic
international comparisons. International comparisons. Based on local currency.GNP estimated where official figure curavailable describes with recent training. The difficulty of calculating suitable exchange rates makes conversion to dollars imprecise.	This series is designed to show mattenal	Venezuela		100	, pu	Colombia	î. ZIT	Argentina	Latin America	THAT TAHL	mhailand	Philippines	Pakistan	Zealand		Korea, South	Korea, North	an	Indonesia	ia	na (Taiwan)	na	Australia	Ď	Zimbabwe	South Africa	Nigeria	Africa Ethiopia	Ta	, terri	di Arabia	-	iq		7pt	Ę.	Middle East
Sons. Sons, Sons, training. Lating suitable imprecise,	to show nat	494	282	586	n.a.	106	1,283	~		7.F.C	544	407	725	243	385	943	878	4,620	1,108	2,660	1,007	n.a.	2,492		102	1,332	1,786	84	/06	120 120	177,0	3,552	~	008,8	6,103	285	
coment secto		1,118		803	1,100		1,540	-		760°T	5/4	962	1,540	426	1,465	3,460	1,300		2,070	4,406	n.a.	56,941	3,900		444	2,556	1,702	385	4,040	245	20,704	-	2,700	٧.		705	
ent sector invalidate where official figuros exchange rates makes	s only;	1,399	n.a.	1,166	n.a.	n.a.	n.a.	n.a.		1,2/9		863	n.a.	n.a.	2,250	~	1,470	11,497	2,387	5,119	n.a.	n.a.	n.a.		n.a.	n.a.	n.a.	n.a.	2,389	n.a.	27,695	,340		n.a.	n.a.	914	
es		41	24	10	n.a.	4	12	41		L3	152	10	10	79	31	28	54	42	9	4	19	n.a.	184		16	53	28	ω	96	1	1,153	1,045	107	268	163	17	
Defence expenditures are based on the NATO definition from 1980 provisional only GDP figures used. Expenditure and GNP figures estimated from nationally data Incl. aid to W. Berlin	•	53	n.a.	12	111	12	13	12.3		23	239	20	n.a.	135	108	91	74	75	14	7	n.a.	56	272		6	89	22	17	459	13	2,513	-	202	110	n.a.	36	
expenditures are based on 1980 provisional only GDP : ure and GNP figures estimed to W. Berlin		85	n.a.	17	n.a.	n.a.	n.a.	n.a.		26	n.a.	17	17	n.a.	157	113	74	98	ហ	7	n.a.	n a	n.a.		n.a.	n.a	n.a.	n.a.	261	n.a.	2,664	1,835	n.a.	n.a.	n.a.	47	
d on the NA: GDP figures stimated fro		5.4	15.3	2.4	n.a.	n.a.	9.3	9.7		25.7	18.1	19.3	12.3	4.3	17.3	29.2	n.a.	6.6	16.7	21.1	n.a.		& 6		12.3	18.5		19.4	25.3	15.1	20.0	50.1	43.7	24.9	42.0	4.7	
the NATO definition. Eigures used. hted from nationally-		n.a.	n.a.	1.1	n.a.	9.3	6.8	15.1		20.5	16.5	13.0	n.a.	3.9	14.3	36.0	14.6	4.7	12.3	16.7	n a		9.7		22.0	18.1	8.7	n.a.	30.5	12.7	28.1	32.0	24.0	12.3	n.a.	5. 3	
n. Figures y-defined		b	n.a.	n.a.	n.a.	n.a.		n.a.		18.7	n.a.	n.a.	n.a.	n.a.	23.0	n.a.	14.7	5.0	n.a.	16.9	n.a.		ָ שׁ		n.a.	n.a.		n.a.	30.8	n.a.	31.0	30.6	n.a.	n.a.	n.a.	n.a.	
		1.7	3. ₁	0.7	n.a.	0.8	1,3	0.9		3.7	5.3	2.6	7.2	H. 8	4.0	5.1	n.a.	0.9	ω &	3.0	6.9	ז ע			3.0			•	15.1	n.a.			7.9		0		
	í	ω	n.a.	n.a.	8,5	n.a.	0.7	n.a.		n.a.	6.1	2.0	n.a.	1.8	n.a.	5.7	n.a.	9	n.a.	ယ (ထ	מ	מ. מ			n.a.	n.a.	р Д	5	13.1	n.a.	n.a.	23.2	n.a.	n.a.		n.a	
			<u>ა</u>	0	7.	ത	245.5	ω		4	30.0	7.	392.0	12.7	61.0	625.0	467.0	236.0	266.0	956.0	94	3250.0	00 J		5.7	50.5	208.0	44.8	7.		7.	01	135	250	N	ω	
		40.5	95		06.	65 i		39 •		0		12.	438.6	12.6	66.0	600.6	678.0	241.0	241.8	1104.0		4450.0			13.5	8	146.0	20	247.5	68.0		•	242.3				
		40.		69	27.	70		ω 5		∞	42	12	450.6	12.9	102.0	601.6	782.0	243.0	273.0	0 (Л.	4750.0	١		34.0	92.7	156.0	230 0	N	_ 1		⊢	2	10	ω <u> </u>] [
	I 4	n.a.	י ער	250 0	30.	70.0	2 :	50.		500.0	50.0	124.0	513.0	9 8	51.0	L240.0	300.0	41.6	מי ל	240.0	1170 0	מיים מ	ر ر		16.0	157.0	2.0	3 0	سا		n a	504		400	20 10	100	
		20.0	Л	l •	18-0	50 O	185 0	43_0		44.5	37.5	110.5	109.1	1 (0.06	2800.0	38.0	1		300.0		၂ ၂			40.0	145 0	H . C		9.8	u	36.5				139 0		

Reservists with recent training.
The difficulty of calculating suitable exchange rates makes conversion to dollars imprecise. * Source: The Military Balance 1981-1982 (London, International Institute of Strategic Studies 1981)