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DEPARTMENT OF STATE

AIRGRAM

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TO : DEPARTMENT OF STATE

INFO : BANGKOK, CANBERRA, KUALA LUMPUR, LONDON, MEDAN, SINGAPORE, SURABAYA, TOKYO, CINCPAC

FROM : Amembassy DJAKARTA DATE: July 21, 1967

SUBJECT : Basic Problems in Our Dealings with Indonesians

REF :

Introduction and Summary

Indonesia now has a government which has assumed a generally pragmatic approach to its problems, has shelved foreign adventurism in favor of a constructive role in the international community, has dedicated itself to fighting domestic communism and has quietly moved away from state control of the economy towards private enterprise. These attributes, especially when contrasted with past Indonesian regimes, appear to make co-operation with the United States a natural and easily-accomplished goal. Lurking behind these important points in common are, however, some basic cultural, institutional and psychological differences between the American and Indonesian societies which may spell trouble as the United States Government moves into operational MAP, AID and USIS programs.

For example, Javanese behavior patterns, which stress outward harmony rather than clear communications, prevent "thrashing out" problems with Indonesian leaders and often impose the use of intermediaries. The customary Indonesian practice of exacting a price for friendship does not sit well with Americans. The "bapak" structural organization, which stresses personal relationships at the expense of institutions, and the corruption which it spawns, tend to restrict the United States Government's ability to program its assistance to maximum benefit for the economy. An emotional nationalism, which is easily offended and as easily offensive, lingers as an impediment to easy American-Indonesian relations and Southeast Asian regional cooperation.

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Drafted by: Ambassador Green/POL:PFGardner/dm 7/19/67

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Only through understanding this environment can the United States Government be in a position to help change it. Indonesian social and political mores not only allow but often require a foreign government to choose its domestic associates. Realizing that reform must come principally from within, the United States should consequently identify and support "modernizing" elements within the national leadership, often disregarding (as Indonesians do) their formally assigned governmental roles. This aim will in instances outweigh purely economic rationale for an assistance program although the two criteria, as in the case of the stabilization program, often coincide. While General Suharto himself cannot now be clearly typed as a "modernizer," our support may help cast him in this mold. The alternatives to his leadership are nowhere near as promising, and we should not let pass early opportunities to support and influence him.

In this airgram I have attempted to define some of the psychological and institutional differences between the two nations, to point out the problems which they may cause and to suggest general approaches we might use in dealing with them. In each case we identify the problems and follow with recommendations.

Most of these problems are not new to the Department. We have discussed some of them in greater detail in earlier airgrams and many are common to developing countries. I believe, however, that they bear restatement at this particular juncture when we are defining our programs and consequently our future relationships with the new Indonesian regime.

The Javanese Cultural Environment

The Problems. Despite their long subjection to colonialism (and in part because of it), Indonesians remain as distant from the West in culture and in mores as many less advanced people. This is particularly true of the Javanese sub-culture which, because it embraces the largest numbers and the key leader, is the dominant influence in Indonesia today. The Javanese and American cultures in many instances call for exactly opposite courses of behavior. Americans, for example, are commonly noted for their "directness," their interest in defining and resolving conflicts and their

emphasis on personal initiative in changing an environment. The Javanese are famed for their "indirectness," their tendency to disguise and circumvent conflicts and their emphasis on adaptation to one's environment. Indonesians in general and the Javanese in particular tend to build their official relationships on a "family" pattern, emphasizing confidence, affection and loyalty above ability. Americans have, on the other hand, established common, impersonal standards of conduct stressing efficiency and performance. When these cultures meet, conflicts are inevitable.

One does not have "heart-to-heart talks" or "thrash out problems" with a Javanese. Outward harmony in personal relationships receives a much higher priority than clear communications. In the case of Javanese leaders, who must make decisions yet preserve "face" in personal relationships, this means that intermediaries are usually employed to sort out areas of agreement and exclude conflicts before the principals meet. Nowhere is this more evident than with General Suharto. Indonesians of other subcultures or other generations (such as leaders of the Action Fronts) have complained of the curtain of Generals isolating the Acting President from the public. As Suharto's and other Javanese leaders' intermediaries are most often chosen on the basis of personal relationships rather than general ability or knowledge of the matter at hand, they are not always reliable channels of communication. The results of one young Batak's efforts to penetrate this curtain by confronting Suharto directly, however, argue against fighting the Javanese system (Djakarta 6354).

Political intrigue thrives in the Javanese environment, and some of the back-stabbing, rumor mongering and general skulduggery surrounding Sukarno's palaces have now moved to Suharto's headquarters. One of Suharto's associates, Colonel Ali Murtopo, may in fact have the makings of a little Subandrio and, like Sukarno's Foreign Minister, possesses an intelligence apparatus to serve his intrigues. Suharto, himself, remained singularly aloof from the intrigues of the Sukarno era, and there is thus some possibility that he will eventually check those now forming around him.

The key problem affecting American-Indonesian relations perhaps stems less from the nature of Javanese working patterns than from a surprisingly widespread unawareness that the Americans do things differently. There are indications that Suharto and many of his aides are sometimes perplexed and angered when Americans do not behave like Javanese. One General's remark that the United States treats Indonesians like children

indicated that American insistence on detailed justification for aid requests is received as a gesture of mistrust and suspicion. The Acting President may also be miffed when some of his personal agents are not favored over official channels such as the Foreign Ministry. Failure to recognize these difficulties as a conflict in operating patterns has perhaps led some Javanese leaders to personalize the problem in a typically Javanese fashion, concluding that the United States Government or its representatives have no faith in their personal leadership. Many Javanese generals also take it for granted that USG representatives indulge in the same sort of secret political intrigue as the Javanese. Suspicions have, for example, been voiced that the United States is working clandestinely to assist such figures as Adam Malik, General Kemal Idris or even General Nasution, whose Sumatran rather than Javanese origins bring them more closely into line with the American culture.

Recommendations. We cannot, of course, dovetail our operations to the Javanese working pattern. The best we can hope to do is to try to live with it while encouraging changes in the system. As it will often be necessary to work through intermediaries in communicating with Suharto and other Javanese officials, care must be taken to choose intermediaries who best understand the United States and who are least likely to use their position as go-between to further personal and conflicting aims. Similarly, our refusal to use such intermediaries as Ali Murtopo will perhaps contribute to their eventual decline in influence.

We must take advantage of every opportunity to educate General Suharto and his principal Javanese aides on the advantages of a modern, impersonal administration. As a by-product, we would hope that they could learn to understand why Americans act as they do. I think we have already made some progress in educating the top Generals on the aid process, and we will keep plugging on this topic. Visits to the United States and other countries where they could be exposed to honesty and principle in government would, of course, be the best teaching aids. We should seek opportunities to send more of Suharto's principal aides to the U.S. As I have suggested previously, we should soon initiate planning for a visit to the United States by Suharto himself, hopefully in the context of a world tour.

We should attempt to demonstrate, in a way understandable to Javanese, our confidence in the present Indonesian leadership. This can profitably be done by demonstrating our sympathy, if not our support, for projects in which Suharto is known to have an interest. His personal requests must

be given very careful attention, as an uncushioned, negative response can cause "loss of face" and long-lasting resentment. The problems we face here should not be overly difficult as Suharto seems to have developed, during the past few months, a much more balanced concept of priorities.

The way in which we give help is as important as how much we give. Too many administrative strings on our aid will be taken as signs of a lack of confidence. It is important that our administrative requirements be reduced to the minimum needed to prevent abuses which could redound to the harm of our aid program and its Congressional support, that these unavoidable administrative requirements be applied consistently, and that they be fully explained to the GOI officials who must defend and explain them to others. We should make a particular effort, within the multilateral framework of aid to which we are committed, to impose no more onerous administrative requirements than do the other donors.

The Price of Indonesian Friendship

The Problem. If American directness and candor sometimes offend Indonesian sensitivity, Indonesians cause an equally unfavorable reaction among Americans by labelling human relationships with clearly marked prices. This practice is especially noticeable among the Sumatrans and other outer-islanders, where virtually every relationship outside the extended family is carefully weighed for the material benefits it brings. On the individual plane, this means that most courtesies shown an American will eventually be followed by a request for repayment in goods or services. On the government-to-government level, Indonesia will attempt to exact a good price for every move thought to benefit the United States regardless of whether it was so intended. Many Indonesians, for example, have attempted to get some sort of American post-payment for the destruction of the internal communist movement. Indonesians often complain of strings on foreign aid, but they themselves are prone to attach towropes to their services for other nations.

Recommendations. This cultural trait when translated into our frame of reference frequently emerges as "squeeze plays," intimidation or outright extortion. We must, however, avoid the emotional reaction which these terms evoke and prepare ourselves for padded bills for every service rendered (including such matters as a favorable United Nations vote).

While we cannot, and should not, enter the "television and refrigerator game" as other foreign governments and private firms have seen fit to do, we must recognize that our aid programs will fall on this cultural terrain. We should take care that credit for our aid is not entered on the wrong ledger. In this respect, timing of our aid announcements is of the utmost importance as Indonesians, ascribing to us motivations similar to their own, will tend to find a causative factor in the immediate setting of events.

The "Bapak" Organizational Structure

The Problems. The Indonesian cultural heritage discussed above, combined with Sukarno's legacy in personalized rule and in economic disorder, has greatly inhibited the growth of governmental institutions in the Western sense of the word. Society and the government are instead organized around small, fragmented groupings centered on a provider or "bapak." (The Embassy's A-244 dated November 30, 1966 provides a detailed description of the causes and nature of "bapakism.") Suharto, himself, recognizes the deficiencies in this system and, as late as July 5, committed his government once again to the task of building true institutions. Although some progress has been made, this is decidedly a long-range process. In the meantime, "bapakism" continues as the dominant system at all levels of the government and society, including, quite clearly, the Acting Presidency.

"Bapakism" severly hampers a foreign government's ability to insert its aid in a specified sector of the Indonesian economy. The present free market system for import of essential commodities (the "BE system"), under which the use of a major portion of our foreign aid and that of other donors is determined by market forces, represents a means of reducing "bapakism" in the allocation of aid to a minimum. Where, however, aid must be channeled through "bapaks"--as tends to be the case with MAP, some PL-480 assistance and technical assistance--there is the risk that, unless very closely monitored, the aid may be deflected to quite different uses than those intended by the donor. In such cases, it is the minister and not the ministry, the banker and not the bank who determines the ultimate use of foreign assistance within his reach. It is also the "bapak" rather than the "institution" he might head who gets the credit for the benefices such aid might bring.

Recommendations. Once again we are faced with living with a system which we would wish to see changed. The best answer to this dilemma is to make certain that any operational program falls under the purview and to the credit of a "modernizing bapak" who shares our economic aims. The nature of a particular "bapak" may thus figure higher on the criteria of an aid program than its theoretical economic impact. United States support for the government's current stabilization program scores under both criteria. The program is economically sound in theory, and its formulators and executors, whose position will be strengthened by our support, are the most capable and dedicated "modernizers" Indonesia has to offer. Other programs will not offer such a clear choice. Assistance in some fields, such as education, should be carefully conceived so that specific Ministers and/or Secretaries-General who oppose the "modernizers" play a small role in the programs and draw no benefit therefrom. Requests from Suharto's own office must be carefully screened with regard to the intermediary conveying them, as it is now obvious that several Generals of widely varying merit are attempting to bring home American bacon to enhance their positions with Suharto. We can and should choose among them.

Corruption

The Problem. The Javanese habit of employing personal agents and intermediaries, and "bapakism's" reliance on hidden resources encourage influence peddling and undercover deals. The rather primitive state of Indonesia's economic organization precludes the application of American concepts of propriety. "Commissions," "rake-offs" and "pay-offs" will remain an enduring feature of Indonesian business and government although a successful stabilization and liberalization program will, hopefully, remove some of the stimulus and some of the opportunities for financial manipulations. At the present time, however, corruption exceeds even the high toleration level of Indonesian society. It is especially harmful in the field of private investment where the size of the commission paid by a foreign or domestic enterprise to its political broker has too often outweighed the potential investor's ability to do the job.

Recommendations. Administrative controls are not the real answer to this problem, which can only be solved by cultural changes. Indonesians are far more skilled in evading administrative restraints than Americans are in devising them. Imposition of administrative controls also tends

to strengthen the cumbersome Indonesian bureaucracy which, imbued with the clerk-like mentality of ex-colonial regions, is a stifling and paralyzing influence. The test of a successful entrepreneur in Indonesia has, in fact, often been the ability to circumvent the bureaucracy.

The answer again seems to center on choosing wisely among these entrepreneurs, who will gain credit from our aid. There are many "good bapaks," both in government and in private enterprise, whose recourse to corrupt practices (in the Western sense) is limited and aimed more at efficiency than personal enrichment. The Ali Murtopo's, Alamsjah's and Widjatmika's, on the other hand, are clearly not our men, despite their close relation to the power center, and we should stay clear of them and warn American investors to do the same. Eventually their failure to produce anything beyond commissions may discredit them, as the "bapak" system tends to reward only producers.

Living With Our Past

The Problem. Many of the Indonesian suspicions and misconceptions concerning American aid stem from a tendency to interpret our present attitudes in light of our past actions in Indonesia. Two principal factors make up this equation: our clandestine support to the 1958 PRRI rebellion, on which every Indonesian with a primary education has been well briefed, and our later assistance to the Sukarno regime, which at its peak far exceeded in annual totals the aid we are currently providing the new regime. The conclusions drawn are in the first instance that the United States will jump to the assistance of embattled anti-communists, and in the second instance that political considerations are the key determinant of our aid.

Finding our present assistance comparatively meager, many Indonesians attribute the imagined deficiency to the absence of a communist threat, to the present regime's ineptitude in exerting political pressures, to a drive to force changes in some current policies, or to our expectation that the present leadership might be replaced by others more amenable to our aims. These misconceptions are strengthened by the isolation the current leaders experienced during the late Sukarno era which prevented them from appreciating recent changes in the world situation and the corresponding evolution in United States policy.

Recommendations. There is, of course, no need to be defensive about our past in Indonesia. Again, our principal task is educating Indonesian leaders on the rationale and methods underlying our new aid posture, and in this respect we should not hesitate to admit past mistakes.

Nationalism

The Problem. The present generation of Indonesian leaders have a somewhat unbalanced conception of their country's relationship to the outside world. Their youth under Dutch colonialism has left them with a disguised sense of racial inferiority and a sort of love-hate attitude toward Westerners. Their participation in the 1945 Revolution has imbued them with an intense and emotional nationalism which is easily offended and as easily offensive. The fuss causing and succeeding the cancellation of the Thomas Cup international badminton championship (Djakarta's A-601) is a typical manifestation of this attribute, which will undoubtedly surface many times in the future. The United States, as the foremost representative of Western culture, may often find itself on the receiving end of these emotional outbursts.

Indonesian nationalism poses some immediate problems for Southeast Asian regional cooperation. Indonesia quite clearly (and reasonably) envisages regional cooperation as a route towards asserting its leadership as Southeast Asia's largest nation. In this sense, the current government's regional cooperation policy may be said to share some of the goals of Sukarno's confrontation with Malaysia. The switch in methods, of course, makes all the difference, but Indonesia's militant nationalism will continue to evoke the spectre of military expansionism for its neighbors.

Recommendations. We should play to the Indonesian ego, recognizing that we are dealing with an inferiority complex. Public statements of sympathy and support for the new government will pay good dividends. The reference to Indonesia in President Johnson's June 19 speech, for example, was proudly displayed on the front pages of almost all Djakarta newspapers. Similarly, the failure to mention Indonesia when Asia is discussed by high American officials receives surprisingly wide notice among Indonesia's sensitive leaders, although public comment on these suspected slights is, of course, muted.

Indonesia's self-seeking motives in furthering regional cooperation should not be allowed to sidetrack us from the goal of encouraging Indonesians to come out of their shell and get to know their neighbors. The influence Indonesia may expect to wield in or through a Southeast Asian regional organization may well be overshadowed by the changes this association will bring to the Indonesian outlook.

Emotional nationalism is, of course, less a problem with Indonesia's pragmatists, and Foreign Minister Adam Malik is fortunately in this category. When possible his hand should be discreetly strengthened, especially in the sphere of regional cooperation, where certain military leaders of a more nationalistic bent (including Acting Army Commander Panggabean) have their own designs.

Is Suharto A "Modernizer?"

The Problem. In each of the sections of this airgram I have stressed the necessity of finding and supporting the "modernizers" in Indonesian society in the belief that it is wise leadership rather than well-conceived aid which will determine the nation's future. The question now arises as to whether the Acting President himself can be placed in this category and, if not, what attitude should be taken towards his leadership.

Suharto is a product of the Javanese culture which is in general inimical to change and reform. He is also a product of the Indonesian Armed Forces which, until recently, have been motivated principally by nationalistic slogans and superficial unity formulas. Despite this heritage, he has assumed a determinedly pragmatic and clearly reformist approach to economic problems. Few leaders have, in fact, performed so well under such difficult circumstances. In the political sphere, however, where he must deal more with people and less with statistics, the Javanese and the soldier in Suharto have surfaced. While he continues to call for the establishment of a New Order based on stable state institutions, his willingness to live with Old Order forces and customs has disillusioned many of his former supporters (see Djakarta's A-514). "Modernizers" and "entrepreneurs" tend to be found among the minority cultures in Indonesia as in many other old societies. There are clear signs that Suharto's latent suspicions of Indonesia's minority sub-cultures, and specifically the Sumatran-Moslem variety, has placed restraints on his cooperation with many of the nation's principal "modernizers."

Recommendations. Suharto's political technique, which is based primarily on manipulating others' initiatives while concealing his own hand (Djakarta A-428), prevents us and most Indonesians from estimating with any certainty his political goals. Most Indonesian political leaders (both "modernizers" and "traditionalists") seem to be operating on the reasonable assumption that Suharto has not fully formulated his political goals and that they consequently can influence his final choice. For the present, we must operate on the same assumption and hope that our support will help mold and develop Suharto's political outlook. For this reason and others, our assistance must be carefully measured so as to constitute an incentive rather than a substitute for Indonesian initiative. It must, nevertheless, be recognized that Suharto, even at this early stage of development, offers the best that we have yet had to work with in Indonesia, that alternatives to his leadership are nowhere near as promising, and that we should consequently not let early opportunities to support and influence him slip by.

Conclusion

"Modernizing" elements in Indonesia constitute a very thin layer which, partly through fortuitous circumstance, has now emerged near the top of the Indonesian power structure. This layer rests precariously on an immense and restless mass of "traditionalist" forces which will require years if not decades to change.

The fate of the "modernizing" forces in Indonesia is closely bound to the current stabilization and rehabilitation programs. The success of these programs in bringing about some measure of economic improvement will alone not lift Indonesia over the "modernization hump" but should keep the nation pointed in the right direction. Failure of these programs, on the other hand, would greatly increase the chances of Indonesia's breakup or, more likely, a reversion to symbol wielding, invented foreign threats and brute force to keep the nation together.

Either of these last sequences of events would have a serious political and psychological impact extending far beyond Southeast Asia. A failure on the scale of Indonesia would deal a severe blow to those underdeveloped nations who hope that rational programs combined with free world aid and advice offer a more efficacious path to modernization than communism or other totalitarian solutions. We have only a supporting, not a determining, role in ensuring the present government's success; but we have a heavy stake in the outcome.

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