

**Leaders, Perception, and Foreign Policy:
Suharto and the Restoration of Diplomatic Relationship between Indonesia
and China**

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Introduction

How and why images that states and their leaders have toward others change in foreign policy? Literature on psychology, notably on confirmation bias, state that in general, people stick with preconceived ideas that they have in their mind, and they always accept information that support their beliefs, while reject information that contradicts them.¹ And confirmation bias, in turn, affects how a state conducts its foreign policy – that in general, there will always be continuation in a state's foreign policy, unless there is a systemic shock, caused by dramatic changes in the power distribution.²

In the mid-1980s, though, during the years preceding the restoration of diplomatic relationship between Indonesia and China, there was not a dramatic change in the power distribution in the region. Yes, the Soviet Union was collapsing and it would finally be dissolved in December 1991. But at that time, it was unclear if the Cold War was going to be over. The collapse of the Berlin Wall that heralded the end of the Cold War was an accident; unplanned opening that caught everyone, including both the United States and the Soviet Union, off guard.³

Thus, the answer could only be explained through domestic factors, notably on the role Suharto as the main decision-maker of Indonesian foreign

¹ Elizabeth Kolbert, "Why Facts don't Change Minds," *The New Yorker*, February 27, 2017 (<https://www.newyorker.com/magazine/2017/02/27/why-facts-dont-change-our-minds>)

² Paul F. Diehl and Gary Goertz, *War and Peace in International Rivalry* (Ann Arbor: The University of Michigan Press, 2000) 237

³ Mary Elise Sarotte, *The Collapse: The Accidental Opening of the Berlin Wall* (New York: Basic Books, 2014) xix

policy. Suharto oversaw the collapse of Indonesia-China relationship in 1967 and also approved the resumption of Indonesia-China relationship in 1990. Suharto perceived China as a threat back in 1967 and as an opportunity in 1989. What this article is going to do is to elaborate how the changes in this perception took place by using both the first level analysis/leadership approach combined with image theory.

Literature

This article uses the *first level analysis approach* that argues the importance of individual in a state's foreign policy. The role of leadership in international relations is often overlooked due to various factors, notably the idea that structural constraints, e.g. the anarchic international system, domestic politics, and institutional dynamics limit the ability of any leader to make any significant contribution to international politics.⁴

While it is true that such structural constraints limit what leaders could do, it is also true that the perceptions and interpretations of leaders towards international and domestic constraints matter – that leaders define states' international and domestic constraints, and plan strategies to ensure that they remain in their position.⁵ Moreover, a state's foreign policy is crafted not by the entire population, but simply by its leaders and elites.⁶ From here, it can be argued that a state's action in international relations is determined by the leaders based on their perceptions toward other states or international events. This is in line with the concept of domestic legitimacy that assumes that it is not a state as a whole that decides foreign policy, but it is the political elites who make and decide foreign policy. And their main interest is to maintain their power

⁴ Daniel L. Byman and Kenneth M. Pollack, "Let Us Now Praise Great Men: Bringing the Statesman Back In," *International Security*, Vol. 25, No. 4 (Spring 2001) 108

⁵ Margaret G. Hermann and Joe D. Hagan, "International Decision Making: Leadership Matters," *Foreign Policy*, No. 110, Special Edition: Frontiers of Knowledge (Spring 1998) 126

⁶ Nabil Ahmad Fauzi. "Politik Luar Negeri Indonesia dan Malaysia Terhadap China Di Era Perang Dingin." *Jurnal INSIGNIA*, Vol 1, No 1 (November 2014) 14

domestically by removing or at least reducing the risk to their security, economy or anything else that threaten their interest.⁷

Furthermore, while in general states will always maintain their overall foreign policy, changes sometimes will occur during problems in international system. The occurrence of changes is based on how leaders perceive and interpret the problem, and persuade states and the political elites to follow the leaders' interpretations of the problem, leading to foreign policy changes.⁸

In other words, while structural constraints are important, leaders could act to influence the structure by finding ways to push the limits of the structure based on how much knowledge leaders accumulated, which in turn, will be utilized to persuade the political elite to change their perceptions, which lead to changes in leaders' and institution's perception toward other state or a certain event.⁹ And international problems often present the opportunity for changes that a good and ambitious leader could exploit.

And leader's view toward problems and other states is not based on something objective, but more on their image toward other states, international system, and the problem itself.¹⁰

While there are many models of images in international relations, this article focuses on the five ideal-typical image model as elaborated by Herrmann and Fischerkeler in their article, "Beyond The Enemy Image and Spiral Model," notably the enemy image, degenerate image, colony image, imperialist image and ally image.¹¹ These five images is based on three dimensions: the perception of the decision maker toward other state's intention, relative power, and cultural dimension.¹²

⁷ Fauzi (2014) 14

⁸ Pradana (2016) 30

⁹ Hafid Adim Pradana, "Persepsi Suharto dan Perubahan Kebijakan Luar Negeri Indonesia terhadap Cina pada Awal Orde Baru," *Indonesian Perspective*, Vol. 1, No. 1, (January-June, 2016).

¹⁰. Pradana (2016) 29

¹¹ Richard K. Herrmann dan Michael P. Fischerkeller. "Beyond the Enemy Imag and Spiral Model : Cognotive strategic research after the cold war," *International Organization*, Vol. 49, No. 3 (1995). 426.

¹² Ibid. 425

The most important element among the three is the perception toward other state, where leaders and political elites perceive whether other state has friendly or hostile intention, and whether there are threats or opportunities for exploitation or at least a friendly, mutually benefiting cooperation in their interaction with the other state.

Then, relative power based on military strength influences a state's decision to take or discard possible actions toward others. For instance, when a state sees the other state as weaker than itself, then the former would see more possibilities of actions to impose its will toward others since the weaker state obviously has fewer resource in its disposal to take actions in reprisal. In contrast, a state will be far more careful in its interaction with a much stronger state due to the possibility of economic or military reprisals.

The final dimension is the cultural dimension, whereas strategic choice toward threats, their view of the window of opportunity and relative power is determined by their evaluation toward other's culture and norms, such as the norm of anti-violence or the need for a state in dealing with other states that it consider as equal or culturally similar to justify its actions in legal terms.

The three dimensions in turn lead to five ideal-typical image of a state toward other states. First, the enemy image sees other actor or state as a threat, or at least having a hostile intention, with equal level of power and capability, and culture. Second, the degenerate image sees other state or actor has almost similar capability but lower in the level of culture, making it possible for the former to exploit the latter, or at least the former expand its influence to dominate the latter. Third, the colony image sees other state as much weaker in capability, and also much lower in culture, giving the former a huge opportunity to exploit and dominate it. Imperialist image sees actor or foreign state as equal in culture, but far much stronger, and more importantly, as a constant and intense threat that would always try to dominate the former should any opportunity arises. Finally, the ally image sees other state as equal in both culture and capability, but always has or provides the opportunity for mutually benefiting cooperation.

Based on five image elaborated by Herrmann and Fischerkeller, a leader then would perceive other states based on their actions, capabilities and culture, whether the other state is an enemy, a degenerate, a colony, an imperialist, or an ally, which would influence how a leader sees a problem and possible actions that it can take toward the problem. The changes in image happen when one of the three dimensions that influence the image changes. And that is the role of a leader, notably in presenting the other state, whether the other is a friend or a threat. And the perception of the image itself can change due to changes in balance of power which influence relative strength of each state, and due to foreign policy actions of the other state, which increase the leader's knowledge of the intention of other states, and in turn affect the image of the other state.

The Collapse of Indonesia-China Relationship

The breakdown in diplomatic relationship between Indonesia and China was marked with Indonesia closing its embassy in Beijing on October 23, 1967, followed by China's closure of its embassy in Jakarta on October 30, 1967.¹³ The main reason for the breakdown was due to the Communist coup in 1965, which the Indonesian army believed was supported by the Chinese, even though there was little evidence that support that accusation.¹⁴

In the aftermath of the rebellion, Suharto managed to seize control of the government from President Sukarno. When he seized control, though, he found that Indonesia was in a dire strait. The economy had collapsed, with inflation hit 1,500% in mid-1966.¹⁵ Therefore, Suharto's main goals in the beginning of his administration were to maintain both political stability, and closely linked to that, economic growth.

¹³ H. Hill and D. Narjoko. "Normalization of China-Indonesia's diplomatic relations and the role of the mianzi concept," *Wacana*, Vol. 14 No. 2 (October 2012). 466.

¹⁴ Michael Williams, "China and Indonesia Make up: Reflections On A Troubled Relationship," *Indonesia* (Special Issue, July 1991) 150

¹⁵ Jonathan Temple, "Growing into Trouble: Indonesia after 1966," In Dani Rodrik, *In Search of Prosperity: Analytic Narratives on Economic Growth* (Princeton: Princeton University Press, 2003) 159

In term of political stability, the new Indonesian government was wary about the latent threat from the communists. Even though the Indonesia Communist Party was banned and destroyed, with its supporters massacred or exiled, the Indonesian government remained wary from what it perceived as the latent threat of communism. And it saw China, which it considered to be the main supporter of the Indonesian Communist Party, as a major threat toward its existence.¹⁶ Most Indonesian leaders viewed China as “aggressive” and “a serious threat to Indonesia,” with navy officers concerned about “invading forces launched from Hainan Island.”¹⁷

And Suharto as the leader of the Indonesian government played a major role in shaping Indonesia’s policy towards China. Under Suharto, the Indonesian government was heavily influenced by three major actors: President Suharto himself, the Army, and bureaucracy, in which the top of the bureaucracy was controlled by Suharto himself.¹⁸ In this period, there was a strong linkage between Suharto and the Army, leading a pattern in Indonesian bureaucracy that the bureaucracy had to be obedient and served the highest authority in the land: the President himself.

Thus, the perception of Suharto as the head of government matters and influenced the image of Indonesian government toward China. And Suharto saw China as a threat for the existence of both Indonesia and the longevity of his government. As Mochtar Kusumaatmaja noted, the rebellion was basically traumatized Suharto, resulting Suharto to harbor wound and fear toward China, and that influenced Suharto’s foreign policy toward China.¹⁹ This was evident in 1973 when Suharto declared that he would consider normalizing Indonesia’s relationship with China if China would surrender the elites of the Indonesian

¹⁶ Evan A. Laksmana, “Regional Order by Other Means? Examining the Rise of Defense Diplomacy in Southeast Asia,” *Asian Security* 8, no. 3 (2012): 251–70.

¹⁷ Franklin B. Weinstein, *Indonesian foreign policy and the dilemma of dependence* (Cornell: Cornell University Press, 1976) 93-94

¹⁸ Budi Rajab , *Negara Order Baru : Berdiri di Atas Sistem Ekonomi dan Politik yang rapuh*, Jurnal Sosiohumaniora, Vol. 6, No. 3, (November 2004.)Hlm 192

¹⁹ Steven Erlanger. “Normalizing of Relations by China and Indonesia Ends a Two-Decade Feud”. *The New York Times*. 1989. (www.nytimes.com/1989/02/26/world/normalizing-of-relations-by-china-and-indonesia-ends-a-two-decade-feud.html)

Communist Party, whom Indonesia believed was hidden and protected by Beijing.²⁰ In other words, the new Indonesian government perceived China as an imperialist, bent on Indonesian destruction by utilizing its domestic agents, notably local Chinese and the Indonesian Communist Party (PKI), to spread the ideology of communism to replace Pancasila. And as long as China harbored and protected the elites of Indonesian Communist Party, China was basically confirming Indonesia's suspicions.

Normalization of Indonesia-China relationship

Generally, the changes in direction of a state's foreign policy happened due to political shocks as noted above – including the changing of the leadership of the state. And with Suharto's deep distrust toward China, it was thought that there would not be any rapprochement between Indonesia and China under Suharto and any attempt to restore diplomatic ties would have to wait until Indonesia's third president took office.²¹

Yet Indonesia normalized its diplomatic relations with China in August 1990.²² This obviously led to a question, why Indonesia ended up patching its relationship with China even though President Suharto remained at the helm, and as noted above, Indonesia saw China as an enemy? This was influenced by the changing of perception of Suharto toward China, which in turn affected the image of China for Suharto personally and Indonesia as a whole.

First, there was the problem of economy. In the 1980s, Indonesia saw major economic problem when the global price of oil collapsed. As oil comprised the bulk of Indonesia's export,²³ this led to large trade and budget deficit that

²⁰ Leo Suryadinata. Indonesia-China Relations : A Recent Breakthrough. *Asian Suvery* Vol. 30, No. 7 (Jul., 1990), Hlm. 685

²¹ Williams (1991) 146

²² Dutha Freindensan, *Diplomasi Yang Dilakukan Oleh Indonesia Terhadap Klaim Republik Rakyat China (Rrc) Di Laut China Selatan (Kepulauan Natuna)*, Undergraduate Thesis, Fakultas Ilmu Sosial dan Ilmu Politik UMY, 2017

²³ Loc. Cit. Storey.

threatened Indonesia's economic growth.²⁴ The low price of oil was further exacerbated by Indonesia's inefficient trade management that Indonesia's exports were often done not directly to its trade partner, but through third countries, such as Singapore or Hong Kong, leading to higher cost in trading and inefficiencies. The large trade and budget deficit led Suharto to worry that they would cause economic crisis and would threaten the stability of Suharto's government.²⁵

Suharto realized that Indonesia had to expand its economy further, reducing its reliance to oil, and focusing on non-gas export. Therefore, Indonesia needed to find new opportunities and new market for Indonesia's non-gas commodities.²⁶

And China was the land of opportunity for Indonesia's non-gas exports. Before, in the 1970s due to China's economic weaknesses, China had nothing to offer that would benefit Indonesia. Thus, Indonesia could simply ignore China. With the changing of leadership in China, however, the 1980s was marked by economic booms due to successful economic reforms, with Deng Xiao Ping at the helm, setting China on the path of strong economic growth, marked by significant increase in GDP.²⁷ With China's growing economic strength, however, China had more to offer for Indonesia, especially as a destination for Indonesia's export, and could help Indonesia escaping its economic slump.²⁸ And with the bulk of trade between Indonesia and China was handled by third parties such as Hong Kong and Singapore as noted above, there were growing calls from Indonesia's business community that the direct trade between Indonesia and China should be resumed.²⁹

Not surprisingly, Suharto concluded that Indonesia needed to reestablish contact with China, notably on trade issues. And unlike Sukarno, Suharto realized

²⁴ Iam James Storey. "Indonesia's China Policy in the New Order and Beyond : Problems and Prospects" *Contemporary South East Asia* Vol. 22, No. 1 (April 2000). Hlm 149.

²⁵ Ni'mah Afifah. "Politik Luar negeri Indonesia Era Orde Baru Tinjauan Developing Country Suatu Telaah Awal". *Aplikasia* Vol X, No. 2 Desember 2009. Hlm. 302.

²⁶ Hal Hill and Dionisius Narjoko, "Managing industrialisation in a Globalising Economy : Lessons from the Soeharto Era", pp 49-66. Hlm 52

²⁷ Wayne M. Morrison. *China's Economic Rise : History, Trends, Challenges, and Implications for the United States*. Congressional Research Service. 2018.

²⁸. Loc.cit. Storey. Hlm. 147

²⁹ Williams (1991) 154

that Indonesia was missing a big deal by not engaging with China economically. Suharto was an expert in taking every opportunity due to his expertise in raising funds to maintain the welfare of troops under his command. In the 1950s, it was very common that troops were unpaid due to the central government's lack of funds. As a result, commanders had to get their own funds and resources to maintain the welfare of people under their command – and securing their subordinates' loyalty.³⁰ Therefore, it is not surprising that Suharto was attuned to, and far more sensitive in dealing with economic problems. And with Indonesia's economy in trouble, working out Indonesia's differences with China seemed to be an easy way out.

Moreover, there was also a change in China's attitude toward Indonesia. A critical element in the rupture of Indonesia's relationship with China was the feeling of Suharto that China's diplomatic representatives in Indonesia was seen as not friendly in the aftermath of the Communist Rebellion of 1965, and did not immediately acknowledge Suharto's new administration, instead, calling it as a "Fascist regime."³¹

Following the triumph of North Vietnam in the Vietnam War in 1975 and the withdrawal of the United States from Southeast Asia after the United States normalized its relationship with China under Nixon and Carter, Suharto rethought Indonesia's strategic priorities. Without a diplomatic relationship with China, Indonesia was basically put in disadvantage diplomatically. At the same time, China also toned down its rhetoric toward Indonesia and even supported Indonesia's attempt to be recognized as an archipelagic state, which culminated in the *United Nations Convention on the Law of the Sea (UNCLOS)* 1982. Therefore, President Suharto in March 1978 declared that Indonesia was preparing ways to reestablish a diplomatic relationship with China,³²

³⁰ Devin Jenkins, "One Reasonably Capable Man : Soeharto's Early Fundraising" in Edward Aspinal and Greg Fealy. *Soeharto's New Order and its Legacy* (Australis: ANU E Press, 2010) 18-

³¹ Williams (1991) 150

³² Ibid. 151, 153

At the same time, there remained fears among Indonesians on China's intention, which was confirmed when China decided to invade Vietnam in February 1979. For Indonesian military especially, this confirmed that China remained a threat and would readily expand their power should opportunities arise.³³ Thus, Indonesia was put in a dilemma: there was a desire for Indonesia to take the advantage of China's economic reforms, which remained elusive due to the lack of diplomatic rapprochement. Yet, it remained wary about China. Not surprisingly, while there were progresses in Indonesia-China relations, it remained limited. In November 1984, for instance, Indonesian Foreign Minister Mochtar Kusumaatmadja stated that Indonesia would develop trade relations with China, but also stressed that it was not normalization in diplomatic relationship. Diplomatic normalization would be done carefully, in progression, with building trade relations as a step in this direction.³⁴

Still, the 1980s was marked by further reduction in the diplomatic tension between Indonesia and China. For China, it would try to be friendly as long as Jakarta did not actively oppose China on major issues. Moreover, by 1980s, even though nobody expected the end of the cold war, the relationship between the United States, China and the Soviet Union kept improving, which threatened to leave out Indonesia.³⁵

Mochtar Kusumaatmadja knew and worried that Suharto still distrustful toward China. But by the end of the day, economic considerations, supported by the reduction in the tension in international system, won the day. Suharto ended up approving the trade relationship by issuing Presidential Instruction Number 9/1985, providing a guide toward Indonesia-China trade relationship on Juli 23, 1985.

Moreover, in this normalization process, Indonesia also signed a Memorandum of Understanding between Indonesia and China that basically

³³ Ibid. 152

³⁴ F. Arista, Suwirta dan Farida Sarimaya, "Perbandingan Kebijakan Adam Malik, Mochtar Kusumaatmadja dan Ali Alatas terhadap Politik Luar Negeri Bebas Aktif Indonesia Pada Masa Orde Baru," *FACTUM*, Volume 6, no. 1 (April 2017) Hlm. 77

³⁵ Williams (1991) 153, 155

signaled Indonesia's agreement with *One China Policy* between President Suharto dan China Prime Minister Li Peng. Furthermore, on Agustus 8, 1990 Li Peng visited Indonesia and Suharto returned the favor by visiting China on November 14, 1990.³⁶

Here basically Suharto's perspective toward China had changed from *enemy* to *ally image*, where Indonesia saw opportunities for further cooperation with China, and seeing China no longer a major threat as it was back in the 1960s and 1970s.

Conclusion

Perception of a leader toward other state is never set in stone. Instead, there is still possibility of changes when leaders absorb new information regarding the world and other states. And this perception is influenced by several major factors, notably external factors, such as the development in international system and domestic politics, as happened in Indonesia under Suharto administration.

Under Suharto, Indonesia's foreign policy toward China could change. Despite the fact that the diplomatic relationship between China and Indonesia was frozen under Suharto, Suharto himself also normalized the relationship between China and Indonesia. And this shows that the foreign policy of a state is influenced by how leaders perceive other states in certain situation and conditions.

The changing in China's attitude toward Indonesia, changing economic fortunes of China, and changing in international environment became new information that affected Suharto's perception on China, and thus changing Suharto's attitude, from non-compromising and trying to contain the influence of China, into normalizing Indonesia's relations with China.

³⁶ Arista et al (2017) 79

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