

# INDONESIA

AND THE

# MUSLIM WORLD

Islam and Secularism in the Foreign Policy of Soeharto and Beyond

ANAK AGUNG BANYU PERWITA

## NIAS – Nordic Institute of Asian Studies NIAS Reports, No. 50

First published in 2007
by NIAS Press
Leifsgade 33, DK-2300 Copenhagen S, Denmark
tel (+45) 3532 9501 • fax (+45) 3532 9549
email: books@nias.ku.dk • website: www.niaspress.dk

© Anak Agung Banyu Perwita 2007

All rights reserved.

British Library Cataloguing in Publication Data Perwita, Anak Agung Banyu

Indonesia and the Muslim world: between Islam and secularism in the foreign policy of Soeharto and beyond. - (NIAS reports; 50)

1.Soeharto, 1921- 2.Islam and politics - Indonesia 3.Islam and state - Indonesia 4.Indonesia - Foreign relations 5.Indonesia - Politics and government - 1966-1998 I.Title 322.1'09598

> ISBN-10: 87-91114-92-6 ISBN-13: 978-87-91114-92-2

Typeset by NIAS Press Produced by SRM Production Services Sdn Bhd and printed in Malaysia

### Introduction

influence has been expressed much more in the form of constraint than in positive motivation. Meanwhile, a former foreign minister acknowledged that in certain issues, Islam has coloured the nuances of Indonesia's foreign policy toward the Muslim world. If nothing else, the range of views clearly shows that the role of Islam in Indonesia's foreign policy remains quite debatable.

### The cases

This study focuses on Indonesia's New Order foreign policy with special reference to Indonesia's relations with the Muslim world but looks beyond this to the post-Soeharto era. Key issues here are Indonesia's participation in the Organization of the Islamic Conference (OIC), and such other Islamic-related issues on the world stage as the Moro problem, the Palestinian issue, the Gulf War, and the Bosnia-Herzegovina conflict. Specifically, this book explores the impact of religion (Islam), particularly the religious groups (the Muslim communities), on foreign policy issues. In terms of Surbakti's analysis, this book investigates the nature and the characteristic of Indonesia's foreign policy toward the Muslim world using the typology of 'secularization of the polity' and 'religionization of polity' or the influence of religion (Islam) as articulated by the Muslim community on government (state) policies, particularly foreign policy.

This book is intended to help overcome the scarcity of studies on the role of society/the Muslim community in Indonesia's foreign policy toward the Muslim world. This book is conducted at both the macro and micro level of Indonesia's foreign policy. It is a macro study because it covers the broad aspects of Indonesia's foreign policy under Soeharto, i.e. political, military, economic and cultural aspects. It is also a micro study, focusing at the level of public participation, particularly from Indonesian Muslim community, in the formulation and implementation of Indonesian foreign policy toward the Muslim world as specific topic and theme.

The book does not aim to measure all determinant factors of Indonesia's foreign policy (though it does consider and mention these when relevant). However, generally it explores only the position of Islam as a societal factor in influencing Indonesia's foreign policy toward the Muslim world under Soeharto and since then. In other words, it explores the nature of the relationship between Islam, as a societal factor, and the state in terms of foreign policy formulation and implementation.

## Indonesian Foreign Policy and the Muslim World in the Changing Global Environment

Indonesia's foreign policy has always to be consistent with *Pancasila* and the preamble to the 1945 Constitution.<sup>1</sup>

The state will never monopolize the religious life of Indonesian society, and no religions can monopolize the government's policies and activities either.<sup>2</sup>

## The roots, nature and evolution of Indonesian foreign policy

In principle, Indonesia has followed a *Bebas-Aktif* (independent and active) foreign policy since the seminal speech on the basic principles of Indonesia's foreign policy by Vice President Mohammad Hatta in September 1948.<sup>3</sup> In the history of Indonesia's international relations, this basic principle has served as the 'unchallengeable doctrinal basis of foreign policy.'<sup>4</sup>

This chapter examines the roots, nature and evolution of the 'Be-bas-Aktif' principle that has produced continuity and discontinuity in Indonesia's foreign policy. It also discusses the place of Islam in Indonesian politics and the development of the Muslim world as the internal and external environment of Indonesian foreign policy.

## The Bebas-Aktif foreign policy under Sukarno

Like that of any other country, Indonesia's foreign policy is derived from the country's unique cultural values, historical experiences, aspirations of

(PKI) and the military. This triangle of forces gave Sukarno a central role in domestic and international issues that he had lacked under the parliamentary system. Sukarno believed that the radicalization of foreign policy and coercive diplomacy could serve Indonesia's national interests, which he saw as being aimed to 'sustain national unity and establish a just and prosperous society'. 19

In order to pursue these national goals, Sukarno brought three different ideologies (nationalism, religion, and communism) into the foreign policy domain. The first ideology led to a radical policy in which he identified international imperialism, colonialism and capitalism as Indonesia's main enemies and declared Indonesia's struggle against them should continue. The second ideology was concerned with the role of religion in Indonesia's political process. The third ideology was linked to diplomatic relations with the Soviet Union and China. However, although foreign policy can be regarded as a reflection of domestic politics, 'no evidence of Islamic influence was manifested in foreign policy.

To implement the above policy, Sukarno used two important aspects of Indonesia's diplomacy: conventional diplomacy and diplomacy as an instrument of revolution. These two aspects complemented each other as well as giving content to each other. With these kinds of diplomacy, Sukarno began to radicalize Indonesia's foreign policy with the aim of liberating West Irian. The question of West Irian, as Leifer points out, was not only perceived as the fundamental symbol of national unity but also a matter of personal prestige for Sukarno.

Soon after the inclusion of West Irian (subsequently known as Irian Jaya) as an Indonesian province in 1962, Sukarno proposed the idea of NEFOS (New Emerging Forces) as an 'international united front'26 to reject the power of the neo-colonialism and neo-imperialism of the West. With this idea, he divided the world into two major groups, namely OLDEFOS (Old Emerging Forces), comprising the Western or imperialist forces, and NEFOS, which consisted of Communist forces and the new states of Asia and Africa. The idea of NEFOS was an example of Sukarno's use of external actions to divert public attention from growing domestic divisions and economic problems within Indonesia. It was also, in part, designed by Sukarno to instill national pride.

Indonesia's foreign policy took a more radical and militant form when Sukarno reacted to the establishment of the Federation of Malay-

The next priority of Soeharto's foreign policy was to restore Indonesia's relations with the US<sup>42</sup> and Japan. During the Sukarno era, Indonesia's relations with the US were tense because of its close relations with the USSR while Indonesia had only a limited interaction with Japan. Closer and better relationships with these two countries could help Indonesia to pursue its domestic goals of negotiating the rescheduling of Indonesia's foreign debt repayment, attracting foreign investment for national development and restoring and stabilizing national economic conditions<sup>44</sup>.

In order to achieve these goals, Indonesia implemented the so-called 'diplomacy of development.' This diplomacy coloured the style of Indonesia's foreign policy under the New Order. An early success of this diplomacy was the creation of the International Governmental Group on Indonesia (IGGI) in Amsterdam in 1967. The IGGI was 'the medium through which foreign aid was dispensed for Indonesia's economic recovery and development. This group also acted as 'a watchdog to monitor the progress of economic performance and to advise an appropriate response in terms of aid.' From 1967 to 2000, the IGGI (now CGI or Consultative Group on Indonesia) has given foreign aid to the amount of US \$100.5 billion.

As the central figure in Indonesia's foreign policy, Soeharto took a more cautious but more assertive view than Sukarno. With respect to the *Bebas-Aktif* principle, a few years after the creation of ASEAN, Indonesia took part in the international action to condemn Israel for the burning of the Al-Aqsa Mosque in Jerusalem. This event then led to the crystal-lization of Islamic solidarity, which resulted in the establishment of the Organization of the Islamic Conference in Rabat, Morocco, in 1970. Indonesia, as the largest Muslim country in the World, showed its commitment to the fostering of the international Muslim brotherhood (*Ukhuwah Islamiyah*) but seemed to conduct a cautious policy on the establishment of the OIC by not sending a delegation to the first and second meetings of the OIC.<sup>49</sup> This was because 'sending a delegation to the first and second conferences of the OIC would have jeopardized Indonesia's relations with the Western world.'<sup>50</sup>

Indonesia did send a delegation led by foreign minister Adam Malik to the third Islamic Foreign Ministers Conference in Jeddah in March 1972, the aim being to promote international cooperation between Indonesia and the Islamic states based on the *Bebas-Aktif* principle, *Pancasila*, the

These differences were mainly in terms of the ways in which the *Bebas-Aktif* foreign policy was interpreted.

The implementation of Indonesia's foreign policy under the New Order was not without criticism. One of the areas in which Indonesia met criticism in its foreign relations was on the issue of East Timor. However, given the domestic and international political situation, it was likely that Indonesia's policy on this issue would become a major catastrophe. Another criticism of the conduct of Indonesia's foreign policy was Indonesia's conclusion of the 'Agreement on Maintaining Security' with Australia in December 1995. Aisyah Amini, a member of parliament from the PPP (*Partai Persatuan Pembangunan* or United Development Party), for instance, argued that this agreement was a denial of the '*Bebas-Aktif'* principle.

Sukma argues that, in conducting its foreign policy, Indonesia was intent on 'keeping all options open'<sup>67</sup> so that it could define the meaning of *Bebas-Aktif*' in very loose terms. In other words, as Sukma explains, Indonesia's foreign policy under Soeharto was conducted in 'a broader, more flexible and more pragmatic' manner than under his predecessor, Sukarno.<sup>68</sup> More importantly, the *Bebas-Aktif* policy was always defined without the inclusion of religious sentiments.

## Islam and the New Order's politics

The New Order and the Islamic community: A fragile alliance and controlled participation

At the beginning of the New Order era, the government perceived Islam as 'the most important civil force in society.'69 Together with the army, Islamic groups were the largest political forces that strongly supported the New Order in crushing the communists. The period 1966–69 saw a 'honeymoon' between the government, military, students and anti-communist groups, including Islamic organizations.<sup>70</sup>

However, in expecting that its political power in the period of the New Order would increase, the Muslim community had seriously miscalculated. The military/ABRI, which was dominated by officers from the (secular) nationalist group, still had the perception that Islam could threaten political stability and that the Muslim community still wanted to establish an Islamic state. The 'temporary alliance' between the New

Soeharto's political need to respond to what he perceived to be declining political support for him from the military. Much like his predecessor who once looked to the communists to counteract unhappy army officers, Soeharto now looked to Islam to play the same role. The second reason was the external impact of the political revival of Islam globally. From the late 1970s and early 1980s, the popularity of Islam began to rise significantly in Indonesia. As a source of spiritual, ethical, social and political advice, the Islamic revival in Indonesia was also part of a movement occurring throughout the world, in places as far apart as Iran and Egypt.

The major result of this new relationship between Islam and the New Order occurred in December 1990 when with the support of President Soeharto Dr. B.J. Habibie, the Minister of Research and Technology, established and became chairman of ICMI (*Ikatan Cendekiawan Muslim Indonesia* or Association of Indonesian Muslim Intellectuals). ICMI played a significant role in sponsoring the expansion of the authority of Islamic courts; greater Muslim programming on television (including lessons in the Arabic language); the appointment of ICMI leaders to high office such as cabinet ministers and provincial governors; and establishment of the Islamic Bank *Muamalat* in 1991, the Abdi Bangsa Foundation and the Center of Information and Development Studies (CIDES), considered the association's think-tank, as well as of the Islamic daily newspaper, *Republika*. With all of the above initiatives undertaken by ICMI, Islam became more assertive politically and economically.

The establishment of ICMI, as Liddle has argued, 90 was the clearest step taken by Soeharto to accommodate the desires and sensitivities of the Muslim community and deepen his own identification with Islam. Even though the establishment of ICMI invited some public debates and controversies, 91 ICMI, which gained support from almost all government officials and prominent Muslim political activists and intellectuals, can be regarded as the 'sign of the new centrality of Islam in Indonesian public life'. 92 He further argued that the establishment of ICMI was merely to create a political tool for those in power. Moreover, it was also a 'political move by the government' that accidentally met a demand by the Muslim community for a greater position in politics. 93

A similar view was noted by a senior researcher, who said that the establishment of ICMI was an illustration of the 'accommodation' policy of Soeharto in managing the Indonesian Islamic community. 4 This policy

six days in 1967, Israel had conquered the Arabs (Egypt, Syria and Jordan) and taken the Sinai Peninsula from Egypt, the West Bank and East Jerusalem from Jordan, and the Golan Heights from Syria. Serious political problems in the Middle East continued when an Israeli burnt the Al-Aqsa Mosque in Israeli-occupied Jerusalem on 21 August 1969. This created massive anger and protests from the Muslim world and, as has been seen, led to the establishment of the OIC in the same year.

The Arab-Israeli conflict triggered different perceptions and attitudes among Muslim countries. The conflict even increased intra-Islamic rivalries in the region and the involvement here of the superpowers. Egypt and Jordan, for example, recognized Israel in 1970 and pushed the conflicting parties (the Israelis and Palestinians) to find a comprehensive solution of the conflict. Anwar Sadat of Egypt and King Hussein of Jordan were the significant proponents of the peace process dialogue. Other Muslim countries, such as Libya, Iraq and Yemen, criticized the policies and the efforts taken by Egypt and Jordan. They even declared a war against Israel to free the Palestinians from the Israeli occupation. Internationally, this conflict had also become an important area of struggle for influence between the superpowers.

The Arab-Israeli conflict entered a new phase when Israel invaded Lebanon in 1982. The Israeli invasion not only targeted the PLO but also the Sabra and Shatila refugee camps in Lebanon where many Palestinians were massacred by Christian Lebanese militias under Israeli leadership. This event aroused outrage from Muslims around the world and strengthened support for the Palestinians' struggle against Israel.

More importantly, the ongoing conflict between the Arabs and Israel also further radicalized Islamic militancy. <sup>113</sup> In particular, the Arab-Israeli conflict, still unresolved after more than fifty years, significantly influenced the historical and emotional ties of anti-Western sentiment across the Muslim world and became the focus of attention of many Muslims against the West, particularly the US.

## The Iranian revolution and its impact on the world affairs

One of the major events in the Muslim world that had a tremendous effect on both the Muslim world and world affairs generally was the Islamic revolution in Iran in 1979. The Iranian revolution, which was marked by the fall of Shah Reza Pahlevi, also marked the revival of Islam as a sig-

each faction in multifaceted Islam having its own 'nuanced' and 'interested' view. 131

## The Muslim world in the post-Cold War era: The global revival of political Islam

The most prominent feature of international politics in the late 1980s was the collapse of the Soviet power, which resulted in the end of the Cold War. In the post-Cold War era, the global political structure and the dynamics of international relations changed dramatically. The bipolar system was swept away and the ideological conflict between the US and USSR disappeared. A new era, labelled the 'new world order', emerged.

The post-Cold War environment has enabled the emergence of societal factors, cultural and religious, as a new focus in global interactions. Religion, in particular, is now seen to add a serious dimension to international relations. In the words of Juergensmeyer, the global interactions in the post-Cold war era are marked by the resurgence of parochial identities based on ethnic and religious allegiances. In this context, the revival of (political) Islam has become a significant ideological force in the Third World, particularly in the Muslim world.

Islamic revivalists, Mir Zohair Husain argues, can be categorized into four broad types: fundamentalists, traditionalists, modernists, and pragmatists. However, fundamentalists are often perceived by the West as representing the only type of revivalism. The Islamic revolution in Iran, to a very large extent, has been viewed as a significant example of Islamic fundamentalism. Its implications extend far beyond Iran's border. Further, it has also invigorated the Islamic political struggle in many parts of the Muslim world in Asia, Middle East, and North Africa. Thus, the revival of political Islam in this respect is simultaneously global, regional, national and locally specific.

However, the use of the concept of 'Islamic fundamentalism' is pejorative and misleading in assessing the role of Islam in the Muslim world. This term can be categorized into two ways, at least, as the term is:

- misunderstood (or at least should be understood in accordance with the proper teaching and guidelines of Islam), and
- (2) now widely used to describe the current conflict, real or imaginary, between Islam and the West.<sup>137</sup>

### Indonesian Foreign Policy in the Changing Global Environment

of the post-September 11 international system. It means that the religious (Islamic) factor in Indonesia's politics will become a more significant factor in the future due to the greater convergence of the domestic (societal) and the Muslim world (transnational) dimensions.

### Notes

- 1. Interview with a former foreign minister, 30 November 1999.
- President KH Abdurachman Wahid's statement on the commemoration of Nuzulul Quran at the Istiqlal Mosque, 25 December 1999 (Kompas, 26 December 1999).
- The original title of the speech is 'Mendayung Di antara dua karang' [Rowing between two reefs]. This speech was made before the Komite Nasional Indonesia Pusat (Central Indonesian National Committee) on 2 September 1948 in Yogyakarta. See Anak Agung (1973), p. 23.
- Weinstein (1976), p. 161.
- 5. See Rosenau (1976), p. 16.
- 6. Sukma (1995), p. 309.
- 7. Moh. Hatta as quoted in Anak Agung (1973), p. 26.
- 8. Ibid.
- Hatta, Indonesia's foreign policy. In Foreign Affairs, 1953, quoted in Djiwandono (1994).
- 10. Sukma (1999b), p. 8.
- 11. Sukma, Rizal (1995), p. 308. See also Sukma (1997), p. 232.
- 12. Anak Agung (1973), p. 29.
- 13. Suryadinata (1996), p. 27.
- 14. Anak Agung (1973), p. 184.
- 15. Ibid.
- 16. See Anak Agung (1973); Weinstein (1976); Suryadinata (1996); Sukma (1997).
- 17. Prasad (2001), p. 7.
- 18. Ibid.
- 19. See Leifer (1983a), p. 56; Starkey (1991), p. 281; Sukma (1995), p. 309.
- 20. Suryadinata (1996), p. 29.

# Indonesian Foreign Policy in the Changing Global Environment

- 93. Interview with William Liddle, in the Jakarta Post, 13 March 1995.
- 94. Interview with an Indonesian scholar, 4 November 1999.
- 95. Ibid.
- 96. Schwarz (1999), p. 142.
- 97. Heffner (1999b), p. 50.
- 98. Lowry (1996), p. 197.
- 99. Schwarz (1999), p. 173.
- 100. Ibid.
- 101. Allison and Williams (1990), p. 1.
- 102. Haliday (1996), p. 11.
- 103. Landau (1990), p. 248.
- 104. Baba (1994), p. 29
- 105. Moinuddin (1987), p. 69.
- 106. Landau 1990, p. 259.
- 107. Ibid., p. 269.
- 108. Baba (1994), p. 30.
- 109. Ibid.
- 110. Ibid., p. 274.
- 111. Haliday (1996), p. 11.
- 112. Hussain (1995), p. 181.
- 113. Shlaim (1999), p. 58.
- 114. Husain (1995), p. 275.
- 115. Hiro (1985), p. 185.
- 116. Stempel (1981), p. 169.
- 117. Mazrui (1994), p. 508-509.
- 118. Ibid.
- 119. Ibid.
- 120. Ibid.
- 121. Ibid., p. 507.

# Political Background to the Establishment of the OIC

The origins of the OIC can be seen in the pan Islamism of the nineteenth century and followed by other significant events in the post-World War II era. The OIC was established at a meeting held on 22–25 September 1969 in Rabat, Morocco. The major aims of the conference were to deplore the act of arson at the holy Al-Aqsa mosque in Jerusalem on 21 August 1969 and for participant countries to declare their firm resolve to close ranks and to consult together, as well as promoting close cooperation among members in the economic, political, cultural and spiritual fields.<sup>3</sup> The summit, which was attended by the representatives of 24 countries (but not Indonesia), also agreed to convene a meeting of foreign ministers of participating countries in 1970 to establish a general secretariat in Jeddah and to appoint a secretary general for the organization. The formal name of the organization (in English) was the Organization of the Islamic Conference (OIC).

The first conference of Islamic foreign ministers in Jeddah during 23–25 March 1970, as a significant continuation of Rabat summit, elected Tunku Abdul Rahman of Malaysia as the first secretary general of the OIC.<sup>4</sup> The secretary general was called upon to elaborate the organizational structure of its main bodies and mode of operation.<sup>5</sup> In the third Islamic foreign ministers' conference, held at Jeddah from 29 February to 4 March 1972, the participant members agreed on the Charter of the Organization of the Islamic Conference.<sup>6</sup>

Since the Rabat summit, the membership of OIC has grown rapidly from 24 to 54 member states plus two observer states (Kazakhstan and Bosnia-Herzegovina) and two Muslim communities (Turkish Muslim Community of Kibris and Moro National Liberation Front). Its membership includes monarchies, republics, Islamic republics and military dictatorships. In terms of world economic standards, they include countries from the highest per capita income group and countries from the lowest group.<sup>8</sup>

Even though the number of participating states has increased dramatically, the process of institutionalization of the OIC as a modern international organization has not gone smoothly. According to Abdullahil Ahsan, citing Tunku Abdul Rahman, this was mainly due to 'the ego and indifference' of some member states and the lack of common political,

UN as being a more important multilateral forum for Indonesia's foreign policy than the OIC.

Soeharto also perceived that the OIC was not reliable enough in settling all issues related to Islam. This was mainly due to the 'ideological' barriers and internal divisions in the OIC. The lack of strong internal cohesion among the organization's members pushed Indonesia to limit its political commitment to the OIC. 15 As a former foreign minister noted, 'considering the lack of cohesion among the OIC members, President Soeharto never showed any interests in Indonesia being too deeply involved in the OIC. 16 Moreover, as one senior diplomat remarked:

During that period [1970–1980s], OIC was divided into two main groups: revolutionary (progressive) and conservative Islamic states and it will be good for Indonesia to stay away from these two groups in order to lessen the internal conflict among the members.<sup>17</sup>

Indonesia's involvement in the OIC, as Kusumaatmdja noted, was also partly motivated by a political reason: 'to prevent the organization from becoming a pan-Arab organization. Indonesia instead encouraged the OIC to become a mainstream movement among developing countries'. <sup>18</sup>

In addition, as Amien Rais noted, the OIC was also divided into Arab (pan Arabist) and non-Arab camps, which in turn weakened the internal unity of the OIC as a multilateral organization. As a result, Indonesia had no strong political commitment to enhancing its relations with the OIC. Its level of involvement in the OIC thus was very limited.

Furthermore, President Soeharto perceived that any close relationship with the Muslim world via the OIC would become a serious political hurdle to Indonesia's relationship with the Western world. As has been mentioned in the previous chapter, Indonesia's relations with the Western world were seen as much more significant in the sense that Indonesia needed large-scale foreign investment and aid to accelerate its economic development. The position of Indonesia in the OIC, in other words, can be seen as a compromise between a 'policy of accommodation' to domestic political circumstances and the political imperative of Indonesia's good relations with the Western world.

However, the Indonesian government was determined to maintain its participation in the OIC, reflecting the fact that Indonesia has the largest Muslim population in the world. As Mochtar Kusumaatmadja, the next Foreign Minister after Adam Malik, stated, 'Indonesia's involvement in the OIC is an indication that our foreign policy cannot ignore that 88 percent of our population which belongs to the Muslim religion.'21 This attitude reflects the ambiguity of most of Indonesia's policies toward the OIC. On the one hand, Indonesia's limited membership of the OIC was based on the country's official non-Islamic status but on the other hand Soeharto had also to respect the voice of Islam within Indonesian society for the purposes of his domestic political needs; Indonesia thus needed to participate in the OIC.

Some Muslim leaders – of NU and *Muhammadiyah*, for instance – regretted the government's refusal to sign the OIC Charter, while the 'secular-nationalists' and non-Muslim elites applauded this policy.<sup>22</sup> In order to calm down such domestic debate within the political elite, the Minister of Foreign Affairs, Adam Malik, issued a press statement that 'the government was not yet prepared to sign the Islamic Charter because Indonesia was not an Islamic state.'<sup>23</sup>

From the third Islamic Conference of Foreign Ministers (ICFM) in Jeddah in 1972 Indonesia committed itself more actively to participate in these conferences. This was mainly because domestically the New Order government had succeeded in controlling political Islam and consolidating its political power. Despite this, Indonesia asked the OIC to apply looser criteria for membership in its case, <sup>24</sup> because the country still rejected Article VIII of the OIC Charter that stated that 'every Muslim state is eligible to join the Islamic Conference'. While Indonesia still refused to sign the Charter, it committed itself to participating in OIC based on the 1945 Constitution. <sup>25</sup> The position of Indonesia in the OIC was thus as an 'active participant'. <sup>26</sup>

This attitude of Indonesia toward the OIC has been constantly maintained for more than two decades. Even though Indonesia was prepared to participate actively in OIC programmes, it would not make religious considerations the main objective of its involvement. The ultimate rationale for Indonesia's participation in the OIC was said to be not Islamic sentiments but rather to fully implement the *Bebas-Aktif* foreign policy as stated in 1945 Constitution.<sup>27</sup> This 'secular' attitude was a deliberate effort to 'express at least nominal solidarity when appropriate in order to contain and deny the Muslim community the ability to mobilize

its strength'<sup>28</sup> which might jeopardize domestic stability. To put it another way, the New Order regime had to reconcile its main political objectives of preserving the non-religious identity of Indonesia with the need to respond to domestic political and social realities.<sup>29</sup>

Commenting on Indonesia's participation in the OIC from the 1970s to the late 1980s, Imron Rosyadi, a member of the House of Representatives from the Partai Persatuan Pembangunan noted that it was static, half-hearted and a mere formality.<sup>30</sup>

# Indonesia and the OIC in the 1990s

The end of the Cold war and alteration to Soeharto's domestic political agenda in the 1990s marked a heightening of Indonesia's role within the OIC. Indonesia, for example, finally sought full membership of the OIC in 1990. The alteration of Indonesia's membership of the OIC was due to changes of the OIC membership criteria to a looser one. After strong lobbying by Indonesia, the new criteria no longer explicitly mentions 'Muslim states'; rather, states that have a Muslim population can or may join the organization.

Soeharto attended the sixth OIC summit in Dakar, Senegal, in December 1991, the first time an Indonesian President had attended such a meeting.<sup>31</sup> This summit was also the first held in black Africa. As Azra argues, Indonesia had changed its foreign policy toward the Muslim world, particularly to the OIC, since the late 1980s.<sup>32</sup> Indonesia was following more active and assertive policies to the Muslim world and establishing closer relations with Muslim countries. With his attendance in the OIC Summit, Soeharto not only aimed to show the Indonesian Muslim community his greater concern about the Muslim world, but more importantly his growing interest in the issues pertinent to Islamic sentiment in domestic politics.

Domestically, as already mentioned, in 1990 President Soeharto demonstrated his greater 'Islamicity' by giving his approval for the establishment of ICMI, which served as a new political machine of the New Order regime. During the late 1980s and early 1990s, political Islam had re-emerged as a force in Indonesian politics while Soeharto's political support from the military and his political legitimacy had been significantly diminished. Thus, the formation of ICMI was not only aimed at building closer links with the Indonesian Muslim community but also at

co-opting this community and providing the regime with a political tool that could be used to mobilise political support for Soeharto. His first attendance at the summit was also believed by many analysts as a result of political lobbying from some prominent Muslim leaders at ICMI and as a political effort to attract the support of Indonesia's Muslim community for the 1992 general election.<sup>33</sup>

There were also significant changes in international relations with the end of Cold War and revival of Islam in world politics. More importantly, the summit in Dakar was quite significant due to the rapid changes in the international system, particularly the Western world's perception of the Muslim world.

Soeharto's attendance at the Senegal summit was also aimed at increasing the international status of Indonesia in the Muslim world. Indonesia then utilized the Islamic solidarity of the Muslim world to mobilize political support for Indonesia chairing the Non-Aligned Movement in 1992. Moreover, on the issue of East Timor, Indonesia asked the Muslim world's leaders to give their support to Indonesia at any meetings of the UN General Assembly. In fact, the Muslim countries were the major supporters of Indonesia in dealing with the East Timor issue at the UN.<sup>34</sup> With full support from the OIC, Indonesia used the organization to gain votes in the UN General Assembly on the East Timor issue and even justify its policies on East Timor.<sup>35</sup>

During his attendance at the OIC summit, Soeharto proposed some political, economic and cultural programmes to assist with the major problems that most OIC members faced. In his speech, specifically Soeharto stressed the need for the OIC to further enhance its cooperation in the field of family planning, management and telecommunications.<sup>36</sup>

# Political aspects of Indonesia's OIC involvement during the 1990s

The increase in Indonesia's political role within OIC became apparent when it proposed ways of improving the world's image of Islam. In the post-Cold War era, Islam has often been associated in Western eyes with terrorist activities and various acts of violence throughout the world. As a result, this situation has created a negative image of Islam in the Western world. For Indonesia, the sharp increase in the threat of Islamic fundamentalism was one of the important issues that the OIC had to solve following the OIC summit in Senegal in December 1991. As Ali Alatas

has remarked, 'Islam is often associated with terrorism and various violent actions. This negative image is often portrayed of Islam, which is not based on facts'. He further elaborated:

Terrorism and violence exist everywhere. It has nothing to do with religion but more on the socio-political conditions in each country ... We also have to differentiate between terrorism and struggles for independence. They are not the same.<sup>37</sup>

Ali Alatas argued that, in order to improve the position of the OIC in world politics, the organization should convince the world that the Muslim world is not associated with terrorism and other violenct activities. He further warned that the Western world's misunderstanding of Islam and terrorist activities would not only give a negative impression to Islam itself but also put the OIC in a position of enmity with the Western world. This would not be good for the future of the OIC.<sup>38</sup> Moreover, he noted, 'it was our obligation to improve the image of Islam and the position of the OIC, otherwise the OIC would lose its relevance.'<sup>39</sup>

This was one of the crucial issues discussed at the seventh OIC summit in Casablanca, Morocco, on 10–11 December 1994. To improve the tarnished image of Islam, the OIC members unanimously agreed to review an unprecedented plan to stop the export of fundamentalist violence. Indonesia, together with Egypt, called for OIC members to refuse to finance or support 'terrorist acts' and to make sure that their territory was not used by violent groups to plan or carry out such attacks. More specifically, OIC members were asked 'not to host, train, arm, finance or provide facilities' for violent Islamic groups. <sup>42</sup>

Cancelling the negative views of Islam remained the top item on the agenda of the OIC when Indonesia hosted the OIC foreign ministerial meeting in Jakarta in December 1996, a gathering officially opened by President Soeharto. By hosting this conference, Indonesia automatically took over the ministerial chair from Guinea. This chairmanship reflected a growing acceptance of Indonesia's Islamic credentials by other OIC members. As foreign minister Ali Alatas remarked in his speech at the conference:

There is today a growing tendency in some circles outside the Islamic world to distort the truth about Islam by portraying it as the

#### Indonesia and the Muslim World

new adversary of Western civilization after the demise of international communism. This dangerous concept makes no distinction between acts of terrorism and the legitimate struggle of our brother Muslims for their inalienable political rights.<sup>43</sup>

# He also further commented that:

Admittedly, there have been occasions when acts of senseless violence have been committed while unjustifiably invoking the name of Islam. Such acts have been condemned by the overwhelming majority of Muslims as violations of the teachings of the Holy Qur'an and the tenets of Islam. But the world at large will never be able to make this vital distinction until we are able to effectively communicate Islam for what it really is – a force for peace, justice and common good, a way of life that has intellectually enriched Western civilization itself.<sup>44</sup>

With the above speech, Indonesia not only emphasized that Islam was not the enemy of the Western world but also flagged the need to improve the image of Islam in the changing map of world politics. In his opening speech, President Soeharto mentioned that:

To seize the opportunities and face the challenges of a new century, the Muslim *Ummah* must put its house in order. It should aim at sustaining the effort of consolidating the national resilience of each (Muslim) country and engender political stability at the national, regional and international levels. Muslims in a country or region will never make any progress if they are constantly being involved in internal conflicts and wars with their neighbors. More importantly, force and violence are not characteristics of Islam.<sup>45</sup>

In this context, Soeharto suggested the OIC increase its efforts to unite its members and put more realistic priorities on its programs in order to improve the image of Islam. He By emphasizing this issue, Indonesia showed its intention to exert a moderating influence on the Muslim world in an effort to eliminate the causes of the false perceptions of the Muslim world by the Western countries. Indonesia also positioned itself to take the role of facilitating communication between the Muslim and the Western world.

Indonesia's other significant political contribution to the OIC was its role in facilitating the end of the conflict between the Government of the Republic of the Philippines and the Moro National Liberation Front over the Moro problem (see Chapter 5 below).

# Indonesia's economic participation in the OIC

In the economic field, Indonesia endeavoured to enhance cooperation among OIC members. For nearly 30 years the OIC has been so occupied by political issues that economic cooperation had been left behind. Trade amongst members was quite insignificant in comparison to their trade with non-Islamic countries. During early 1980s and 1990s, intra-OIC trade represented only 10 per cent of the total trade volume of OIC members, while 60 per cent of OIC members' trade was still oriented towards developed countries.<sup>47</sup>

The flow of trade among OIC member countries amounted to only US\$19.3 billion in 1990 and increased marginally to US\$26.6 billion in 1991. According to a report compiled by the Islamic Centre for the Development of Trade, such a low proportional share of intra-organizational trade essentially reflects lack of complimentarity on the part of member country economies as well as lack of close trading links and regional arrangements. 49

During the period 1980 to 1990, OIC export performance continued to stagnate. Total exports were US\$185 billion in 1980 and stood at only US\$186 billion in 1990. In 1991 the value of world exports and imports were estimated at US\$3,530 billion and US\$3,660 billion respectively, out of which Islamic countries' share stood at only 6.8 per cent and 6.2 per cent, respectively. There has been indeed a decline in the market share of Islamic countries in world trade. As a proportion of world exports, their share fell from 15.1 per cent in 1980 to only 4.36 per cent in 1990 before increasing marginally to 6.8 per cent in 1991. 50

In the light of this weakness of intra-organizational trade, Indonesia urged the OIC to boost its economic cooperation. At the sixteenth Ministerial Meeting of the OIC in Morocco in January 1986, foreign minister Mochtar Kusumaatmadja, who led Indonesia's delegation, said that OIC member countries should focus more on efforts to increase economic cooperation and help poor Islamic countries in overcoming their difficulties. <sup>51</sup> He noted 'we have to try to settle the existing political differences

among us, therefore we would be able to concentrate our attention on facing our economic problems and challenges.'52 In other words, the OIC members needed to have the common political will in order to further bolster economic and trade relationships between them.

A concrete action that Indonesia proposed to enhance economic cooperation among OIC members was a long-term trade financing scheme to be run by the Islamic Development Bank (IDB). The main objective of this scheme was to promote trade between Muslim countries. Muslim countries facing severe financial constraints could utilize special funds from the IDB to promote trade, which would in turn advance the welfare of the country in trouble. This idea was backed by most OIC members at the second meeting of COMCEC (the Committee for Economic and Trade Cooperation) in Istanbul in March 1986.<sup>53</sup> The project, which started in 1987, made an initial US\$300 million available to fund trade among OIC member states in non-traditional goods.<sup>54</sup> This meeting also agreed to look at ways of demolishing non-tariff barriers and of introducing an Islamic trade preferential scheme.

Even though this project was very promising in promoting trade among OIC members, Indonesia did not make full use of loans from the IDB as one of the specialized institutions of the OIC. This was mainly because many Indonesian projects intended to be financed under the auspices of this bank could not meet the bank's technical requirements; they also failed to meet the feasibility studies conducted by an international consultant on every project proposed to be financed.55 Indonesia has received only a few loans from the IDB to finance development projects in fishery, livestock and cement development projects.56 In addition, the country had utilized only US\$11.24 million from the total export-financing scheme between 1988 and 1998 whereas Malaysia, for instance, utilized US\$56.71 million in the same period.57 Even President Soeharto himself asked the IDB to continue its efforts to help Indonesia and other developing countries in solving their economic and social problems.58 In his opening speech at the annual meeting of the IDB in Jakarta on 29 November 1995, Soeharto urged the IDB to ease the terms of its assistance for heavily indebted countries.<sup>59</sup> He also called on IDB member countries to heighten economic cooperation both on bilateral and multilateral bases as a way to offset the decline in capital flows from developed nations.60

As a former chairman of the Middle East Committee<sup>61</sup> of KADIN (Kamar Dagang dan Industri or the Indonesian Chamber of Commerce and Industry) explained, Indonesian businessmen were reluctant to apply for a loan from the IDB due to its tough technical procedures.<sup>62</sup>

In contrast, a senior Indonesian diplomat in charge of economic cooperation with the OIC argued that this scheme has not worked smoothly not due to technical reasons but mainly because of the lack of political commitment in the OIC and IDB itself. She commented that the programme had been based only on rhetoric. The failure of Indonesia's Muslim businessmen to get loans from the IDB was due to the lack of technical preparation for doing business with their counterparts from the Muslim world, and particularly the lack of commitment of IDB to assist Indonesia's businesses. In order to further boost the growth of economic cooperation between Indonesia and the Muslim world, Mari'e Muhamad, the Minister of Finance, urged the IDB to be more flexible in its loan to Indonesia's businesses.

Indonesia also took the initiative to host an international seminar on Inter-Zone Cooperation in Free Trade and Industry in Jakarta in January 1994. At this seminar, Indonesia urged OIC members to give more attention to the impact of economic globalization, increase the competitive advantage of the trade products of OIC members, and share common views to attract foreign direct investment. A similar message was also emphasized by Ginanjar Kartasasmita as a representative of Asia in the tenth COMCEC meeting in Istanbul in October 1994. He added that OIC members should be pragmatic and realistic in putting their economic interests above their political interests.

Enhancing economic cooperation among OIC members also became one of the crucial agenda items of the 24th Islamic Conference of Foreign Ministers in Jakarta during December 1996. In Indonesia's view, as articulated by Ali Alatas, it was quite crucial for the OIC to set economic cooperation as the main focus of its programmes rather than political issues. This would enable the OIC to accelerate economic cooperation among its members.

As Ali Alatas postulated in his speech 'it is the time for the OIC in a more interdependent era to leave the political differences among the members and take the economic issues as its top priority.'<sup>71</sup> He further urged the members of the OIC:

### Indonesia and the Muslim World

To utilize the existing database at the Trade and Information Network of Islamic Countries (TINIC) and the OIC Information Network System (OICIS-NET), to launch effective trade and investment facilitation programs to mobilize the private sector in economic endeavors; and to apply the evolutionary approach so that we do not have to wait for all members to be ready to participate in a project before we could launch and pursue it. And the major prerequisite to achieve the above actions is to muster political will.<sup>72</sup>

In his opening speech, President Soeharto also underscored the importance of economic cooperation as a field often neglected by the members of the OIC.<sup>73</sup> He also expressed the belief that, with the resources available, the OIC could make a substantial contribution to South–South cooperation. The meeting then agreed to forge economic cooperation and to examine the possibility of establishing an Islamic common market.<sup>74</sup>

However, it soon became clear that there was a difference of opinion between Indonesia and the majority of OIC members on the question of how this heightened economic cooperation could be achieved.<sup>75</sup>

The 8<sup>th</sup> Summit of the OIC held in Tehran, Iran on 9–11 December 1998 officially called for the formation of an Islamic Common Market. The Muslim common market had the potential to extend from Morocco and Algeria in the west, all the way to Indonesia in the east. By establishing the common market, Muslim countries would be able to solidify their unity through common economic and business interests.<sup>76</sup>

Members of the OIC agreed, as a preparatory phase, to set up the Intra-Islamic Regional Cooperation (IRC), which would provide an opportunity for members to understand and appreciate each other's economic concerns and sensitivities. The next phase was to establish the Intra-Islamic Preferential Trade Area (IPTA) as a forum to provide preferential treatment to each other in trade. The Intra-Islamic Free Trade Area (IFTA) was to be the third phase of the Islamic Common Market. It involved free movement of all goods across the member countries without any common trade policy but with the condition that a certain percentage of the traded goods must be of indigenous content. The fourth phase was to establish an Intra-Islamic Customs Union, which would enable the member countries to have a common tariff policy towards the

non-member countries. The final phase was the creation of the Islamic Common Market (ICM).

Despite these plans being drawn up, the position of Indonesia in relation to these developments was ambivalent. Even though Indonesia had not objected to the idea of establishing an ICM, it asked OIC members to consider this idea more deeply. It argued that OIC members should take into account at least two crucial difficulties in establishing the Islamic Common Market. The first problem lay in the geographical proximity of the members. OIC members are located on different continents, which would create problems in uniting the market. Political inclinations and lack of strong political commitments to these arrangements were also an 'ideological and political barrier' to the OIC implementing this idea.<sup>78</sup>

More importantly, Indonesia opposed the use of 'Islamic solidarity' as the main propeller of economic cooperation among OIC members.79 As one Indonesian senior diplomat argued, the basic reason for this economic cooperation was the need to increase the level of prosperity among OIC members and for that reason religious solidarity could not be used as a tool for establishing closer economic cooperation; rather, weight should be put on the common need to increase economic interaction among the members.80 Moreover, to establish the Islamic Common Market, the idea should be backed by a very strong political will from all OIC members. However, most members still faced crucial economic and political domestic problems and depended on financial assistance from Western countries or other international financial institutions, such as the International Monetary Fund (IMF) and World Bank. As such, the ICM idea would only sharpen the clash of interests between the Muslim and the Western worlds.81 On top of that, Indonesia had put more emphasis on economic regional cooperation in the Asia Pacific region through ASEAN Free Trade Area (AFTA) and Asia Pacific Economic Cooperation (APEC).82 In other words, the idea of establishing an Islamic Common Market was too ambitious and unattainable.83

Indonesia asked the OIC to consider the idea of using technical cooperation as a more pragmatic and realistic way of boosting economic cooperation among OIC members. It argued that the biggest problem for economic cooperation in the OIC was the lack of concrete plans and failures in implementation.<sup>84</sup> As a former Indonesian foreign minister pointed out, if the OIC already has some of the institutions and mechanisms that could be used to promote intra-OIC trade and economic coopera-

tion, then why did the members not optimally use the OIC instruments (the Islamic Chamber of Commerce and COMCEC). In other words, 'why should we waste our time and energy by creating new mechanisms (Islamic Common Market)?'85

The above discussion has shown that Indonesia has consistently stressed the need to accelerate economic cooperation between OIC members based on pragmatism and not on Islamic sentiments. It has also shown Indonesia's consistency in promoting economic cooperation in the OIC by maximizing the use of established institutions and mechanisms in the organization. Further, Indonesia had different approaches, promoted a more pragmatic and attainable way, with the majority of OIC members in enhancing the economic cooperation within the OIC.

# The Emergence of the D-8 (Developing 8): New economic cooperation within the OIC

The unsatisfactory progress of economic cooperation among Muslim countries in the OIC became the impetus for certain Muslim countries (Indonesia, Turkey, Malaysia, Bangladesh, Pakistan, Egypt, Nigeria and Iran) to create a smaller network for economic cooperation under the framework of the so-called D-8 (Developing-8). The D-8 countries argued that the OIC was too big to effectively enhance the economic cooperation among OIC members. Furthermore, the economic disparity among OIC members was also too wide.

This idea, which originally came from the prime minister of Tur-key, Necmetin Erbakan, aimed to unite the Islamic countries in facing the unfairness and the ambiguous attitudes of the Western world in trade and economic development. The D-8's main objectives were to pave the way for further cooperation between developing Islamic countries from three continents (Asia, Africa and Europe), in order to cope with the tight competition existing among developed countries. Currently, the developed nations are getting richer while the poorer are becoming poorer, and this is threatening world peace, said Erbakan in the two-day meeting of foreign ministers from eight countries to lay the foundations of the D-8. The grouping focused on two major areas: regional economic cooperation among Islamic developing countries from three continents; and international solidarity to promote peace and economic relations.

Erbakan argued that this new grouping could be used to boost members' negligible economic ties and to work in parallel with the G-7 in discussing global economic issues and searching for the best solutions to overcome the global economic and trade obstacles.91 Erbakan expected that the D-8 could become a 'new world economic power', based on the fact that the total population of the members of the D-8 reached nearly 800 million, 70 per cent of the world's 1.1 billion Muslims.92 The grouping's membership ranged from Southeast Asia to the western part of Africa. It reflected five different streams of Islamic culture: Malay, Persian, Balkan, Arab and Black African.93 Trade among them was not developed enough and unequally distributed. Total exports of the D-8 countries to world markets in 1996 amounted to US\$2092.29 billion, of which US\$15.41 billion (7.62 per cent) was to OIC member countries and only US\$7.38 billion (3.65 per cent) among the D-8 countries themselves. Total imports of the D-8 countries from world markets reached US\$221.45 billion in 1996 and only US\$7.19 billion (3.25 per cent) came from among the D-8 countries.94

In addition, trade between D8 members is not distributed evenly. Some countries have trade relations with all members, while others have trade relations with no other members at all. Iran, for example, had no trade relations with Nigeria. Even so, based on the above figures and conditions, greater trade relations between the D-8 countries is still possible.

In responding to this idea, Indonesia was very cautious. This was mainly because some of the members explicitly wanted the economic grouping to be based on Islamic principles. Indonesia, however, opposed the use of 'Islamic principles' as the basis of D-8 membersip. As Nana Sutresna (Indonesia's contact person to D-8) noted, 'we urged that the membership of D-8 should not be based on religion but on the size of population. He further added 'the membership is open to countries with populations of more than 40 million and Malaysia as a prominent developing country is an exception. Indonesia's objection to the use of Islamic principles as the main foundation of D-8 was accepted by Turkey. The Turkish foreign minister, Tansu Ciller said that 'the D-8 group would not be an entity based on religion although the current participants were all Islamic countries and this economic grouping will grow in time and admit as members many other states. This position was then accepted by all D-8 members.

### Indonesia and the Muslim World

As the initial step towards a D-8 summit, Turkey hosted a two-day meeting of foreign ministers on 13–14 June 1997. The meeting agreed that the main objective of the D-8 was socio-economic development among its members. It also adopted its six principles: 'peace instead of conflict, dialogue instead of confrontation, cooperation instead of exploitation, justice instead of double-standards, equality instead of discrimination, and democracy instead of oppression'. <sup>100</sup>

The first summit meeting of D-8 heads of government was held in Istanbul on 15 June 1997. At this summit, as with Indonesia's involvement in the OIC, Soeharto emphasized the need to have closer cooperation among developing countries to enable them to accelerate development and eradicate poverty. He also suggested the new economic grouping draw up realistic and pragmatic plans so that efforts were not be obstructed by overly ambitious goal setting, lack of commitment and insufficient funds. The summit agreed to encompass all areas of economic cooperation and political consultations and coordination at international fora. It also accepted six projects of cooperation in the areas of trade, human resources development, communication and information, banking and privatization, agriculture, and industry. These projects would become promotional and sustainable projects of the D-8 for pushing and enhancing economic cooperation among members.

Nevertheless, the establishment of the D-8 as a new economic grouping produced a variety of different responses. Many Arab countries that had huge oil resources signalled their 'dislike' of the D-8. Saudi Arabia, for instance, argued that any efforts to heighten economic cooperation among the OIC members should not be channelled through a smaller and more select group but within the framework of the OIC and subsidiary institutions such as the COMCEC. <sup>106</sup> Saudi Arabia also noted that not a single country from Muslim Central Asia had been invited to join the D-8.

More seriously, critics also argued that, while Bangladesh was one of the least developed countries, Malaysia has a thriving capitalist economy and to attempt to integrate them into a single market was foolhardy. The Western world gave similar responses to the emergence of the D-8. As the *Jakarta Post* and *Republika* reported, Western diplomats (particularly the US) tended to see D-8 as standing for 'Disaster 8' rather than 'Developing-8', regarding the group as a potential calamity club. Politically, the West

perceived that this new economic grouping would become an 'Islamic bloc' that could create new potential hostilities with other economic and political groupings and even with the other Islamic countries.<sup>109</sup>

Domestically, Indonesia's involvement in the D-8 also attracted many different comments. Thee Kian Wie, one leading economist at LIPI noted that 'in the early stages of the D-8, we were not cynical about the existence of the D-8. It was because the D-8 has good potential to grow, if it could be managed effectively.'<sup>110</sup> Pande Radja Silalahi, a leading economist at CSIS, argued 'even though the major population of the members of D-8 were Muslim, the bottom line of economic cooperation among them should be based on economic rationality otherwise this new grouping would have no significant impact on the economic development of its members.'<sup>111</sup>

A more optimistic view about the future of the D-8 was voiced by the Indonesian Chamber of Commerce and Industry (KADIN). Its vice chairman, Fadel Muhammad, said that 'KADIN would support the formation of D-8 in order to boost Indonesia's trade with any Islamic countries and KADIN would facilitate the possibility to establish cooperation networks with any chamber of commerce of the members.<sup>112</sup>

There were cynical comments about Indonesia's involvement in the D-8 too. It was argued by some political analysts that 'the D-8 was no more than a new talk shop of leading members of the OIC.'113 They argued that Indonesia's participation in the D-8 only boosted President Soeharto's efforts to strengthen his political position both domestically and internationally by showing Indonesia's growing concerns with issues pertinent to the Islamic world, such as economic prosperity.'114

The above views clearly show contrasting ideas about Indonesia's involvement in the D-8. Economically, this idea was less pragmatic and unlikely to succeed due to the structural and geographical constraints among the members, but politically, it could serve as a 'pilot project for economic cooperation' of eight members of the OIC in order to strengthen the position of Islamic countries vis-à-vis developed countries.

In the post-Soeharto era, the D-8 lost its significance following the financial crisis that hit Indonesia. Indonesia has relied on the IMF's programme for its economic recovery and focused its domestic economic restoration on getting support from developed countries. The sustainability of D-8, then, has been put aside by the government. After nine years of inactivity, President Susilo Bambang Yudhoyono reactivated the

D-8 by hosting its second summit on 11–13 May 2006 in Bali. This summit refocused the economic cooperation between members in promoting trade, particularly among private companies. However, the success of this new economic cooperation among these eight OIC members still has a long way to go due to their domestic economic problems.

### Indonesia's socio-cultural contribution to the OIC

In the social-cultural field, Indonesia's contributions to the Muslim world have focused on improving the quality of human resources in Muslim countries, the flow of information between Muslim countries and exchange of ideas on the promulgation of Islamic values. As Indonesia's minister of religious affairs noted in his speech at the 6th Conference of the Ministers of Awgafs (Islamic promulgation) and Islamic Affairs in Jakarta in October 1997, instead of being trapped in political differences, 'this conference will be of utmost importance if we can proceed with a simple, well-planned and continuous program'115 to increase the welfare of the ummah (Islamic community). By emphasizing the need for more concrete actions that the OIC should take, Indonesia asked the OIC members to show the world that 'Islam is a peace-loving religion'116 and that 'Islam can provide answers to overcome their problems and challenges.'117 By hosting international Islamic conferences on these issues, Indonesia has tried to attract the attention of the OIC members away from complex political issues to social-cultural issues.

This speech, again, shows that Indonesia urged the OIC to emphasize the significance of pragmatic programs in dealing with the issues that most OIC members faced. More importantly, Indonesia also asked the members to show the world that 'Islam is a non-violent and friendly religion'. 118

Since the late 1980s, Indonesia actively hosted international Islamic conferences on several important issues such as food production, family planning, communications development, biotechnology and tourism. <sup>119</sup> As a modern international organization, the OIC had already set up many subsidiary organs, specialized institutions, and affiliated institutions related to the above issues. Yet Indonesia together with other members felt that those institutions were not optimally used to solve the common socio-cultural issues such as the lack of human resources and technology faced by member countries.

In the sector of information and communication, for instance, the OIC established the International Islamic News Agency (IINA) and the Islamic States Broadcasting Organization (ISBO). These two specialized institutions aimed at transmitting information, spreading *da'wah* (the teaching of Islam) and promoting awareness of the heritage of Islam. Yet, most OIC members argue that these two institutions had not achieved their purposes due to the lack of facilities, human skills and capital. 121

In order to improve the unbalanced flow of information, and operational activities, Indonesia hosted the second meeting of post and telecommunications ministers of the OIC in Bandung in November 1991. 122 At this meeting, Indonesia offered to share its experiences in the field with OIC members where it had a proven record and to use its telecommunications training and education centres for the benefit of all member countries. All OIC members accepted this offer; implementation of this programme was administered by the Ministry of Information and conducted in the *Balai Pendidikan dan Pelatihan Penerangan* (Education and Information Training Agency) in 1992 in Yogyakarta. From 1992 to 1995 at least 150 participants from all OIC member countries took part in this training. The meeting also agreed to intensify exchanges of experience and skills among OIC members and further promote joint investments and industrial development programs in post and telecommunications sectors. 123

Like other aspects of Indonesia's contribution to the OIC, Indonesia's participation in the social-cultural field was also based on non-religious factors. In his closing speech to the Bandung conference, Indonesia's Minister of Post and Telecommunications, Soesilo Sudarman, stressed that the common perceptions and cooperation which resulted from the meeting were based on the spirit of the Ten Bandung Principles adopted by the 1955 Asia-Africa Conference in Bandung to promote cooperation among Asian and African countries, particularly in fighting against colonialism. 124

# The absence of Islamic factors in Indonesia's policy to the OIC

The above discussions show that Indonesia has never made its involvement in the OIC the main priority of its foreign policy. In the New Order period, this was clearly indicated by Soeharto's reluctance to attend most OIC summits or to apply to be a host of OIC summits.<sup>125</sup> The 'minimum' of political relations also enabled Indonesia to have more flexibility in its relationships with both Islamic countries and the Western world. 126 This is an example of what Gregory Raymond calls a 'necessity of foreign policy' for Indonesia to conduct an equidistant relationship with the Muslim world and Western countries. 127

A retired general who is also well known as a Muslim intellectual argued that 'the influence of Islam in Indonesia's foreign policy to the OIC was very limited. He further commented that 'Pak Harto (Soeharto) has never placed Islam as a key determinant in foreign policy, he always put pragmatism (national interests) as a sole consideration. More importantly, 'our foreign policy to the OIC was much dependent on the condition of domestic politics.

As a result, Indonesia has never had any significant political priorities in its relationship with the OIC. The minimalist political interaction with the OIC under Soeharto was due to the New Order's Islamophobia in which 'Indonesia did not want to be perceived by Western countries as giving room for (Islamic) radicalism of some of the OIC members'. 130

Meanwhile the Department of Foreign Affairs, as the institution responsible for the conduct of Indonesia's foreign policy, had similar views regarding the role of Islam in Indonesia's foreign policy. In most of Indonesia's policies towards the OIC, the religious factor (Islam) was never considered as the major determinant factor in policy-making and implementation. One senior diplomat maintained that 'Islam is viewed only as a cultural aspect of a bilateral or multilateral relationship with any Islamic country in the OIC.' He continued that '[d]omestically, we regarded the Muslim community as one of the sources in policymaking, but Islam has never been internalized in foreign policy making to the OIC.' 131

Another senior diplomat even argued that '[t]he Department of Foreign Affairs is a rational actor in which we never considered Islam as an instrument or objective of Indonesia's foreign policy.' As a result, a former foreign minister acknowledged that 'there is no direct link between Islam and the content of Indonesia's participation in the OIC.' 133

One senior researcher at a government research institute remarked that the OIC would be effective only in settling international problems pertinent to Islamic issues so long as it did not involve the interests of the Western world (in particular, the US).<sup>134</sup> A similar comment was also given by a leading Middle East analyst who argued that, due to internal political problems among the OIC members, the OIC could not face the international challenges of global politics. 135

Quite surprisingly, the response of Indonesia's Muslim society to Indonesia's involvement in the OIC was weak. It seems that the Muslim community did not actively respond to Indonesia's changing role in OIC. The Muslim community did not often articulate its interests to government about what should be done in the OIC. This was because the Muslim community paid only little attention to the OIC.

The major reason for this was that the OIC was seen to be preoccupied with the internal conflicts among its members, particularly among Gulf and Arab countries. Given the internal problems of the OIC, the Indonesian Muslim community was quite pessimistic about the real benefits and even the future of the OIC. Thus, Amien Rais noted that the OIC was only a paper tiger in dealing with the issues of the Muslim world. He argued that the existence of the OIC was felt only in its conferences and there was no follow-up to the decisions made there.<sup>136</sup> Another reason related to the previous one was that the OIC was dominated by the issues of Arab countries vis-à vis the Western world.

Amien Rais also added that 'the Muslim community has never even openly asked the government to host the OIC summit.' The disinterest of the Muslim community regarding Indonesia's involvement in the OIC thus gave President Soeharto an 'unchallengeable' political opportunity to set and conduct foreign policy as he desired.

Despite the absence of Islamic factors in Indonesia's behaviour toward the OIC, Indonesia needed to maintain its involvement in the OIC in order to get support from Islamic countries on foreign policy issues that involved the interests of the Western world (e.g. the East Timor issue). In this context, the OIC become a diplomatic tool for Indonesia in multilateral fora such as the UN to protect Indonesia's national interests vis-à-vis the West.<sup>138</sup>

Even though Indonesia participated more actively in the OIC during the 1990s, the old pattern of ambiguity towards Islam noted earlier by Azra remained clear. This was mainly due to the changing domestic political context and the political agenda of the New Order regime. In other words, the need to include Islam in Indonesia's foreign policy has always been paralleled with the condition of domestic politics. In the post-Soeharto's Indonesia's foreign policy, the country's position in the OIC remains the same. The consistency on the implementation of the *Bebas-Aktif* principle in foreign policy, particularly of the exclusion of the religious factor, is a major aspect of Indonesia's involvement in the OIC.

### Conclusion

From the discussion above, it can be concluded that Indonesia's foreign policy decision makers in the New Order period did not see Islam as having a crucial role in determining Indonesian foreign policy. In most aspects of Indonesia's involvement toward the Muslim world, Soeharto tended to avoid the religious links in any forms of cooperation with other states. Nor has this approach changed much in post-Soeharto Indonesia. As such, Indonesia's involvement in the OIC has never been driven by Islamic considerations but rather by pragmatic assessment of the country's economic and political needs. It has been noted by most respondents that this is part of the implementation of the *Bebas-Aktif* principle in Indonesia's foreign policy.

Indonesia's approach to the OIC has not created significant difficulties in the country's relations with the Western world. On the contrary, as this chapter shows, in its efforts to improve the image of the OIC with regard to Islamic radicalism and terrorism, Indonesia has tried to act as a bridge in relations between the Muslim and the Western worlds.

In all aspects of Indonesia's involvement toward the OIC, particularly the political, economic and social aspects, Indonesia has based its contributions on non-Islamic sentiment and never wished to identify itself closely with the OIC. The refusal to use 'Islamic solidarity' has created ambiguity in Indonesia's attitude toward the OIC on one hand, but it has also given more flexibility in its relationship with the Western world on the other hand. These two different characteristics of Indonesia's involvement in the OIC (ambiguity and flexibility) have been aimed at its domestic and international environment. Domestically, the ambiguity reflects Indonesia's efforts to constrain the power of Muslim society while internationally flexibility has been used as a political tool by Indonesia to gain support from the Muslim world for the pursuit of its international interests.

The changing nature of both the domestic and international environments since the late 1980s have had a significant impact on Indonesia's participation in the OIC. Yet, the changing attitude of Indonesia toward the Muslim world, particularly in the OIC and the idea to establish the D-8, was consistently based on the political agenda of President Soeharto. In this context, Islam was manipulated by Soeharto as a tool of political mobilization for the sake of his domestic political interests.

Moreover, Indonesia's Muslim community has shown little interest in most aspects of Indonesia's participation in the OIC. The combination of the internal dispute in the OIC and the lack of attention from Indonesian Muslim community were the factors of Indonesia's minimal political interactions with the OIC.

### Notes

- See <a href="http://www.dfa.go.id/events/ktm-oki/member.htm">http://www.dfa.go.id/events/ktm-oki/member.htm</a> and see also Directorate General of International Organizations (1991), p. 82.
- 2. Interview with a senior Indonesian diplomat via email, 8 March 2001.
- 3. Ahsan (1985), p. 52
- 4. OIC Secretariat (1995), p. 1.
- 5. Moinuddin (1987), p. 72.
- 6. Baba (1994), p. 209.
- 7. See OIC (1995), p. 18.
- 8. Ahsan (1985), p. 53. See also Moinuddin (1987), pp. 69-70.
- 9. See Ahsan (1985), p. 54.
- 10. Esposito (1987), p. 240.
- 11. See Hein (1986), p. 239.
- This order was stated in *Instruksi Presiden* [Presidential Instruction] No. 22/1972. See Rosyadi (1981), p. 4.
- 13. Interview with a senior Indonesian diplomat, 5 September 1999.
- 14. Basyar (1999), pp. 141-151.
- 15. Interview with an Indonesian scholar, 5 August 1999.
- 16. Interview with a former Indonesian foreign minister, 30 November 1999.
- 17. Interview with a senior Indonesian diplomat, 1 September 1999.
- 18. Ibid.
- 19. Republika, 9 December 1996.

#### Indonesia and the Muslim World

- 20. Interview with a senior Indonesian diplomat, 5 September 1999.
- 21. Quoted in Azra (2000), p. 23
- 22. Ibid.
- 23. Ibid.
- 24. Rosyadi (1981), p. 15.
- 25. Ibid., p. 17.
- 26. Directorate General of International Organizations (1991), p. 82.
- 27. Interview with a senior Indonesian diplomat, 5 August 1999.
- 28. Leifer (1983a), p. 153.
- 29. Sukma (1999), p. 17.
- 30. Rosyadi (1981), p. 28.
- 31. Interview with an Indonesian scholar, 29 November 1999.
- 32. Azra (2000), p. 13.
- 33. After attending the OIC Summit, Soeharto then also visited the Saudi Arabia to conduct a pilgrimage (haj). This visit was also believed as an obvious effort to gain more sympathy from the Muslim society. In this context, Soeharto has played the 'Islamic card' in order both to build a policy coalition and retain political power. This understanding is based on several interviews from September to November 1999. Most of the respondents also linked this phenomenon with the establishment of ICMI as Soeharto's new political supporter in December 1990.
- Based on several interviews with senior diplomats from August to December 1999.
- 35. Republika, 18 Dec 1996, Kompas, 14 Dec 1996.
- 36. Speech of President Soeharto at the sixth OIC summit, Dakar, 10 December 1991. In Sihbudi and Hadi (1991), pp. 12–22.
- 37. Ibid.
- 38. Interview with a former foreign minister, 30 November 1999.
- 39. Ibid.
- 40. In this summit, the Indonesia's delegation was headed by foreign minister Ali Alatas. President Soeharto was not be able to attend this summit due to a heavy domestic agenda. The Jakarta Post, 30 November 1994.
- 41. The Jakarta Post, 12 December 1994.

### The Relationship with the Organization of the Islamic Conference

- 42. The Jakarta Post, 15 December 1994.
- Statement of Mr. Ali Alatas, Minister for Foreign Affairs Republic of Indonesia at the 24th Islamic Conference of Foreign Ministers, Jakarta, 9 December 1996.
- 44. Ibid.
- Speech of President Soeharto at the 24th Ministerial Conference of the OIC, Jakarta, 9 December 1996.
- 46. Media Indonesia, 10 December 1996, Kompas, 10 December 1996.
- 47. Alatas (1996), p. 10. See also Islamic Centre for Development of Trade (1997), p. 1.
- 48. The Report of Regional and Sub Regional Cooperation Between OIC Members States in Southeast Asia. no date.p.12.
- 49. Ibid.
- 50. Ibid., p. 14.
- 51. The Jakarta Post, 9 January 1986.
- 52. Ibid.
- 53. The Jakarta Post, 18 March 1986.
- 54. Ibid.
- 55. Islamic Development Bank (1999), p. 165.
- 56. The Jakarta Post, 31 August 1988.
- 57. Islamic Development Bank (1999), p. 164.
- 58. The Jakarta Post, 26 September 1995.
- 59. The Jakarta Post, 30 November 1995.
- 60. Ibid.
- The Middle East Committee aimed at promoting Indonesia's trade with Middle East.
- Interview with a former Chairmen of the Middle East Committee of KA-DIN, 2 September 1999.
- 63. Interview with a senior Indonesian diplomat, 3 September 1999.
- 64. Republika, 30 November 1995.
- 65. Kompas, 25 January 1994, Merdeka, 25 January 1994.
- 66. Suara Pembaruan, 26 January 1994.

#### Indonesia and the Muslim World

- 67. Kompas, 26 October 1994.
- 68. Ibid.
- 69. Bisnis Indonesia, 10 December 1996, Republika, 10 December 1996.
- 70. Ibid.
- 71. Media Indonesia, 10 December 1996.
- 72. Alatas (1996), p. 11.
- 73. The Jakarta Post, 10 December 1996.
- 74. The Jakarta Post, 14 December 1996.
- 75. The idea of the establishing Islamic Common Market actually surfaced for the first time in Dhaka in 1993. This idea aimed to foster the trade between countries of the Muslim world as well as their industrialization. This was based on the several reasons, including to increase the level of economies, standards of living, and industrial development in the Muslim world. Rahman, Hussain and Akkas (1996), pp. 34-39.
- 76. Echo of Islam, April 1998, p. 39.
- 77. Ibid., pp. 41–48.
- 78. Interview with an Indonesian scholar, 2 September 1999.
- 79. Interview with a senior Indonesian diplomat, 8 October 1999.
- 80. Ibid.
- 81. Interview with a senior Indonesian diplomat, 17 November 1999.
- 82. Interview with a senior diplomat, 8 October 1999.
- 83. The Jakarta Post, 10 December 1996.
- 84. Interview with a senior Indonesian diplomat, 17 November 1999. See also Suara Karya, 7 December 1996.
- 85. Interview with a former foreign minister, 30 November 1999. See also the editorial of the *Jakarta Post*, 13 December 1996.
- Directorate of Economic Relations among Developing Countries (1999), p.
   1.
- 87. Interview with an Indonesian scholar, 22 November 1999.
- 88. Ibid.
- 89. Echo of Islam, February 1997, p. 24.
- 90. The Jakarta Post, 6 January 1997.

# The Relationship with the Organization of the Islamic Conference

- 91. Merdeka, 19 June 1997.
- 92. Republika, 21 June 1997.
- 93. Media Indonesia, 16 June 1997.
- 94. Directorate of Economic Relations among Developing Countries (1999), p. 5.
- 95. Ibid., p. 6.
- 96. Department of Foreign Affairs (1999a), p. 3.
- 97. The Jakarta Post, 6 January 1997.
- 98. Bisnis Indonesia, 4 June 1997.
- 99. The Jakarta Post, 4 June 1997.
- 100. Department of Foreign Affairs (no date), p. 4.
- 101. The Jakarta Post, 16 June 1997.
- 102. Department of Foreign Affairs (1997a), p. 13.
- 103. See Istanbul Declaration of the first D-8 Summit, p. 3.
- 104. See Department of Foreign Affairs (1997a).p. 6.
- 105. Directorate of Economic Relations among Developing Countries (no date), p. 7.
- 106. See Department of Foreign Affairs (1999a), p. 11.
- 107. The Jakarta Post, 4 February 1997.
- 108. The Jakarta Post, 18 June 1997; Republika, 21 June 1997.
- 109. Interview with an Indonesian scholar, 22 November 1999.
- 110. Kompas, 17 June 1997.
- 111. Bisnis Indonesia, 17 June 1997.
- 112. Ibid.
- 113. Republika, 19 June 1997.
- 114. Interview with some Indonesian scholars, 8 October 1999. This phenomenon was indicated by the fact that realistically President Soeharto no longer had sufficient political legitimacy. As such, they believed that, with Indonesia's participation in the D-8, Soeharto could gain significant political legitimacy from Muslim society. Moreover, the establishment of the D-8 took place just one year before Soeharto stepped down from the power. Unfortunately, President Soeharto was unable to use this 'Islamic card' to retain his presidency in May 1998.

#### Indonesia and the Muslim World

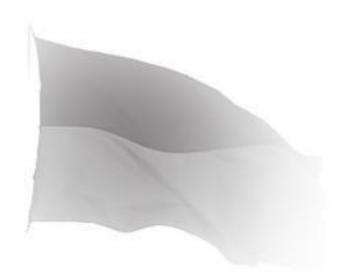
- 115. Speech of the Minister of Religious Affairs of the Republic of Indonesia, Dr. H.Tarmizi Thaher as the Chairman of the session at the First Plenary Session of the 6th Conference of Ministers of Awqafs and Islamic Affairs of the OIC, Jakarta, 29 October 1997 (<a href="http://www.dfa.go.id/english/pidme-nag2910.htm">http://www.dfa.go.id/english/pidme-nag2910.htm</a>). See also Republika, 31 October 1997.
- 116. Speech by President Soeharto at the opening of the 6th Conference of Ministers of Awqafs and Islamic Affairs of the OIC, Jakarta, 29 October 1997 (http://www.dfa.go.id/english/pidmenag2910.htm ).
- 117. The Jakarta Post, 30 October 1997.
- 118. Suara Karya, 30 October 1997.
- 119. This was compiled from several dailies such as *The Jakarta Post, Republika, Suara Karya* and *Suara* Pembaruan from various years (1989 to 1997).
- 120. Ahsan (1985), pp. 157-158.
- 121. Interview with a senior diplomat, 4 November 1999. See also *The Jakarta Post*, 8 November 1991.
- 122. The Jakarta Post, 7 November 1991.
- 123. The Jakarta Post, 9 November 1991.
- 124. Ibid.
- 125. Interview with an Indonesian scholar, 26 August 1999. Usually Indonesia's delegation was led by the country's vice president as the highest ranking delegate to the OIC Summit.
- 126. Interview with an Indonesian scholar, 8 October 1999.
- 127. Raymond (1999).
- 128. Interview with the chairman of ICMI, 1 September 1999.
- 129. Interview with the chairman of ICMI, 1 September 1999 and interview with a senior Indonesian diplomat, 29 November 1999.
- 130. Interview with an Indonesian scholar, 30 August 1999.
- 131. Interview with a senior Indonesian diplomat, 10 August 1999.
- 132. Interview with a senior Indonesian diplomat, 30 September 1999.
- 133. Interview with a former foreign minister, 30 November 1999.
- 134. Interview with an Indonesian scholar, 9 August 1999.
- 135. Sihbudi (1997). See also Republika, 30 October 1997.
- 136. Republika, 9 December 1996.

## The Relationship with the Organization of the Islamic Conference

137. Ibid.

138. Ibid.

139. Azra (2000), p. 13.



## Indonesia's Responses to the Middle East Conflict

Even though Indonesia has many national interests in the Middle East, it has no comprehensive policy toward the region to pursue those interests.<sup>1</sup>

## Introduction

As has been mentioned in Chapter 2, Indonesia has had a long relationship with the Middle East.<sup>2</sup> Its political engagement in the region started in 1945 when Indonesia focused its diplomacy on seeking recognition and support from Middle Eastern and African countries for its independence.<sup>3</sup> The next involvement was when Indonesia initiated the idea of promoting cooperation among Asian, Middle Eastern and African countries against colonialism. This idea then became the foundation of the Asian-African Conference and the establishment of the Non-Aligned Movement. Yet the pattern of interaction between Indonesia and the Middle East never developed into a more 'institutionalized' one, particularly during the Soeharto era.

This chapter focuses on several crucial issues in the Middle East including the problem of Palestine, Indonesia's relations with Israel and the first Gulf War. These regional issues are not only linked with the Middle East but are also pertinent to the Muslim world as a whole. They became a major influence on Indonesia's foreign policy toward the Muslim world and invited the attention of Indonesia's Muslim community.

Unlike with regard to Indonesia's involvement in the OIC, the response of Indonesia's Muslim community to events in the Middle East

has been loud and clear. Structurally this has been articulated through many different channels. Yet still, this chapter argues, the role of the state has been more dominant than that of society in the making of foreign policy towards the region. Here, the state has tended to ignore the views of the Muslim community, except in the case of Israel.

# Indonesia and the Palestine issue: The Muslim voice in the Palestinian–Israeli peace process

The Palestine issue has been the source of conflict in the Middle East for more than 50 years. During this period, essentially Indonesia's involvement in the region has been linked with Islamic sentiments and support for the struggle of the Palestinians against Israel.<sup>4</sup> Since the late 1940s, Indonesia has shown its solidarity with and support for the struggle of the Palestinians including their demands for the unconditional withdrawal of Israel from the territories occupied following the Six Day War of 1967.<sup>5</sup>

This has been shown by Indonesian support for all UN resolutions on the Palestine issue adopted since Indonesia joined the world body in 1950.6 All these resolutions required the withdrawal of Israeli armed forces from territories occupied in the Arab-Israeli conflict as a principal condition for the establishment of peace in the Middle East.

Indonesia has always argued that its attitude is consistent with the values stated in the 1945 Constitution. As one diplomat has asserted, the support of Indonesia for the struggle of the Palestinians was based on universal values, such as abolition of any form of colonialism and national self-determination as stated in the 1945 Constitution, and not on Islamic solidarity. He further added that Indonesia did not want to mix universal values and Islamic sentiments in its foreign policy, particularly toward the Palestine issue.<sup>7</sup>

Yet Indonesia's policies toward the Palestine issue have been perceived as inconsistent and insufficient by some radical elements of Indonesia's Muslim communities. This is because the Indonesian government has always avoided giving any more than political support to the struggle of the Palestinians. During the Arab-Israeli military conflicts of 1967 and 1973, for instance, Indonesia's policy was to give its support to UN resolutions without giving any of the concrete assistance that had been requested by some Arab countries, such as Egypt and Syria. They asked Indonesia to give them its military support as a symbol of Islamic solidar-

ity, but Indonesia refused. Indonesia's Muslim community, on the other hand, maintained that the issue of Palestine was not only political but also religious. Therefore, Islamic sentiments should be accommodated in Indonesia's policy toward Palestine.9

Indonesia's inconsistent attitude toward Palestine was quite obvious in 1974 when the government, particularly the military/ABRI, did not give the green light to the PLO to upgrade its representative office in Jakarta into an embassy. The main reason behind this refusal was the concern of the military about PLO ties to the communists during the 1960s and 1970s. Other military concerns were the spread of terrorist activities conducted by several factions within PLO and the negative impact of the spread of radical Islam on Indonesia's Muslim community.

Moreover, as one senior diplomat argued, the government, especially the military, did not want to be perceived by Western countries, particularly the US, as having close relations with the PLO.<sup>13</sup> In the government's view the opening of a PLO embassy in Jakarta would only endanger Indonesia's relations with the Western world. He further added that Indonesia wanted to get a green light from the US government before permitting the opening of a PLO embassy in Jakarta. Other Indonesian scholars shared this view. This informant also noted that Indonesia's dependency on the foreign aid of the Western world had given Indonesia fewer policy options toward the Middle East.<sup>14</sup>

The Indonesian government's refusal to permit the PLO to open an embassy drew criticism from Indonesian Muslim groups. NU and *Muhammadiyah* argued that this policy was an obvious example of the inconsistent policy of Indonesia to the struggle of the Palestinians. One Islamic activist even argued that Indonesia's decision to permit the PLO to open an embassy was highly dependent on the US policy to the Middle East. 6

Indonesia began to change its policy toward the Palestine issue in the late 1980s. The first indicator of the changes of Indonesia's attitude to the Palestinian issue was signaled by President Soeharto in November 1987 in commemorating the 'International Day of the Struggle of the PLO'. On this occasion, he said that 'Indonesia has always considered the Palestinians a sacred cause' and 'as part of the irreversible global movement against colonial rule and alien domination'. Soeharto further noted that real peace in the Middle East could be achieved only if the Palestinians

had the right of independence and freedom to establish their own state as well as the unconditional withdrawal of Israel from all occupied territories. These principles were also emphasized by the foreign minister, Ali Alatas, in his speech at the 43<sup>rd</sup> session of the UN General Assembly in Geneva on 13 December 1988. There he said that 'Indonesia, within its means and abilities, will continue to provide all possible assistance to the Palestinian people in the legitimate realization of their sacred cause'. 19

In order to show Indonesia's support for the Palestinians, in December 1987 President Soeharto received a courtesy call from Dr Sami Mussalam, assistant to the PLO chairman, Yasser Arafat. This visit was intended to explain the preparations the PLO were making for the proclamation of a Palestinian state in 1988, and to seek Indonesia's support for that proclamation. When Yasser Arafat made this proclamation on 15 November 1988 in Algiers, Indonesia's response was rapid. Indonesia gave its recognition the following day. In an official statement announcing Indonesia's recognition of the new Palestinian state, the Department of Foreign Affairs said that recognition was a clear indication of the longheld support by Indonesia for the struggle of Palestine and also fitted with the preamble of the 1945 Constitution, which aimed at abolishing colonialism and creating a world order based on independence, peace and social justice. In the preamble of the 1945 Constitution, which aimed at abolishing colonialism and creating a world order based on independence, peace and social justice.

The main reason for these changes was the government's perception, particularly in the military/ABRI, that the PLO 'no longer posed a serious threat' to Indonesia.<sup>23</sup> Internationally, the perception of the Western world toward the PLO has also changed due to several series of peace talks between Israel and the PLO. Other scholars have added that these changes were also due to 'the changing domestic political map of Indonesia,'<sup>24</sup> in which Islam was becoming more politically assertive. In this context, the changes of Indonesia's policy toward the PLO were pushed by simultaneous developments in Indonesia's international and domestic environments.

However, some analysts have asserted that the altered Indonesian policy to the PLO was driven more by Soeharto's interest to gain significant support from the Middle East countries for his bid to chair the Non-Aligned Movement.<sup>25</sup> Others have argued that this was also due to the need to gain political support on Indonesia's policy on the issue of East Timor.<sup>26</sup> In this context, the changes in Indonesia's policy toward the PLO

### Indonesia and the Muslim World

can be seen to have been influenced by Soeharto's hidden political agenda. In other words, the Soeharto regime manipulated the foreign policy issue to satisfy its domestic political and international objectives. Considering the changes in domestic politics and in the international arena in the post-Cold War era, Soeharto adjusted his foreign policy in order to maintain his domestic power and expand his international status.

Indonesia's recognition of the Palestinian state drew positive reactions from the Muslim community. Lukman Harun in his capacity as chairman of *Muhammadiyah*, for instance, warmly welcomed this recognition as representing a shift in Indonesia's attitude toward the struggle of the Palestinians.<sup>27</sup> It also cleared the doubts of Middle Eastern countries about Indonesia's commitment on the Palestine issue (and Muslim world more generally) in the previous two decades.<sup>28</sup> The change of Indonesia's policy toward Palestinians was followed by permission being granted to the PLO to open its embassy in Jakarta a year later.<sup>29</sup>

Nonetheless, Indonesia's radical Muslim groups such as KISDI and DDII (*Dewan Dakwah Islamiyah Indonesia*) were still disappointed with the government's policy on the Palestinian issue. They felt that Indonesia's policy still was not yet strong enough in support of the Palestinian people. There was also dissatisfaction in more mainstream Islamic quarters. For instance, Hasan Basri, the chairman of the Council of Indonesian *Ulama*, pointed out that:

Since Indonesia's Muslims have a very long historical relationship with the people of Palestine, we will always support the struggle of Palestinian people to establish its own state and more importantly to liberate the Mosque of Aqsha which is the original *qiblah* (orientation point for prayer) of the Muslim community.<sup>30</sup>

In order to express their solidarity, the Indonesian Muslim communities, particularly under the coordination of *Muhammadiyah*, helped the Palestinians with 'daily need' assistance by donations of money, clothes and even some dry foods.<sup>31</sup> This concrete aid from Indonesia's Muslim community, even though a small amount, not only indicated moral support but more importantly the solidarity of *umma* between the Palestinians and Indonesia's Muslim community.<sup>32</sup>

This support triggered the establishment of more significant and closer transnational ties among Islamic groups in Indonesia and the Pal-

estinians, particularly between the DDII and radical Palestinian groups like Hamas.<sup>33</sup> By now the government welcomed closer ties between Indonesian's Muslims and Palestinians and, in this pre-9/11 environment, it no longer worried much about the possibility of the spread of the Islamic radical and militant movements to Indonesia.<sup>34</sup> The Indonesian military shared this view.<sup>35</sup>

A more significant change in Indonesia's attitude toward the PLO was its granting of permission to the PLO to open an embassy in Jakarta in 1989. This policy was not only based on the current domestic political developments, namely the re-emergence of Islam in Indonesian politics, but also based on the US giving the green light for Soeharto to permit the PLO to set up its embassy. It had taken 15 years for the PLO to get this permission. Although it might be argued that Indonesia's policy toward the PLO was very cautious and perhaps even timid, given the country's heavy economic and political dependence upon the Western world, it is not surprising that Indonesia conducted a very prudent policy toward the PLO. In other words, Indonesia had no option but to base its policy on the strategic interests of the Western world towards the Middle East.

Even though the Muslim community welcomed the government's decision to permit the PLO to open its embassy, the reactions of the Indonesian Muslim community as represented by *Muhammadiyah* and NU to the 15-year delay in taking this decision were quite strong. They argued that this was a clear example of the insensitivity of the Indonesian government to the Palestinian issue. They had asked the government to permit the PLO to open an embassy since 1974.<sup>37</sup> Yet, the government had refused their demand by arguing that Palestine was not yet a sovereign nation-state.<sup>38</sup>

The nature of Indonesia's support for the struggle of the Palestinians for a fully independent homeland basically remained the same even after Yasser Arafat's third visit to Jakarta in September 1993. This was the first time that he was granted the red carpet treatment normally accorded to visiting heads of state. Arafat's first visit to Indonesia had been in July 1984. In this two-day visit, he commented that the struggle of the Palestinian people was not based on religion but on nationalism. He further noted that 'the ultimate goal of the struggle of the Palestinians was to form a democratic nation-state for all the people of Palestine who comprise different religions. His comments, of course, were warmly wel-

comed by the Indonesian government as representing the 'genuine struggle of the Palestinians'. On the other hand, Muslim society in Indonesia perceived Arafat's statements as an effort to abandon the Islamic roots of the Palestinian struggle against Israel.<sup>41</sup> The second visit of Arafat to Jakarta was in September 1992 when he attended the summit of the Non-Aligned Movement.

The third visit of Yasser Arafat to Indonesia, which now chaired the Non-Aligned Movement and was the world's biggest Muslim country, was highly significant for the PLO in its efforts to gain wider international support from Third World countries. This visit (which Secretary of State Moerdiono described as the first visit of Yasser Arafat to Indonesia in his capacity as the president of Palestine) was aimed to brief Indonesia about the background to a series of agreements signed between Palestine and Israel that allowed for mutual recognition and for an autonomous Palestine in the Gaza Strip and on the West Bank.

Indonesia hailed this new peace initiative between Palestine and Israel positively and welcomed these agreements as 'a significant breakthrough that could pave the way for a comprehensive settlement of the Palestinian issue in the Middle East.'44 President Soeharto also reiterated Indonesia's political support for this new development as an effort to form a sovereign state of Palestine and to bring real peace to the Middle East. Indonesia urged Israel to respect this new peace initiative by withdrawing its troops from Jerusalem. Indonesia also stressed that the most important thing after the signing of the DOP (Declaration of Principles) was the consistency of the two parties, particularly Israel, in implementing all aspects of the agreement. In the signing of the specific particularly is a specific particularly in the signing of the agreement.

The reactions of some of Indonesia's Muslim community, including Muhammadiyah and DDII, to this new peace initiative were quite negative. Muhammadiyah in its statement commenting on the agreement noted that this agreement was only a part of US political strategies to prevent the establishment of a free and independent Palestine.<sup>47</sup> They saw the agreement with Israel as a 'sell out' and said that the PLO had acted 'illegally' by signing the deal.<sup>48</sup>

A Muslim group calling itself 'the Indonesian Committee for the Liberation of Palestine' denounced the PLO by saying that its diplomacy no longer served the interests of Muslim Palestinians or the world Muslim community. This group was established by Lukman Harun just after

## Indonesia's Responses to the Middle East Conflict

the establishment of the Palestinian state in December 1988. It comprised Indonesian Muslims who were concerned with the struggle of the Muslim world to liberate Palestinians from Israel by any necessary means. <sup>49</sup> This Muslim group was also one of the radical and militant elements among Indonesian Muslims that did not acknowledge the existence of Israel. This group further commented:

The PLO does not represent the Moslem Palestinians who are loyal in fighting for their legitimate rights. History has shown that the main focus of the PLO struggle is to serve the interests of the organization and that of Arafat.<sup>50</sup>

Another Muslim group, KISDI, said the agreement opened the way for the recognition of Israel by Muslim states. It was thus illegal and should be opposed by all Muslims.<sup>51</sup> KISDI argued that the Palestinian land belonged to the Muslim community and could not be sold to anyone at anytime. Moreover, Jerusalem was the site of the Al-Aqsa Mosque, which was the original *qiblah* of the Muslim people.<sup>52</sup> KISDI also called the agreement 'a big piece of theatre', directed by the US and performed by the PLO and Israel. Other Islamic groups such as the DDII also considered that this agreement was insufficient to comprehensively settle the Palestinian problem.<sup>53</sup> They argued that the agreement contained five points disadvantageous to the Palestinians: it omitted any regulation of Israeli settlement in the Gaza Strip and Jericho; it did not discuss the status of Jerusalem; it did not discuss the fate of the two million Palestinian refugees; it fixed no time limits for its revision; and it separated the two autonomous Palestinian areas by an Israeli area.<sup>54</sup>

Even though some of Indonesia's Muslim community criticised the agreement and regretted the government's position on the peace initiative, Abdurahman Wahid, the chairman of NU backed Indonesia's position toward the PLO. He argued that this agreement was the significant initial step toward a comprehensive settlement of the Palestinian issue. It was appropriate for Indonesia to welcome and support the agreement as an effort to end the conflict between Palestine and Israel and to create a new regional order in the Middle East. Abdurrahman, as the next section of this chapter shows, argued that peace in the Middle East could be achieved only by recognizing the existence of Israel.

### Indonesia and the Muslim World

The different perceptions of Indonesia's Muslims over the Palestinian issue showed that there was a significant split within the Muslim community. *Muhammadiyah* and radical Muslim groups perceived that the Palestinian issue was related to Islamic sentiments whereas the moderate group represented by NU (like the Indonesian government) saw the Palestinian issue only as a political issue.

However, despite criticism from some elements of Indonesia's Muslim community, Indonesia stuck to its firm stand. As one senior diplomat in charge of Middle East affairs explained, the critics did not significantly influence foreign policy toward the PLO, and showed that they misunderstood the essence of the Palestinian problem. He further argued that this was due to Hamas propaganda that the Palestinian problem was a 'war of religion and faith', a message passed to Indonesia via Hamas' relations with some elements of the Indonesian Muslim community. He further argued that Hamas had manipulated the Palestinian problem in order to achieve 'the Islamization of Palestinian-Israeli conflict'. However, the Indonesian government maintained its firm position on the Palestinian issue by excluding Islamic sentiments.

The continued support of Indonesia for the PLO was reiterated by President Soeharto when, for the first time, he visited Jordan in November 1996. His visit to the Middle East was perceived by some political analysts as an effort to show his growing concern for international issues pertinent to the Middle Eastern affairs and Islamic sentiments. He stated in his meeting with King Hussein that the peace accord between the PLO and Israel was a significant step towards building new regional order in the Middle East; Indonesia would consistently support the Palestinians in their efforts to establish an independent state with *Al-Quds* (Jerusalem) as its capital.

Indonesia then donated US\$2 million to assist the Palestinian authority to overcome its financial crisis. The donation was presented by the foreign minister, Ali Alatas, on behalf of President Soeharto to the Palestinian president, Yasser Arafat, at the OIC summit in Teheran on 9 December 1996. This donation was part of the US\$5 million pledge that Indonesia made to the Palestinian people during the 2<sup>nd</sup> International Conference on Economic Aid for Palestine in Paris on 9 January 1996.<sup>63</sup> This financial assistance was the most meaningful aid that Indonesia had given to the Palestinians since the 1940s. The reaction from the Indone-

sian Muslim community to this financial aid was very positive. Lukman Harun viewed this aid as an initial step to strengthen the struggle of the Palestinians against Israel.<sup>64</sup>

Despite the above changes in Indonesia's policy toward the PLO, Indonesia's policy was still cautious and tended to wait for the responses of the Western world toward the region before formulating and implementing its own policy. The above discussion shows that, even though Indonesia always maintained the argument that its policy on the Palestinian issue was simply to implement the *Bebas-Aktif* principle, in reality Indonesia's policy was far from free or independent and active.

The prudent policy of Indonesia towards the Palestine issue reflected the fact that politically, Indonesia was very dependent on Western world policy, particularly the US. Economically, Indonesia relied heavily on Western aid and investments. In other words, Indonesia's policy to the Palestinian issue was based on pragmatism. The lack of a proactive policy towards the PLO limited Indonesia's bargaining power in dealing with most crucial issues and problems with Middle East countries vis-à-vis Israel and the Western world.

On the other hand, even though Indonesian Muslim groups (particularly radical groups) reacted strongly to the Palestinian issue, there were different interpretations within them on the issue. They also had different responses to the government policy here and, more importantly, they did not have more effective ways of channelling their views in order to influence policy making.

## Indonesia and Israel: Domestic resistance to Indonesia's foreign relations in the Middle East

In Indonesia's foreign policy towards the Middle East, the Palestine issue and the debate over Israel's attempts to establish diplomatic relations with Indonesia are significant related issues. As one senior diplomat in charge of African and Middle Eastern affairs remarked, Indonesia would not open diplomatic relationships with Israel as long as there was no comprehensive political solution of the Palestinian problem.<sup>65</sup>

The controversy over the issue of diplomatic ties with Israel arose publicly when Indonesia expressed its displeasure and regret over the visit to Singapore by Israeli President Chaim Herzog in 1986.66 Indonesia's

Popular hostility and official ambivalence in Indonesia to the United States-led 'War on Terror' seem easily understandable in in the world's largest Muslim country. But this kind of analysis misses the complexity of Indonesia and the host of internal differences behind this opposition. Military and bureaucratic elites since independence have worked to create a more secular nationalist Indonesian identity out of a multi-ethnic/religious mix, often provoking religious opposition. This dynamic (found also in Turkey, for instance) has especially shaped Indonesia's encounter with and view of the outside world – and not least its reaction to events affecting the Muslim world.

In this short study, the author explores Islam as a domestic political variable in Indonesia's foreign policy since independence. Here, Anak Agung Banyu Perwita argues that increasingly Indonesia's foreign policy toward the Muslim world has become based on domestic political struggles. In support of his argument, the author mainly draws on material from the period when President Soeharto's New Order regime ruled Indonesia but brings in more recent material from the post-Soeharto era to demonstate how Indonesian foreign policy is still shaped by the same forces today.

Containing a wealth of information on the role of Islam in Indonesia's foreign policy, this book is essential reading for anyone seeking to understand how the world's largest Muslim country is reacting to the international challenges of the modern world.

Anak Agung Banyu Perwita is senior lecturer at the Department of International Relations, Parahyangan Catholic University, in Bandung, Indonesia, and currently is Vice Rector for Relations and Cooperation at the same university.



