

"UNDERSTANDING A DEVELOPING NATION: AN INTERIOR VIEW"

REMARKS

by

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Understanding another person is not an easy matter.

I suppose most of us know how difficult it is even to understand one's wife or one's husband. It may take a lifetime and even then one is not entirely sure. To understand one's own nation is a never-ending task, especially if that nation is in the throes of transition. I would imagine that many of you have become aware of this in relation to your own country. How then is one to understand another nation with another culture and another language, when the dominating feature of that nation is change, fundamental social and cultural change. Still, we have to make the effort if we are to do justice to the theme of this conference.

As this morning's session is devoted to the Southeast Asian region, and especially as I am the first of a series of speakers, it might be best for me to share with you some observations and reflections on some of the problems that beset the transitional societies in the Southeast Asian region in an attempt to lay the groundwork for our discussions this morning. Being an Indonesian, I can, of course, only speak from the Indonesian experience, although I would image that some of the generalizations I will present to you are relevant to an understanding of the problems that exist in the area as a whole.

The contours of the problems common to this region are undoubtedly well known to you. Its poverty, the sluggishness of its economic growth, its political instability, the threats to its security. We are also familiar with the problems arising out of its growing population pressure on resources, the shortage of developmental skills, the existence of unintegrated minorities, the weakness of political institutions. It is of course possible to measure the progress that is being made in terms of overall growth rates, in terms of the supply of energy or the number of schools, or in terms of the increase in agricultural production or exports. However, we should not forget that these are only the external contours of the problem. They do not say anything about the will and determination of a people to develop and to modernize. The real dynamics of economic development, and for that matter of the whole process of development, economic and social as well as political is not reflected in these figures and neither economics nor political science have so far been able to throw much light on this basic element.

We should therefore not identify the external, quantifiable indices with which we usually measure development, ^{with} ~~for~~ the development process itself. When we speak about development we actually speak about goals, we speak about values, we speak about motivation.

We are concerned with the unspoken purposes of a society, with the deepest motivations for social action, which in our traditional cultures are embedded in their religio-cultural matrix. When we speak of the wider purposes of society, we are really speaking of the ultimate questions regarding man, society, and the significance of life in relation to the divine. We cannot avoid speaking of the symbols, the images, the myths, and in a modern sense the ideology, i. e., the emotive elements that go into the creation of a new structures of meaning, which are essential in providing a new sense of direction for social action, for the actions of a society. For when we speak of development, we are really speaking about the modernization of the soul.

The problem then really is how to link the requirements for economic development in terms of values and attitudes to the deeper cultural motivations of the nation as a whole.

The difficulty is that the developmental process itself is not a self-justifying proposition. The possibility of raising living standards and attaining greater material wealth may, in many cultures, not be sufficient enticement to make mobilization of the motivational forces in the traditional sectors of society very effective. In order to

be sufficiently persuasive, it is necessary to relate the purposes of the development process to other worthwhile purposes of human endeavor and of society. The problem is that, in the period of transition when old value systems are breaking down and new ones are not yet sufficiently crystallized, no such wider structure of meaning presents itself. The progressive breakdown of traditional social structures, with their established customs, and the difficulty of relating to emerging new ones have left many in our traditional societies with great uncertainty and anxiety, leading in some cases to a genuine crisis of identity. The problem is compounded by the fact that the modern world - rent as it is by schisms and itself in obvious crisis - into which these transitional societies are moving, does not present a particularly attractive model of any obvious superiority to the traditional purposes of life and society. In fact we see that, even where the notion of economic development is accepted as a worthwhile objective, there is often a simultaneous rejection of what is felt to be the crass materialism and secularism of modern civilization.

The point of this analysis is to show the all-encompassing nature of the process of modernization and the depth of the cultural and social crisis that inevitably accompany this process. This in turn might help to explain the great difficulties the cultures in Southeast Asia - some

of them quite old and explicit - are having in relating to the new goals of economics and social development, as well as the sluggishness of that process. This analysis should also make clear that these cultural and social changes force the political system continuously to readjust, if it is to maintain itself. Where the political system fails to make this readjustment, its convulsive breakdown and replacement by another system becomes inevitable. Political change, and hence a degree of political instability, then should be seen as an inherent part of the modernization process itself.

There is another set of problems that fuse into the problems of modernization. These problems stem from the colonial period. In the first place, a number of the Southeast Asian countries have a long history of internecine strife. The history of their border disputes continues up to the present day and is compounded by the often quite arbitrary ways in which boundaries were set by the colonizing power, sometimes butting across populations of the same ethnic origin.

Moreover in various countries there is a long history of domination of one ethnic group over the other, further complicated by the fact that the colonizing power often used one ethnic group preferentially to the disadvantage of others. On the whole, colonial rule tended to freeze colonial societies, thus depriving them of the opportunity to work out the constant realignment of political and social forces which a free development entails.

The process of decolonization now has taken the lid off these many-faceted tensions. On top of all this, after the attainment of independence, many Southeast Asian nation states have to contend with problems of serious political discontent in one form or another. This is sometimes because of long periods of neglect of outlying areas, brought about by the concentration of political attention to the capital city as a result of the prevailing structure of power. Sometimes it is the result of plain managerial incapacity. Often also it is simply because the economy has not developed rapidly enough to accommodate population pressures and rising expectations. These new tensions, then, have often become heavily intertwined with older traditional conflicts and hostility. Together with the problems that emanate from the modernization process itself, all this seems to make the prospect of early consolidation and rehabilitation rather a dim one.

It is against the magnitude of these problems and difficulties that we can only fully realize the tremendous importance of the nationalism that exists in this area. For it is the only force of sufficient creative and integrative power to bring off the nation building and economic development on the basis of which alone the solution of these problems becomes possible.

Nationalism may well be the strongest political force in Southeast Asia today. It certainly is in Indonesia. It is rooted in the need

for self-definition in the face of the colonial power and, after independence, in relation to the power of an alien and sometimes ununderstanding world. It represents that nation's new self-assertion, its quest for dignity and pride.

A nation's commitment to being itself, and to defining that self in relation to its own history, its new aspirations and hopes for the future, is a fundamental precondition for its ability to determine its place in the world and to set itself to any major undertaking. In most nations in Asia and Africa it was the colonial experience that provided the bond and the common framework within which a sense of nationhood grew up, transcending the loyalties of earlier days to a variety of rival kingdoms or tribes. It was in common hostility to the colonial ruler that a sense of common identity was first born. This was then further shaped by the modern concept of the nation state.

Nationalism has shown to have great cohesive force and to be the most important motivational factor in the effort at nation building as well as economic development. It is also the source of the strength that is required to provide for the security of the nation as well as of the area as a whole. It is nationalism, providing the driving force towards nation building and economic development, that constitutes the most reliable foundation for security, national as well as regional, and not

the presence of external military land forces. It is this force which is potentially the West's greatest ally. It is this force that will have to constitute the foundation for any creative, mutually satisfactory and stable relationship with the West, and particularly with the United States. It should be understood, however, that nationalism insists on the equality of that relationship and the maintenance of national independence as a basic condition. Nationalism, therefore, is the motivating force behind the attempt of many developing nations to break out of the lop-sided colonial pattern of economic development which made the colony a mere producer of primary agricultural goods and raw materials for the industries of the metropolitan power, by pursuing a more diversified and integrated economic development. Such a development would also reduce and eventually eliminate the painful inequalities that still mark the economic relationship with and dependency from the developed nations.

At the same time, the brief history of post-colonial nationalism has also shown the weaker and sometimes even pathological sides of nationalism, its deep suspicions, its potential xenophobia, its inclination to utopian projections, its egocentricity and the distortions in its view of the outside world to which its excessive forms are prone. It is in this connection important to point to the political emergence of a new generation in a number of the new nations that attained their independence shortly after World War II. This post-revolutionary generation is much freer from

the traumatic experiences of the colonial past. Their minds and their souls are less scarred by the colonial pain. They are on the whole less ideologically inclined, more pragmatic, more interested in doing a job and doing it well, more unambiguously development-oriented, albeit no less nationalistic. It is the emergence of this post-revolutionary generation in the political arena in Indonesia which underlies the political change that we have witnessed in the past three years and it is because of their political strength that we can view the direction of developments of the new Indonesia as stable. It is this generation which is in large measure responsible for the rationality of Indonesia's present course, for the formulation and support of the painful stabilization policies, the acceptance of the positive role private foreign investment should play and for the general attitude of openness to the outside world. It is they, who have insisted, and are insisting, on the restoration of constitutional government, on the return to the rule of law and freedom of the press. The commitment of the present political leadership in Indonesia to economic development and constitutional government provides the basic condition for the continued support and construction^{ve}, though often critical, participation of the post-revolutionary generation.

It is quite obvious, I think, to all the nations in the Southeast Asian region that economic development in the final analysis rests on the people themselves. Economic development will only become

possible with the fullest mobilization of resources that are available to a developing nation. It requires the reorganization of that nation for development purposes and, related to this, it requires the development of a political system that will make this possible, that will release new energies and that can harness the desire for change and the will to develop that is extant among the people.

The role of foreign assistance in the development effort, however small in relation to the magnitude of the national effort that is required, however, is crucial. It is important not only in terms of the transfer of capital or skills that are either non-existent or in short supply, thereby speeding up the development process, but also as a vehicle for the transfer of developmental values and the ethos of work and progress that is necessary to make economic growth a self-sustaining process. But even more important, because it would alleviate the burden to be carried by the indigenous population, and therefore would reduce the need for coercion in the mobilization for development, foreign assistance in the economic development of the new nations will help determine in maybe a crucial fashion what kind of societies will eventually emerge in the Southeast Asian area. Will it be open or closed societies, increasingly free or increasingly repressive, friendly or hostile to the West? It will be an important factor in determining whether nationalism in Southeast Asia will turn its aggressive, xenophobic face towards the

world, or its constructive and cooperative aspect.

Foreign economic assistance also is bound to have a bearing on the security of these nations and of the region as a whole. The only hope for a relatively stable balance of forces on the Western Pacific depends in large measure on the capacity of the Southeast Asian nations to fill the power vacuum left in the wake of the decolonization process by their capacity to stabilize their societies at a higher economic level and a related capacity to defend themselves against internal subversion. International economic cooperation at this juncture, including continued foreign aid, offers the best hope for all of us to avoid a second Vietnam and to contribute significantly to the security of the area. It is in this light that we should view the growing trend towards regional cooperation. The emergence of the Association of Southeast Asian Nations testifies to the refusal of its member countries to accept the notion that the future of Southeast Asia is going to be determined solely by the outcome of the Vietnam war. The association is an expression of the determination of the political will of these nations to shape their own future and to guard their own security.

To return to our point of departure, it is obvious therefore that in order to build a basis for mutually profitable economic cooperation that is lasting as well as stable, it becomes important to have a proper

understanding of the problems that the new nations in the Southeast Asian region face. As I have said before, these problems are partly inherited from the colonial period, partly arise out of the need to forge a political and economic system that will make possible rapid economic development, the integration of minorities and the increasing political participation of new groups in society, and partly arise out of the modernization and development process itself. Aside from an understanding of these problems it will for our understanding also be necessary to relate to the aspirations that motivate these nations and that constitute the basic source for social change. The unsatisfactory state of the world into which the new nations have recently emerged makes it inevitable that the nationalism that has impelled them into nationhood is also moved by a yearning for a world order that has a greater capacity for the maintenance of a just international peace, as well as the capacity effectively to pursue the goal of international social justice. But beyond this it is important to realize that the will to develop, the desire to modernize at the same time forces these new nations to face up to questions that relate to the ultimate purposes beyond the immediate material improvement of living conditions they want for themselves and for which they want to restructure their societies. The fact that the developed nations themselves are facing similar questions which force them to re-examine the unspoken assumptions and goals that underlie their own societies and to re-determine and rearrange the values

and purposes that would give meaning to life beyond affluence, does not make the problem the new nations face any easier. At the same time, the absence of fixed answers to these questions at this stage of man's history, both within the context of underdeveloped countries as well as in the context of the developed nations, makes the search for the ultimate meaning of social and historical life much more a common one, one that with varying modalities, is shared by all of mankind.

From this perspective, a quest for cooperation, for prosperity and for peace, has to evolve at a number of different levels, at the level of international economic as well as political relations, but also at the intellectual, moral and spiritual level. In the field of trade this means that our mutual interest lies not merely in increasing trade, but also in finding ways to make trade a more useful tool for the economic development of the underdeveloped nations. The problems as well as the desiderata of these nations in this connection have been enumerated in the Charter of Algiers which was presented at the second UNCTAD meeting in New Delhi recently. I will not dwell on them here. This also means the need for technical assistance in order to improve the trading skills of some of the countries in Southeast Asia, the need to develop new forms of partnership which will accelerate the time when trading partnerships can really become equal.

In the field of investment this means not only investment in the extractive industries, but deliberate efforts in developing the productive capabilities of these nations in general, as part of their overall effort to break out from the strait jacket of the unnatural pattern of economic development which was inherited from the colonial era. It means searching for new forms of cooperative endeavor which will mean a break with the unequal relationships in the past and a closer integration of foreign investment into the purposes and patterns of national development. The creative role private ^{foreign} businesses could play in this respect without denying their essential nature as profit-making organizations, in speeding up not only the process of economic development, but also of social development in these countries, and even further than that in fostering and accelerating regional development and regional economic cooperation should not be under-estimated.

Trade and private foreign investment in this way could accelerate the development of an indigenous commercial and entrepreneurial middle class as well as the creation of a general climate in which such a middle class could thrive.

Without foreign aid at adequate levels, however, private foreign investment could not play the creative role envisaged here. In a

number of our countries private ^{foreign} investment could only operate profitably and socially effectively after sufficient development of the infrastructure has taken place and for this in some of our countries foreign aid is needed. American business therefore, it seems to me, too has a stake in the continuation of United States aid at adequate levels. To think that private foreign investment could take over the function of foreign aid is an illusion. Here, of course, a search towards greater productivity of foreign aid, possibly a greater selectivity in application, might be useful in order to overcome some of the misgivings that have arisen in regard to the usefulness of foreign aid to underdeveloped countries.

One other aspect should be mentioned here. One of the side effects of the Vietnam war has been an outflow of about 1.8 billion dollars in 1967 from the United States to East Asia for expenditures that were related to the Vietnam war. Many of the countries in this area have benefitted considerably from this transfer of resources. I think that Indonesia is the only country which did not derive any benefits from this. It would be a sad commentary indeed on the quality of the present international order if peace in Vietnam, for which we are all hoping, would also come to mean the cessation of a transfer of resources of this order of magnitude, which would give rise to a serious depression in this general area. It would seem to me that economic cooperation of a stable and mutually beneficial nature would require the development of a capacity for the continuation of the transfer of such resources without war.

In the political field, an understanding of the developing nations on which economic cooperation could be based would require an awareness of the necessity as well as the inevitability of social and political change and a degree of instability resulting from it. A measure of political instability, therefore, should not be seen as a condition to be removed before economic development could be started, but rather as the end result of economic development started under conditions of relative political instability. To be sure, certain elementary pre-conditions as for instance a commitment to economic development on the part of the political elite, within as well as outside the government of the day, and an openness towards private economic enterprise are required, but beyond this, the insistence on political stability as a prior condition for economic development and for international support of economic development is both unrealistic and self-defeating.

As much of the political instability is a function of necessary social and political change, and as within the present balance of world powers open external communist aggression ^{in this area} is only a very remote possibility, it becomes important to our capacity to understand what is happening in a developing nation, that we see the events that take place there not in the increasingly obsolete terms of ^{communism} ~~pre-~~ and anti-communism, or even socialism, but that we develop a new conceptual framework which will allow us to understand the problems these countries face and the

developments that they go through as inherent in their condition of underdevelopedness and in their search for political and social institutions that can effectively cope with the problems of poverty and backwardness. It is clear then that the kind of relationship, the kind of economic cooperation we are discussing today between Southeast Asia and the United States requires a great deal of knowledge and an understanding of considerable depth.

Without a major intellectual effort and ~~some~~^{some} conceptual adjustments on both sides, not only involving intellectuals, statesmen and politicians, but businessmen as well, the question we face would inevitably be reduced to more of the same or less of the same. Part of this effort would also have to take into account and place in proper perspective the way in which our question relates to the re-examination of basic values and purposes of American society and the re-ordering of its national priorities through which the United States is going at this juncture of its history. In this search for mutual understanding of each other a greater capacity for empathy into each other's situations might help in promoting a dialogue which would help each of the partners in that dialogue through the process of cross-illumination to understand himself and his own situation better and thereby increase his capacity to find the right solution.

In sum, to develop the kind of economic cooperation for prosperity and peace, which is the theme of this conference, requires more than action based on a calculation of profit maximization. We are really involved here in the wider search between two transitional societies for a type of relationship that also makes sense in the context of the meaning or meanings of the processes of change within their own societies. As such, this search is part of the general search of man all over the world for an ordering of the relationship between nations and peoples, rich as well as poor, strong as well as weak, that is more satisfactory, more mutually rewarding and more in line with the yearning for peace and international social justice than the world has seen so far.

Thank you.
