Canada and Indonesia
Perturbed Engagement

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The Queen's Centre for International Relations (QCIR) is pleased to present the sixty-third in its *Occasional Paper* series. The *Occasional Papers* are intended to reach the policy-community and the broader public with short analyses of contemporary trends and issues in international security and in Canadian foreign and defence policy.

A regular contributor to this series, Louis Delvoie here brings the experience of a diplomat and the tools of an historian to hear on an important but often under-appreciated bilateral relationship ð that of Canada and Indonesia. As he has done with previous papers on Canada's relations with Turkey and India, he underlines the importance of bilateral links, þrst as the channels through which much of the hard, practical work of Canadian foreign policy is done, and second as the essential groundwork for the more glamorous multilateralism for which Canadians often claim a special propensity.

As the fourth most-populous country in the world and the largest Muslim state, rich in resources and prone to internal turbulence, Indonesia matters. Delvoie's survey of its relations with Canada since independence in 1949 shows, however, that Ottawa's awareness of its importance has been sporadic and variable. The bilateral diplomacy of trade, investment and immigration has evolved slowly, and at a lower level of intensity than might have been warranted by Indonesia's weight as a regional and global actor**.** This pattern has been punctuated by occasional moments of high drama and strategic instability ð the war of independence, the confrontation with Malaysia in the 1960s, the coup which brought Suharto to power in 1965, the economic crisis of 1997 which saw him out, and the eruptions over East Timor in 1975, 1991 and 1999. Delvoie's sketch shows Canadian diplomacy playing a quiet and usually creditable role at all these historical junctures. Only in the last decade, however, does he see Canada beginning to give relations with Indonesia the prominence they deserve.

The QCIR was founded in 1975 to further research and teaching in international relations and security studies. It specializes in research on

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Multiculturalism has long been viewed as a hallmark, if not the foundation stone, of Canadian foreign policy. And with good reason. Canada has been an inveterate ò joinerô in the multilateral system. As a middle power in a world long dominated by great powers, Canada has found that in

the other, they are the building blocks of the coalition or alignments which Canada seeks to forge or join in the pursuit of its foreign policy objectives in multilateral arenas. For students of Canadian foreign policy, they are deserving of greater and more sustained interest.

This is true of Canada's bilateral relationship with Indonesia, among many others. With a population of some 230 million, Indonesia is the world's fourth most populous country after China, India and the United States. With vast pools of natural resources and human talent it is of signiþcant economic interest. Both during and after the Cold War, Indonesia has been a notable actor in the political and security affairs of the Southeast Asian region, and its continued national unity is essential to regional stability. And since the terrorist attacks on New York and Washington in September 2001, Indonesia has attracted ever more international attention as the world's largest Muslim country and as the scene of some spectacular terrorist actions. Indonesia is thus a country of some real importance with which Canada has slowly but surely developed a productive and constructive relationship over a period of nearly sixty years. The process has certainly not been devoid of pitfalls and downturns, but the outcomes in today's world are ones which the Canadian government can view with some degree of satisfaction.

The Early Years

Canada's þrst substantive involvement in Indonesian affairs occurred in 1949. The Indonesian struggle for independence against Dutch colonial rule had by then been going on for four years. It was a struggle characterized by bouts of military confrontation interrupted by periodic and precarious truces. The United Nations Security Council had been seized of the question for some time but had been unable to resolve it. Various plans had been put forward but none had been met with approval by the parties to the conÿict or by the membership of the Council. The deadlock was þnally broken by General Andrew McNaughton, then serving as head of the Canadian delegation to the United Nations and as president of the Security Council. McNaughton introduced a resolution which mapped out a peace plan acceptable to the parties and to most of the members of the Council. Despite a Soviet veto, the plan was accepted and implemented and led to peace and independence in Indonesia in December 1949.[2] (The importance of impl ḏ ξ h

was very publicly recognized in 2004 when the Indonesian government conferred on him posthumously the nation's highest civilian award.)

Although Canada was among the first countries to recognize the newly independent Republic of Indonesia, it was not until 1954 that the Canadian government decided to establish an embassy in Djakarta. This decision was based not on any particular interest in the geo-politics of Indonesia or of the Southeast Asian region. Rather the new embassy was viewed principally as a vehicle for the promotion of trade, as the official history of the Department of External Affairs makes clear.

viewed as the embodiment of the latter two phenomena and throughout most of Sukarno's presidency Indonesia's relations with Western countries, including Canada, were at best cool.

The final years of Sukarno's term in office saw a severe downturn in Canada's relations with Indonesia. In 1963, the creation of the Malaysian federation was met by strong objections from the Indonesian government. For the next two years the two countries were engaged in a direct politico-military confrontation. In this dispute Canada sided squarely with Malaysia. Canada's position was based not only on what it saw as the merits of the case, but also on the fact that Malaysia was a fellow member of the Commonwealth. As the conflict unfolded, Canada offered Malaysia a small programme ($4 million) of military assistance, including the supply of transport aircraft, motorcycles and military training. Despite this, the Canadian government did try to preserve its relationship with Indonesia by maintaining its food aid programme. It nevertheless found it necessary in 1965 to suspend an agreed sale to Indonesia of 12 Otter aircraft lest they be used in operations against Malaysia.[5] This had the effect of bringing the bilateral relationship to a new low.

The New Order

This phase in the relationship came to an abrupt end as a result of dramatic political events in Indonesia. In 1965 President Sukarno was overthrown in the midst of much bloodshed and his regime was eventually replaced by that of General Suharto at the head of what came to be known as the 'New Order' government. The new government promptly brought the confrontation with Malaysia to an end and embarked on a course of action which attached the highest priority to economic development as opposed to political grand standing. Indonesia began to very deliberately cultivate relations with Western countries to which it looked for economic and technical assistance, as well as investment. While always remaining highly sensitive to external interference in its internal affairs and to foreign criticism of its domestic policies, the New Order government became solidly aligned with the Western world at a time of considerable regional instability produced in good part by the onset of the cultural revolution in China and by the escalation of the war in Vietnam.[6]

Western countries not only welcomed the pro-Western stance of the new Indonesian government, but also the constructive role which it was

prepared to play in regional affairs. Having terminated the politico-military confrontation with Malaysia, it embarked on the deliberate cultivation of productive relations with that country, including close defence cooperation. It subsequently joined the governments of Malaysia, the Philippines, Singapore and Thailand in the creation of the Association of Southeast Asian Nations (ASEAN), heralding a new era of regional political and economic cooperation.

Under these circumstances, it is perhaps not astonishing that Indonesia attracted the attention of the new Canadian government headed by Prime! w ᵐh e A A ƙ Æ w = A ɔ p· snd ̈Ą
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> to a select number of countries of concentration. The purpose is generally to strengthen long-term relationships with these countries because of their relevance to our long-term domestic development objectives. But the importance of the countries in question would also devolve from their relevance to our overall objectives and interests.[13]

The list of countries identiþed by the minister for concerted action and attention naturally included Canadaâs traditional major partners such as the United States, the United Kingdom, Germany, France and Japan. The list also included a small number of oil producing, newly industrializing countries: Mexico, Venezuela, Indonesia, Algeria and Nigeria. These latter were described by the minister as having òemerged as new centres of strength and inÿuence. They are now where a lot of the action is in matters of commerce and economic development.ó[14]

In the case of Indonesia, the policy of bilateralism translated itself in a variety of ways. In the þeld of development assistance, it saw CIDAâs range of activities broaden and the value of its annual disbursements of bilateral aid increase from $12 million to $55 million over the decade of the 1980s. Indeed, disbursements to Indonesia for the þrst time came to exceed those to India and Pakistan. The Canadian government also expanded its efforts to promote trade with and investment in Indonesia. Many of these efforts were eminently successful, but in some instances the Canadian government encountered serious obstacles placed in its way by the Indonesian authorities. In his discussion of the phenomenon of òcountertradeó in the early 1980s, Professor Andrew Cooper cites one particularly notable example of these obstacles:

> A prime example of this type of experience was the giant Bukit Asam mine project on South Sumatra Island. é In the Indonesian case both Canadaâs Export Development Corporation and the Canadian International Development Agency had put together a $180 million parallel þnancing package to help win the Canadian þrms contracts relating to the mine project, a package that was placed in limbo by the Indonesian countertrade demands.[15]

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on some of the seamier sides of the Indonesian regime. Thus Professor Kim Nossal writes:

> There had been virtual silence in Canada on the human rights record of the government of General Suharto in Indonesia in the mid- and late 1970ís, even though Amnesty International and the United States Congress had cited Djakarta as one of the most persistent violators, and even though Indonesia was engaged in an alleged campaign of repression in East Timor, which it had invaded in December 1975. When it was announced, however, that Prime Minister Pierre Trudeau was to visit Indonesia in January 1983, a great deal of public criticism of both the Indonesian record and the Canadian policy suddenly erupted.[16]

Despite these problems the new Canadian government of Prime Minister Brian Mulroney, elected in 1984, persisted in efforts to expand Canadaís engagement with Indonesia in the realms of aid, trade and investment. Indeed, it added a new dimension to the relationship with a modest initiative in the security domain. In the late 1980s, CIDA joined forces with the Indonesian Foreign Ministry in sponsoring the creation and operations of what came to be known as the South China Sea Informal Working Group. Consisting of scholars, consultants and experts drawn from a variety of disciplines, the Working Group met annually to try to devise practical approaches to the international disputes surrounding the islands in the South China Sea, especially the Spratly Islands. The Group deliberately avoided tackling issues of legal jurisdiction and focussed on the development of conþdence building measures and other forms of cooperation. For Canada, the sponsorship and funding of the exercise represented an opportunity to pursue two policy objectives. On the one hand, it had a general interest in the avoidance of tensions and hostilities in Southeast Asia. On the other, it was able to help cement relations with Indonesia by responding positively to a request for assistance from the Indonesian government, which viewed Canada as a well suited partner because of its lack of colonial history or big power ambitions in the region.[17]

New Downturns

Like the Trudeau government before it, the Mulroney government was to þnd that sustaining constructive relations with Indonesia was anything

but clear sailing. In November 1991, the Indonesian security forces were ordered to put down disturbances in East Timor. In the course of their

which it launched to this end were a series of so-called òTeam Canadaó missions to Asia. These missions led by the Prime Minister included most of the provincial premiers, federal cabinet ministers and hundreds of business leaders. Whatever other results these missions may have had, they certainly had the effect of raising the proþle of Asia as an area of economic opportunity in the Canadian business community and among the public at large. Prime Minister Chretien decided to build on this enhanced interest by declaring that the year 1997 would be the year of Asia-Paciþc for the Canadian government. From coast to coast the government marked the occasion by sponsoring conferences, seminars and cultural displays on Asian themes and on Canadaís interests in Asia. All of this activity was to culminate in the holding of a summit meeting of the Asia Paciþc Economic Cooperation (APEC) organization in Vancouver in November 1997.

The APEC summit was duly held but for the Canadian media and

city and county authorities responsibility for health, education, agriculture and industry. Civil society began to show signs of life with a signiþcant

metals, and vehicles and equipment. Canadian imports include textile products, machinery, mechanical and electrical products and plastics and rubber products. As for Canadian direct investment in Indonesia, it now stands at just over $2 billion, making Indonesia Canadaís 19th most important foreign investment destination. While much of this investment is concentrated in the resources extraction and exploitation sector, it also extends to the manufacturing sector. Thus in the summer of 2008, the Bata Shoe Company, which has had a presence in Indonesia for decades, opened up a new state-of-the-art factory in West Java, a factory which will employ 300 Indonesian workers.[27]

The Canadian government has also taken some modest, but not insigniþcant, steps to broaden the bilateral relationship beyond the spheres of aid, trade and investment. Thus in late 2003 the Department of Foreign Affairs sponsored and organized a highly imaginative conference in Montreal entitled òCanada and Islam in Asiaó. Bringing together scholars, journalists and ofþcials from Canada and from most of the Muslim countries of South and Southeast Asia, the conferenceís success was due in no small measure to the long standing relationship between the Islamic University of Indonesia and the Centre for Islamic Studies at McGill University. More recently the Canadian embassy in Djakarta has become actively involved in promoting dialogue to advance the cause of human rights in Indonesia. Working closely with local governmental and non-governmental organizations, the embassy has sponsored and participated in a long series of conferences and seminars for lawyers, parliamentarians and government ofþcials. Among the topics covered in these gatherings was the Rome Statute of the International Criminal Court which the Indonesian government is preparing to ratify. In 2008, the Canadian embassy also joined forces with the Norwegian embassy in sponsoring a series of seven workshops on international human rights law for members of the Indonesian armed forces. These workshops held across the country yet again demonstrated the Canadian governmentís commitment to support the Indonesian government in the implementation of its National Plan of Action for Human Rights.[28] And they no doubt served to raise the Canadian proþle in Indonesian government circles and to enhance Canadaís position on the Indonesian scene.

Over the last ten years, Indonesia`s international standing has risen, as its democratic and economic credentials have solidiþed. It is now being actively courted by countries as diverse as the United States, Japan, China and India. The results of its parliamentary and presidential

Notes

1. The standard text on the multilateralist tradition in Canadian foreign policy is Tom Keating, *Canada and World Order* (Don Mills, Ont.: Oxford University Press, 2002) Second edition. For an interesting and lively debate on the topic see Graham Walker (ed.), *Independence in an Age of Empire: Assessing Unilateralism and Multilateralism* (Halifax: Centre for Foreign Policy Studies, Dalhousie University, 2004).

2. The role played by McNaughton and the Canadian delegation are discussed in Alastair Taylor, *Indonesian Independence and the United Nations* (London: Stevens and Sons, 1960) pp. 203-205 and pp. 262-263.

3. John Hilliker and Donald Barry, *Canada's Department of External Affairs* (Montre ng O
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Louis Delvoie was educated at Loyola College, the University of Toronto, McGill University and the National Defence College of Canada. He joined the Canadian Foreign Service in 1965. Between 1965 and 1980 he worked in Lebanon, Egypt, Turkey, Algeria, Belgium and Yugoslavia, as well as in Ottawa. He subsequently served abroad as Ambassador to Algeria, Deputy High Commissioner to the United Kingdom and High