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ABSTRAK


ABSTRACT

Relations between Indonesia and Australia before 1983 were not very cordial due to a number of factors. Soeharto, who was the President of Indonesia at that time, however felt that for Indonesia’s own national interests and for regional considerations, a healthier climate of relations between the two neighbours was vital and should be developed. President Soeharto therefore initiated a policy of Engagement Strategy with Australia from 1983 to 1996 which eventually ushered in a period of highly strengthened relations between the two countries between 1992-1996. The problem statement of the thesis is what were the considerations that prompted President Soeharto to launch the policy of Engagement Strategy with Australia, what were its underlying elements and why was it highly successful. The main objective of this study therefore is to examine the key elements and the underlying dynamics of the Engagement Strategy initiated by Indonesia’s President Soeharto with the Australian government from 1983-1996 and its achievements which led to heightened cooperation between the two countries. This research employs the qualitative method using the historical approach relying strongly on documents issued by the governments of Indonesia and Australia, as well as supported by in-depth interviews with experts on the subject. Findings show that the Engagement Strategy was not so successful in the initial period from 1983 to 1987 but Soeharto persisted in his initiative and launched re-engagement in 1988. This new initiative was very productive and brought in its wake a period of greatly enhanced and strengthened relations between the two countries in the political, economic and military fields. Some of the high points of this increased cooperation were the Timor Gap Treaty of 1991, the APEC Summit of 1994, and the Agreement of Mutual Security of 1995. The period of 1992-1996 can therefore be described as an exceptionally high point in the history of Indonesia-Australia relations. The significance of the study is that it hopes to shed more light on Indonesia’s relations with Australia which were rather strained most of the time, but significantly improved during a short period, 1992-1996. It also hopes to reveal some of the Dynamics of Regional Cooperation.

Key Words: Engagement Strategy, Indonesia-Australia Relations, Dili Incident, Agreement of Mutual Security (AMS), Timor Gap Treaty (TGT), Asia Pacific Economic Cooperation (APEC), Dynamics of Regional Cooperation.
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LIST OF ABBREVIATIONS

ABRI       Angkatan Bersenjata Republik Indonesia
ACDSS      Australian College of Defence and Strategic Studies
ACFOA      Australian Council for Overseas Aid
AFTA       ASEAN Free Trade Agreement
AIDCC      Australia Indonesia Defence Cooperation Committee
AIDPC      Australia Indonesia Defence Policy Committee
ALP        Australian Labour Party
AMS        Agreement of Mutual Security
ANZUS      Australia, New Zealand and United States
APEC       Asia Pacific Economic Cooperation
ARF        ASEAN Regional Forum
ASEAN      Association of Southeast Asian Nations
CBM        Confidence Building Measures
CSCAP      Council for Security and Cooperation in Asia-Pacific
CSCE       Conference on Security and Cooperation in Europe
DIFF       Development Import Finance Facility
EAEG       East Asian Economic Grouping
EEZ        Exclusive Economic Zone
EFIC       Export Finance and Insurance Cooperation
FAO        Food and Agriculture Organization
FDI        Foreign Direct Investment
FOCAC      Forum on China-Africa Cooperation
FPDA       Five Power Defence Agreement
IGGI       Inter-Governmental Group on Indonesia
MNLF       Moro National Liberation Front
ODA        Overseas Development Assistance
OIC        Organization of Islamic Conference
OPTAD      Organization for Pacific Trade and Development
PBECC      Pacific Basin Economic Cooperation
PECC       Pacific Economic Cooperation Conference
PLO        Palestinian Liberation Organization
PNG        Papua New Guinea
SEATO      South East Asia Treaty Organization
SPF        South Pacific Forum
TGT        Timor Gap Treaty
TNI        Tentara Nasional Indonesia
UN         United Nations
CHAPTER 1

INTRODUCTION

1.1. Background.

This research will examine the bilateral relations between Indonesia and Australia from 1983 to 1996, viewed from the Indonesian perspective. Throughout this period, Indonesia was led by President Soeharto who ruled the country from 1967 to 1998 and systematically brought greater political stability and economic progress. At the same time, Australia was ruled by a Labour government under the leadership of Prime Minister Robert Hawke (1983-1991), later on replaced by Prime Minister Paul Keating who led the country from December 1991 to February 1996.

Bilateral relations were not very cordial before 1983, because Australia continued to perceive Indonesia as an aggressive country with a strong desire for territorial expansion and regional hegemony, and desiring to transpose its domestic socioeconomic difficulties into international ventures in order to improve its international image and to stabilize the nation at the same time. Fear of Indonesia’s possible aggression remained high, proved with the continuing operation of the Five Power Defence Agreement (FPDA) that was made up of Australia, New Zealand, the United Kingdom, Malaysia and Singapore.

Australia’s continued criticisms did not only challenge Indonesia’s national unity and national integrity, it also strengthened the position of Fiji, Solomon Island, and Papua New Guinea (PNG) in defending
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7. Ambassador Stapleton Roy (Formerly the US Ambassador to Republic of Indonesia), Jakarta, 16 February 2009.

8. Ambassador Sulaiman Abdulmanan (Formerly the Director for Information of the Indonesian Ministry of Foreign Affairs, then Indonesian Ambassador to the Kingdom of Belgium), Jababeka, 19 April 2010.

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