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**Ragna Boden.** "Cold War Economics: Soviet Aid to Indonesia." *Journal of Cold War Studies* 10.3 (Summer 2008): 110-128. DOI:10.1162/jcws.2008.10.3.110.

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Reviewed by **Brad Simpson**, Princeton University

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Scholars of Indonesian foreign relations during the early Cold War, and of Indonesia itself as a zone of Cold War conflict between the United States, the Soviet Union and China, have long faced an intractable problem. For many years neither the Soviet Union, nor China, nor Indonesia opened foreign ministry, military and intelligence archives that might enable a fuller understanding of Indonesia's dynamic relations with the Communist world: the extent of military and economic assistance; the political and developmental visions which animated these; and the nature of the Indonesian Communist Party's (PKI) relationship with Beijing and Moscow as the Sino-Soviet split widened.

Recently, however, Larisa Efimova has offered detailed portrayals of Stalin-era Soviet relations with the Indonesian Communist Party in the 1940s and 1950s.<sup>1</sup> The Cold War International History Project (CWIHP) has published scattered transcripts of high level meetings between Chinese and Indonesian officials (including PKI Chairman Aidit) and discussions with Soviet officials that include Indonesia. Odd Arne Westad's *The Global Cold War* effectively places Soviet-Indonesian relations in the context of Moscow's turn toward the Third World following Khrushchev's ascension to power. And a number of graduate students are pursuing dissertation research on Soviet and Chinese relations with Indonesia as part of broader projects on Sino-Soviet overtures in the Third World.

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<sup>1</sup> Larisa M. Efimova, "New Evidence on the Establishment of Soviet-Indonesian Diplomatic Relations (1949-53)," *Indonesia and the Malay World*, Vol. 29, No. 85 (2001), pp. 215-234; "Stalin and the Revival of the Communist Party of Indonesia," *Cold War History* 5:1 (February 2005):107-120.

Ragna Boden's body of work, in both German and English, provides the most extensive account yet of Soviet-Indonesian relations during the Cold War through 1965 (after which both Soviet and Chinese archival materials dry up and the ouster of Sukarno dramatically shifted the terrain of Indonesian relations with the Communist world).<sup>2</sup> The central questions she asks in this brief article are deceptively simple: how do we explain the Soviet economic and military largesse lavished upon Jakarta - between 1945 and 1965 the second largest recipient of Soviet aid in the developing world after Nasser's Egypt - as well as the domestic and geopolitical consequences of this embrace for Indonesia?

Boden frames her answer squarely in Cold War terms. Through 1953, Stalin's Soviet Union adhered to a "two-camp" doctrine that identified as bourgeois Indonesia and other non-socialist postcolonial states and hampered the development of close ties. Following Stalin's death in 1953, Premier Nikita Khrushchev inaugurated his now well-documented turn toward the Third World, rhetorical embrace of nonalignment, and redefinition of Indonesia and other developing countries as "national democratic states." Sukarno's 1956 visit to Moscow and Khrushchev's return trip to Jakarta in 1960 opened economic ties and resulted in two large loans totaling \$250 million for the Indonesian president, as well as the initiation of a massive technical aid program involving hundreds of Soviet advisers and training for thousands of Indonesian students in the Soviet Union. Just as popular outrage at US demands that Indonesia sign a mutual security agreement as a condition of aid brought down the cabinet of Prime Minister Sukiman in 1952, opposition from Islamic parties, the Army and political foes of Sukarno fearing increased Soviet influence delayed parliamentary approval of the loans from Moscow. Ironically, US backing for the PRRI rebellions (1956-1958) cleared away much of the opposition to Soviet aid, providing Sukarno with the justification for abandoning parliamentary rule and imposing his more authoritarian system of "Guided Democracy."

While Khrushchev was sympathetic to Sukarno's radical anticolonial politics and desire for state-led development, Boden's account suggests that the geopolitical competition with the U.S. and later China for influence in the Third World best explains Soviet policy (122-126). As other historians have demonstrated, Indonesian officials attempted to play both Washington and Moscow like fiddles to extract as much aid with as few conditions as possible. Between 1959 and 1965 Indonesia received a fifth of all Soviet economic and military aid to the Third World, continuing assistance even as Sukarno and the PKI began to move toward Beijing in the Sino-Soviet split (116).

Much of this ground has been covered before, if not with the same archival depth. Ragna Boden, however, demonstrates with surprising force how vague, inconsistent and programmatically inept Soviet aid schemes and Indonesian planning and project implementation were. While Michael Adas and others have noted the Soviet emphasis in development ideology on heavy industry, mechanized agriculture, infrastructure and

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<sup>2</sup> Ragna Boden, *Die Grenzen der Weltmacht: Sowjetische Indonesienpolitik von Stalin bis Brežnev* (Stuttgart 2006).

hydroelectric complexes, Boden shows that “Soviet officials made few concrete suggestions of their own and instead mainly reacted to proposals submitted by Indonesian representatives,” revealing much in the process about the priority Indonesian planners placed on heavy industrialization.<sup>(118)</sup> Indonesia, moreover, proved singularly unsuccessful at utilizing Soviet aid, completing only 3 of 27 planned projects, one of them a white elephant sports complex aimed at attracting the 1962 Asian games. More representative were the Soviet funded Cilegon steel works - abandoned, shuttered and scavenged for parts in 1965 before being revived with Western aid and finally opening in 1974 as Krakatau Steel under the control of a Suharto crony. Khrushchev’s economic offensive in Indonesia, the evidence here strongly suggests, was an almost total waste of Soviet resources and Indonesian energy, left little lasting imprint after 1965 and failed to forestall Jakarta’s tilt toward China. The CIA’s late 1965 assessment that an Indonesia under Communist rule would have proven more of an economic burden than benefit for the Soviet Union seems right on the mark, if this unimpressive record is any indication, raising perhaps fundamental questions about its importance in the Cold War. Soviet economic assistance to Indonesia, Boden rightfully concludes, neither conferred influence nor reflected coherence (128).

This short article raises more questions than it answers, both on an empirical and a theoretical level. First, Boden offers little discussion of Soviet technical aid and educational exchange programs, their makeup or the experiences of participants. How deeply involved were Soviet technicians on loan to Indonesia in project oversight and implementation, and how did they assess the performance of their Indonesian counterparts? To what degree did Soviet training and exchange programs shape Indonesian development discourses, the economic planning process and domestic political and bureaucratic conflicts? Do the almost uniformly unsuccessful results of Soviet developmental assistance help at all to explain Indonesia’s gradual political shift toward China?

Second, the relatively harsh aid terms offered by the Soviets in Indonesia, their deference to Indonesian priorities, imprecise views regarding Indonesia’s desired developmental trajectory, and seeming lack of concern with results calls into question not just Soviet plans for Indonesia but the basic coherence of Soviet development thinking and policy. The evidence presented here suggests little of the detailed planning and oversight that marked US development assistance channeled through the US Agency for International Development or through civic action programs aimed at the Indonesian Army. Military assistance, moreover constituted the overwhelming bulk of Soviet aid to Jakarta, most of it channeled to the politically weak Air Force and Navy, whose leadership the Army distrusted for their greater tolerance of the PKI. How did Soviet officials assess their rather patchwork approach to aid, the tacit division of labor with the US regarding military assistance, and the declining political returns such aid brought though 1965 as Indonesia continued to pursue confrontation with Malaysia? The article might usefully have discussed how, or whether, the overall makeup of Soviet aid reflected broader contemporary views on economic and military modernization and the connections

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between them, and how, if at all Soviet views shifted as Sukarno and the PKI moved to the left and the Indonesian economy slowly imploded. Looming largely unexplored in the background is the Sino-Soviet split and its impact on Indonesian politics and development thinking, a crucial dynamic Boden does not explore here (and one shockingly absent from Lorenz Luthi's otherwise excellent recent book). Brief but suggestive, this article points toward many avenues for fruitful future research - especially by historians utilizing Chinese sources - on this crucial front of the global Cold War.

**Brad Simpson** received his PhD from Northwestern University and is currently an assistant professor of history and international affairs at Princeton University. He recently published his first book, *Economists with Guns: Authoritarian Development and U.S. - Indonesian Relations, 1960-1968* (Stanford, 2008). He is also founder and director of an ongoing project to declassify U.S. documents concerning Indonesia and East Timor during the reign of General Suharto (1965-1998). His next book will explore the international dimensions of Suharto's New Order, examining how the U.S. and the international community's embrace of authoritarianism in Indonesia shaped development, human rights, civil military relations, and political Islam.

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*Commissioned for H-Diplo by Thomas Maddux*