

CHAPTER III

MALARI INCIDENT AND ESTABLISHMENT OF THE JAPAN FOUNDATION

A. Politic Crisis and Southeast Asia

In 1970 Japan rise become the second largest economic power in the world after the United States, this resurgence occurred because export and import made to countries made after their industries increase. Japan relies heavily on Southeast Asia, especially in the ASEAN region. ASEAN is an important trading partner for Japan, 30% of ASEAN sent 25% of ASEAN imports from Japan. (Scalpinio & Wanandi, 1985).

Early 1974 there were Anti-Japan Incident in Thailand, Malaysia, Philippine, Vietnam and Indonesia during Japanese Prime Minister Kakuei Tanaka visit to five ASEAN countries. In that time several Japan companies had sprung up to dominate Indonesia, Thailand, Vietnam, Philippines and Malaysia. The company has been in power and exploring natural resources that Japan cannot replace. (Lubis, 1981).

Globalization has united the national economy, especially the financial sector in a single unit that operates globally. The influence of Japanese investment and industry in Southeast Asia especially Indonesia has resulted in Japan becoming a developed country and helping the Japanese economy, so that the dominance of Japanese products in the Indonesian market for more than 30 years of president of Soeharto in New Order era, Indonesia's economy grew to \$70 GDP per capita to more \$ 1.000 in 1996. Through thugh monetary and financial policies, inflation was held at around 5%-10%, the rupiah was stable and the government implemented a balanced budget system. Much of the development budget is financed through foreign aid. (Lubis, 1981).

The International Monetary Fund (IMF) financial stabilization package agree to the Indonesian Government contained conditions requiring Indonesia to reform its

financial sector, reduce fiscal expenditure and radically change the nature of government involvement in the economy. Disagreements between the Indonesian government and the IMF over implementation of the reforms have become the focus for controversy about the role of the IMF. Much of the controversy derives from the fact that the IMF offered a combination of financial rescue package and economic reform program. The IMF has been criticized for applying a formula which was inappropriate for Indonesia was too difficult to implement in the time allowed and did not alleviate the immediate problems. The IMF position in that while the details of the package can be renegotiated such crisis will recur unless Indonesia's economic instruments are reformed.

B. MALARI Incident 1974

The impact of the dominant economic form has a major impact on political problem, then the conflict which is called the Malapetaka Lima Belas January 1974 (MALARI) is the culmination of student anger at the arbitrariness of the government in using foreign fund in the development of countries whose benefits are not obtained by the society. This incident was culmination of domestic political tension within six months, at that time domestic politics was characterized by problems ranging from criticism of dissatisfaction with the power of the Soeharto government including Ali Moertopo as Soeharto confidants during the New Order.

This incident was the first incident that showed an unfaithful of generals in the presidential environment during the Soeharto era. Electricity tariff increases continued to increase, rice became increasingly scarce and prices became increasingly uncertain, and civil building projects began to be controlled by foreign companies, especially from Japan, Japanese products increasingly dominated the national markets, which then dropped the domestic economy. Indonesia's debt of seven billion dollars borrowed from IMF (the International Monetary Fund) must continue to be paid. Social problems in 1974 became a serious start for Indonesia,

national stability weakened and protests began to emerge. In 1971 a group of abstention emerged, a reaction of the people to the election was considered odd, because it was won by the Golkar party with a vote of 62.8%. then President Soeharto took a stand for groups who intended to overthrow him, the group of General Ali Moertopo and General Soemitro's group.

The Incident occurred when The Japan prime Minister Kakuei Tanaka visited Indonesia on January 15, 1974. At the time, there was an incident of riots in Jakarta, many people said that the incident was a form of sentiment towards Japan, but there were also those who thought that it is an accumulation of various developments including conflicts between the political elite in Indonesia. But basically the incident triggered the community to be dissatisfied with the economic domination of Japan in Indonesia.



Figure 3. 1 MALARI Incident 15 January 1974 (Sejarah Kelam Indonesia)

The students took to the streets during the day the Japanese Prime Minister Kakuei Tanaka came to town, they shouted their opposition to the presence of foreign capital. But together with other groups, they were actually angered at Soeharto becoming authoritarian and repressive. The relatively young New order regime slowly began to show a less friendly

face, especially through intelligence activities known as Special Operations.

The Riots resulted in various infrastructure damage, eleven people died, 117 people were seriously injured, 120 people were slightly injured and 775 people were arrested. Everything related to Japan is the main target of the riots.

C. Japan's Rise as an Economic Power and the establishment of the Japan Foundation

The crisis promoted Japan's foreign minister, Takeo Fukuda, of the Eisaku Sato administration to initiate the establishment of the Japan Foundation in May 1972, with a view to expanding cultural exchanges, primarily with the United States. Central to the inaugural projects of the Japan Foundation was the "Tanaka Fund," named after Prime Minister Kakuei Tanaka, who took office in July 1972, and which provided one million dollars to each of the ten major universities in the United States in order to promote Japan studies. From inception until the present day, the three major objectives of the Japan Foundation, as stipulated in the Japan Foundation Act, have remained constant: (1) people to people exchange; (2) promotion of Japan studies and Japanese language education overseas; (3) various activities of cultural exchange. Accordingly, the three main departments of the Japan Foundation consist of the Arts and Culture Department, engaging in arts and culture exchange; the Japanese Language Department, managing Japanese-language education overseas; and the Japanese Studies and Intellectual Exchange Department, promoting mutual understanding between Japan and foreign countries. (Japan Information Network)

The next challenge to Japan as an economic power came, somewhat unexpectedly, in January 1974, when Prime Minister Tanaka made a Southeast Asian tour. Anti-Japanese demonstrations and riots by students and citizens were particularly severe in Bangkok and Jakarta, denouncing Japanese "economic imperialism." This triggered a serious reconsideration of Japanese Diplomacy Toward Southeast

Asia, culminating in the pronouncement of the three-point Fukuda Doctrine, which was announced by Prime Minister Takeo Fukuda in August 1977. Fukuda said in Manila that Japan (1) will never become a military power; (2) will build heart to heart relationship with Southeast Asia; (3) will contribute to the integration of Southeast Asia as a bridge between the original five members of the Association of Southeast Asia nations (ASEAN) and the Indochinese states. (Melissen & Sohn, 2015)

the Japan Foundation program in 1972 was informing to the Japan Foundation's foreign office to exchange culture with other countries outside Japan, promoting Japanese studies through the Japan Foundation's outside office and provide a budget for these activities, carry out Japanese language training and provide briefing for Japanese language instructor through Japanese foreign offices, exhibitions, seminars and cultural exchanges. Activity it was approved by the government through the Japanese foreign ministry then the Japan Foundation will be able to run it well. (Japan Foundation, 2003)



Figure 3. 2 Japan Foundations Worldwide (Japan Foundation)

The Japan Foundation is the first institution in Japan specializes in Japanese International cultural exchanges. As a partner organization that was founded in 1972 with a purpose

promote cultural exchange, mutual benefit between Japan and other countries which later established 23 overseas offices: London, Paris, New York, Beijing, Cologne, Rome, Los Angeles, Toronto, Seoul, Bangkok, Jakarta, Kuala Lumpur, Sydney, Manila, Cairo, Budapest, New Delhi, Mexico City and Sao Paulo. The activities that made the Japan Foundation is developing Arts and Cultural exchanges, Japanese Language Education or Japanese Studies and Intellectual Exchanges. (Japan Foundation)

The Japan Foundation was first based in Tokyo (Japan), because as city center. Then three branch offices were established among them,

- Kyoto as a center of Japanese culture which aims to introducing Japan to other countries in Japan and also provides a library.
- Kansai and Urawa as a language development aimed at supporting the implementation of courses and learning Japanese, while more to the development and mastery of language techniques for the people Japanese teacher.