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PREFACE

The past decade has seen a remarkable increase in the formal study of Indonesia in Australian universities, but nowhere has this increase been more dramatic than at The Australian National University. The choice of Indonesia as the subject for the second annual School Seminar of the Research School of Pacific Studies was therefore both pertinent and obvious. This seminar, entitled 'The Indonesian Connection', was held on the last two days of each week for five weeks during the month of November 1979. In all, fifty papers were presented, covering a range of topics from Indonesia's geomorphological formation to its current politics. These papers were expressly intended for a general audience and were specifically written to provide some idea of the variety of research recently undertaken within Australia and, in particular, at The Australian National University.

Publication of such a large number of diverse papers necessitated a special format. It was decided to publish all the seminar papers as a single volume entitled Indonesia: Australian Perspectives, and at the same time to publish three separate volumes that grouped various papers into broadly appropriate sections. Volume I, Indonesia: The Making of a Culture, deals with the environment and peopling of Indonesia and with the formation of the religious and social identities of its population. Volume II, Indonesia: Dualism, Growth and Poverty, contains papers dealing with the Indonesian economy and its development. Volume III, Indonesia: The Making of a Nation, includes papers on political and social change in modern Indonesia and Indonesia's relations as a nation with its neighbours. Since the intention of the seminar was to juxtapose different academic disciplines in each week's programme, the arrangement of these separate volumes reflects this aim.

ACKNOWLEDGEMENTS:

The 1979 School Seminar was organized on the initiative of the Director of the Research School of Pacific Studies, Professor Wang Gungwu, who kept a supervisory eye on progress at all stages. The seminar was planned by a committee comprising James J. Fox, Ross Garnaut, Peter McCawley, Jamie Mackie, Hank Nelson, Tony Reid, Nigel Wace and Stephen Wurm. Graham Hutchens played a major role in the administration of the seminar, ably assisted by Toni Purdy.

The editors are particularly grateful for the careful work of the copy-editors, Judith Wilson (Volume I), Anna Weidemann and Marian May (Volume II), Virginia Matheson and Charlotte Blomberg (Volume III). They acknowledge with thanks the good work of May McKenzie, who supervised the typing and lay out of the entire volume, and Gloria Alman, Dianne Stacey and Dorothy Hush, who typed the volume with skill and patience. They also thank Professor Stephen Wurm, who organized the design of the cover and advised on the production of the volume, and the cartographers of the Department of Human Geography for their assistance with maps. The volume was produced by SOCPAC Printery under the direction of Mr C. Hutchison.
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Volume I

INDONESIA: THE MAKING OF A CULTURE

Editor: James J. Fox
INTRODUCTION

James J. Fox

The nineteen papers which compose this volume cover the first two weeks' programme of the 1979 School Seminar. The volume has been given the general title, *Indonesia: The Making of a Culture*, since each of its papers is concerned with some aspect of the complex formative process that has given rise to the culture of present-day Indonesia.

The initial papers span many million years in providing the background to this development. Ollier's paper outlines the geological setting of the Indonesian islands and Walker's paper sets out the biogeographic setting. Moreover Walker's paper initiates the discussion of man's impact on the region in putting forth a reasoned scientific plea for the preservation today of substantial portions of Indonesia's fragile rainforest ecosystem as a resource for the future. Subsequent papers by Thorne, Kirk, Bellwood and Foley carry forward the main theme of the volume in discussing the origins of man in the region and the genetic, archaeological and linguistic evidence of man's prehistory. The emphasis in these papers is on both continuity and diversity and this is even further developed in the papers by McDonald, Hugo and Macknight which go on to examine the historical development of the islands' human populations and their movements both within Indonesia and beyond. As Thorne's and Macknight's papers make clear, the human movement from the Indonesian islands to Australia that began in the Pleistocene has continued at different rates and in various guises to the present.

The second set of papers in this volume is intended to provide a combined historical and contemporary discussion of the diverse religious and cultural traditions of Indonesia. Proudfoot's paper begins this discussion with an examination of the influence of Hindu-Buddhist religious ideas on the early kingdoms of Indonesia; Johns's paper considers the various pulses of Islamic influence that affected the development of trading settlements in Java, Sumatra and the Malay Peninsula; and Matheson provides an illustration of the subtle intermingling of foreign and indigenous conceptions that went into the formation of Malay society from the sixteenth to the nineteenth century.

Moving from this historical setting to the contemporary period, the papers by Soewito Santoso, Forge, Lyon and Fox consider a variety of religious experiences in Java, Bali and on the islands of the Timor area and discuss the way in which these experiences are related to personal and social identity. The final papers in the volume provide a special focus on Islam, the religion of the overwhelming majority of Indonesia's population. These papers, by Dobbin, Dhoferi and Nakamura, offer a valuable glimpse of some of the historical and ideological diversity within the Islamic tradition.

The value of a volume of this kind lies in its variety of subjects and perspectives. The sweep of these papers is, of necessity, suggestive rather than comprehensive, but each paper constitutes a statement of recent thinking on a particular topic and a point of departure for future investigation. As such, it is hoped that this volume may provide a useful introduction to Indonesian culture.
THE ENVIRONMENT AND PEOPLING OF INDONESIA
THE GEOLOGICAL SETTING

C.D. Ollier

ISLAND ARCS

The festoons of islands off eastern Asia make a series of arcs (Figure 1),* distinctive geological features that are currently one of the key topics in global geology. Some arcs, such as the Kuriles and Aleutians, are single arcs, with a submarine trench on the outer, convex side and a line of active or recently extinct volcanoes making the arc itself on a platform of older sedimentary rocks and granite.

The Indonesian island arc is a double arc, with an outer arc of sedimentary rocks between the trench and the inner volcanic arc. The outer arc is generally submarine, as off south Java, but in places it rises to form islands such as the Mentawi Islands off Sumatra. The sedimentary rocks have been strongly folded and faulted, and the islands are actively rising.

These island arcs are associated with geophysical features such as earthquake belts and lines of anomalously high and low gravity (Figure 2), which give clues to the geological structure of the Indonesian region.

SEA FLOOR SPREADING AND PLATE TECTONICS

Over the past two decades it has become clear, from absolute dating of sea floor samples and from studies of symmetrical magnetic patterns in the oceans, that the sea floors are spreading. Spreading sites such as the mid-Atlantic Ridge and the East Pacific Rise have young rocks, and the sea floor gets older with distance from the ridge. The discovery of sea floor spreading reinstated the concept of continental drift, and the spreading of the Atlantic, for instance, explains the drifting apart of the Americas and the Old World. With a spreading Atlantic one might expect the Pacific to be shrinking, but we find that the Pacific is also spreading. There is a space problem here: if the earth is not expanding some of the sea floor must be lost to compensate for that created at spreading sites. It is thought to be lost by being tucked under other slabs of earth crust or 'plates' at subduction zones. Thus some of the eastern Pacific is subducted under South America, some of the western Pacific under the Japanese arc. The Indonesian arc is unusual in being convex to the west, and it seems that some of the Indian Ocean is being subducted under Java and Sumatra. The spreading situation in the east Indian Ocean is shown in Figure 3.

* For convenience, the figures for this paper are placed together at the end of the text.
The underthrust slab is thought to be responsible for the trench, for the rise of the island arcs on the overthrust plate, for earthquakes and for many other effects such as volcanicity and emplacement of ore bodies. The zone of earthquake foci, which gets deeper with distance behind the trench and extends down to 700 kilometres, is called the Benioff zone.

Unfortunately there are many complications to the plate tectonic island arc story. It is the ruling theory at present, but there are some inconsistencies and many things unexplained. It is thought that in Java the ocean plate under-rides the arc (Figure 4), while in Timor the ocean over-rides a down-bent Australian plate (Figure 5). How the system can 'flip' from one mechanism to another is not clear. There is also a space problem. The downgoing bits of crust are converging behind the arc, and in a very tightly closed arc such as the eastern Banda arc, it seems that crust from an arc length of 100 kilometres is converging on a point.

It seems that the outer arc of Indonesia has been bent in plan, with especially tight convolutions at the Banda arc-Sulawesi end.

This leads to another geological complicating factor - sideways movement or strike slip faulting. Many of the major faults of Indonesia show more lateral movement than vertical movement, and this goes on at a rate sufficiently fast to affect land-forms by offsetting rivers, damming lakes, and creating new fault escarpments. Movement on these faults often leads to shallow earthquakes, in contrast to the deep earthquakes associated with subduction.

VOLCANOES

Volcanoes associated with island arcs are typically andesitic, and andesitic volcanoes are typically explosive. The volcanic arc of Indonesia contains hundreds of volcanoes, and many of them are very violent in eruption. Krakatau, just north of Java, produced one of the most violent bangs in human history in the eruption of 1883. Such volcanoes are dangerous and cost many lives: in 1815 Tomboro killed 12,000 directly and perhaps 70,000 by ensuing famine and disease; Krakatau killed 36,000.

On the other hand, the mantle of volcanic ash produced by eruption weathers to fertile soils and helps to maintain the population of the area.

ALLUVIAL PLAINS

The main islands consist of a basement of older rocks with a crest of volcanoes. Rapid erosion under the prevailing climate leads to deposition of vast amounts of alluvium in the shallow Sunda Sea, building large alluvial plains and swamps as in east Sumatra and north Java. The swampy plains offer a completely different type of land resource from uplands and low foothills of the bedrock and volcanic regions. Traditional agriculture and life-styles of most Indonesians relate to volcanic and upland areas and alluvial valleys, and they are generally not prepared to cope with the different life on the swampy plains. This is one of the geomorphic problems that besets trans-migration, for much of the new land is in such swampy alluvial plains, often subject to seasonal flooding.
MINERAL RESOURCES

The main types of mineral resource are geologically linked. The volcanoes produce little but sulphur and a few minor volcanogenic minerals. Granite and similar intrusive rocks may lead to mineralization of some of the more economic minerals, and the search goes on for porphyry copper, tin, and similar metallic sources. The thick sedimentary basins bordering the island arcs are sources of oil. Alluvial deposits may contain tin, and limestones are used for cement manufacture.

PALAEOGEOGRAPHY

It is known from studies of palaeomagnetism, and confirmed by many other lines of reasoning, that all the southern continents were once united as Gondwanaland, and India was also part of this super continent. India split off in Jurassic times, and moved north at about sixteen centimetres per year to collide with Asia and form the Himalayas (Figure 6). Australia split from Antarctica about fifty-five million years ago, and drifted north, but not as fast as India. Thus a large gap was created between India and Australia, and one suggestion is that the Pacific welled into the space thus created. At the contact of the Pacific and the Indian Ocean plates an island arc was formed, the proto-Indonesia. The western Pacific is actually more complex than this, with many small seas behind the arcs - the so-called back-arc basins - also acting as spreading sites, developing island arcs at their edges, with lateral movement and collision leading to the present complex situation (Figure 7).

Another complication is that Sundaland is continental in geological character. The Sunda shelf, with an area of almost two million square kilometres, is a shallow sea, generally less than 100 metres deep. It is the most extensive shelf in the world. The underlying geology is old, complex, and open to a number of tectonic interpretations. One is that a succession of foredeeps are replaced by island arcs, and then intruded by granites. On this hypothesis the present island arc is merely the latest in a long succession of arcs going back to Palaeozoic time (Figures 8, 9).

The plate tectonic hypothesis has many problems. One is that, although there is much evidence to show India has moved from a position with the Gondwana continents far to the south, there is also evidence to show that at a slightly earlier period the faunas of India were rather like those of Pakistan, which was firmly embedded in Eurasia. Also it has been shown on palaeomagnetic grounds that the Malay Peninsula, which appears to be geologically continuous with Indonesia, was never part of Gondwanaland but was always a northern hemisphere land mass.

To overcome these and other problems, Carey has postulated an expanding earth. If the Indian Ocean grew between India and Australia (Figure 10) while India was already close to the Eurasian land mass, the problem of proximity to Pakistan disappears. Furthermore, the total extension of the Indian Ocean is equalled by the Southern Ocean plus the Indonesian extension (Figure 11). A possible reconstruction of the area before expansion started in the Jurassic is provided by Shields (Figure 12), who envisages a world with no Pacific Ocean at all.
Once formed, the Indonesian island chain served as a bridge for migration of animals, birds and men between Asia, Australia, and perhaps other fragments of Sundaland that are now submarine. Because the area is tectonically active it is possible that some barriers of today were complete bridges in the past. Strong zoogeographic evidence suggests that there was never a full bridge across 'Wallacea'. The bridge and barrier situation is governed by complicated earth movements and further complicated by low sea levels in Quaternary time during Ice Ages (Figure 13). A major river system that functioned at times of low sea level can still be traced on the Sunda shelf (Figure 14). Freshwater fish of west Borneo are more like those of east Sumatra than east Borneo, suggesting contact at that time.

Although the Quaternary low sea level was too late to have serious effects on many of the migrations of animals and plants, it was probably important in the migration of man. Even at low sea level there were still gaps, so early man had to use sea craft.

The break between Australian and Asian biota has been placed in different locations by different authorities, so we have Wallace's line, Weber's line, etc. Geologically, perhaps the most important line is what Carey calls the Watimec line, which runs through Western Australia, Timor and eastern Sulawesi (Figure 15). This was initially a straight deep trench to the north of Australia and has since been bent.

The Watimec was a submarine trough in Upper Palaeozoic times, with a fairly distinctive fauna. It may have started as a rift between the Australian and associated lands, and those of the north. Carey suggests that biogeographical lines such as Wallace's line are approximations to this older and more fundamental break. However, a narrow break early in the earth's history does not go far to explain the great biological differences on opposite sides. A different suggestion is that the present Indonesia originated as two widely separate groups of islands that have been brought together by continental drift (the junction still being the Watimec line) (Figure 16), though the impressive continuity of the present-day arc makes this seem rather unlikely.

The variety and complexity exhibited by Indonesian geology is matched only by the complexity and variety of explanations offered to account for it. Geological theory in Indonesia seems to be almost a free-for-all, with a tremendous range in starting points, drift mechanism, and histories. The explanation of the geology and the biogeography of Indonesia depends very much on a knowledge of global geology, but Indonesia is a vital area for elucidating global tectonics. We must beware of circular argument, and hope that future work will constrain some of the imaginative leaps of the present.

But apart from any theoretical explanation, it is clear that the geological background has a very direct effect on all life and human activity in the region, governing topography, resources, hazards, soils and land use.
Figure 1. Island arcs of the Western Pacific

Figure 1. Gravity anomalies of Indonesia
Figure 3. Spreading of the Southern Ocean, and subduction at the Indonesian Trench
Figure 4. Diagrammatic representation of subduction of sea floor beneath Java

Figure 5. Subduction of Australian continental crust beneath Timor
Figure 6. The break-up of Gondwanaland and the creation of Indonesia. Numbers are millions of years ago.
### THE GEOLOGICAL SETTING

#### Figure 7. Marginal basins of the Western Pacific

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#### Figure 8. Diagrammatic representation of the migration of trenches and arcs in the Indonesian region

- **Trenches and Arcs**
  - **Permo-Carboniferous**
  - **Triassic**
  - **Jurassic**
  - **Cretaceous**
  - **Tertiary**
  - **Quaternary**
  - **Present Profile**

- **Indian Ocean**
- **Indo-Australian Borderland**
- **East Sumatra**
- **West Sumatra**
- **Tin Belt**
- **Karimata Zone**
- **Anambas Zone**

- **Volcanic Outer Arc**
- **Non-Volcanic Outer Arc**
- **Volcanic Inner Arc**
- **Non-Volcanic Inner Arc**

- **Sunda Orogen**
- **Sunda Kratogene**
- **Sunda Land**
- **Malaya**
- **South China Sea**

- **Focus of Diastrophism**
- **Malaya Orogen**
- **Sunda Orogen**
- **Sunda Kratogene**

- **Sumatra Orogen**
- **Sumatra Arc**
- **Sunda Land**
- **Sunda Orogen**
- **Sunda Kratogene**
- **Sunda Land**
- **Malaya**
- **South China Sea**
Figure 9. Successive arcs of the Indonesian region. N=Natuna; A=Anambas; K=Karimata; T=Tin Belt; K=Cretaceous and younger arcs.
Figure 10. A possible evolution of the Indonesian and neighbouring regions suggested by Carey 1976.
Figure 11. The equal amount of spread in the Indian Ocean and on the Australian-Indonesian line

Figure 12. A possible geography of Indonesia and neighbouring regions before the opening of the Pacific Ocean, after Shields 1979, pp.181-220
Figure 13. Land exposed at low sea level, and probable migration routes.

Figure 14. River patterns of the Sunda region at times of low sea level.
Figure 15. The Watimec trough (Westralian geosyncline)

Figure 16. A suggested origin of Indonesia as two separate parts
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THE BIOGEOGRAPHIC SETTING

D. Walker

THE BASIC PATTERNS

However one defines biogeographic regions, Indonesia spans at least two of them. One kind of definition is based on the gross structure of the vegetation (rainforest, grassland, etc.), which reflects the physiologies of the component plants and defines the habitats of the associated animals. Another sort of analysis deals with the geographical patterns of the taxonomic units (families, genera and species) which make up the biota. Classifications based on the first method usually have strong environmental correlates whilst those derived from the second have genetic and historical implications. Because components of the physical environment (rainfall, temperature, distributions of land and sea, etc.) change and organisms evolve, the patterns exposed by either analysis are statements about the current state of a constantly changing scene. The rate of this change has varied in the past; in the foreseeable future it will depend almost entirely on political and economic decisions.

The island chain of Indonesia is very wet the year round at its eastern and western ends (Irian Jaya, Sumatra, Kalimantan) but has a seasonal rainfall regime in the middle (eastern Java, Nusa Tenggara, parts of Sulawesi) (Figure 1). The natural vegetation reflects this difference modified by the fall of temperature with altitude, by soil type, hydrology and other local factors (Figure 2). Over large areas the vegetation has been changed by man, modestly as by shifting cultivation in forest clearings, or more emphatically for settled agriculture and industrial forestry. Apart from the regions so altered and the highest mountains (e.g. Mount Kinabalu, Kalimantan; Mount Jaya, Irian Jaya), the ever-wet parts of Indonesia are covered by evergreen rainforest, the most complex terrestrial ecosystem in the world. Below about 1000 metres above sea level the forest canopy lies between thirty and fifty metres above the ground and shelters a more or less dense undergrowth of smaller shade-tolerant trees, shrubs and saplings criss-crossed by lianes and studded with epiphytes. There are between 400 and 1100 stems greater than ten centimetres diameter at breast height, representing up to 150 species, in each hectare of this forest. At about 1000 metres above sea level there is a transition to forest of somewhat diminished stature and different taxonomic composition. A further change in the same direction occurs between about 2500 and 3000 metres above sea level, depending on the region, and the altitudinal forest limit is reached at about 4100 metres above sea level. Within each of these broad altitudinal zones there is, of course, immense regional and local variety determined by the selective effects of environment on the very large and diverse flora of the Southeast Asian tropics.

The animal kingdom has developed an even greater diversity of species, function and habit than have plants in the Indonesian region, an enormous variety of less complex animals sharing the ground, the water and the air with advanced primates such as the orang-utan. Some notion of the richness of the fauna is gained from the fact that 660 bird species are believed to breed in Malaysia and Indonesia west of Sulawesi and Lombok (Whitmore 1975);
Figure 1. Distribution of dominant year climates in the region. Unshaded areas experience the indicated Köppen climatic type more than 30% more frequently than their next most common climate. Stippled areas experience no such dominance and are therefore more positively intermediate in climate.

Af = tropical, perennially wet, usually >2000mm rainfall
Am = tropical monsoon, heavy rainfall with short dry season
Aw = tropical with lesser annual precipitation and distinct dry season
BSw = semi-arid with dry winter and mean annual temperature >18°C

(From Walker (1980) after Mizukoshi (1971))

Figure 2. Predominant vegetation types of the Indonesian region
Australia, with its vastly greater area and geographical variety, has about the same number. For the most part, animal species live in only one vegetation type, and sometimes in a highly specialized part of it or of another animal or plant species, but some are less restricted in their ranges and may indeed use two or more rather distinct habitats at different times of day, season or lifetime.

Indonesia's area of strongly seasonal and totally lower rainfall lies principally in parts of Sumatra and most of Java. Such natural vegetation as remains there is not rainforest but has a canopy twenty to twenty-five metres above ground in which many of the trees are deciduous and fire-sensitive. It is often difficult to discriminate between the long-maintained selective effects of climate on the one hand and the results of fire on the other in such vegetation types. The geographical affinities of many of the plants, however, (e.g. *Tectona grandis, Aegle marmelos*) testify to a long history in this region, almost certainly back before fires were common.

Climatically intermediate are the islands with monsoon climates in which the rainfall, though seasonal, is hardly less in annual total than that of the ever-wet areas. The timing of the dry period, the local topography and soils, have strong effects on the vegetation of these places, which varies from evergreen rainforest on central and southeast Sulawesi to effectively an extension of the drier forests of Java on the Nusa Tenggara.

By adopting the broadest possible classification of forest physiognomy and structure, therefore, it is possible to identify biotic units which, before human interference, occurred wherever the physical environment was appropriate for them throughout the length and breadth of Indonesia. The pattern is totally changed, however, if the identity of the plants and animals composing these units is taken into account; in a word, there are no native southern beeches in Java nor wild monkeys in Irian Jaya.

The main points about the patterns of occurrence of taxonomic units of plants throughout Indonesia and adjacent countries are best illustrated at the generic level. By comparing the numbers of plant genera on different islands, corrected for island area, regions of floristic similarity can be exposed separated by boundaries which relatively few genera cross; the 'strength' of such a boundary can be stated in terms of the proportion of the total floras on each side which does not cross it. Under this kind of analysis, Indonesia lies within the major floristic region of Malesia which straddles the equator from the Kra Isthmus in the north to the Timor Trough and Torres Strait in the south. Within this region are three major subdivisions, each of which contains a part of Indonesia (Figure 3). To a degree, these floristic divisions parallel the physiognomic and environmental classes already described, but a few important points demonstrate that they are not simply the taxonomic expression of environmental selection from a common pool of genera.

Environmentally similar places in the ever-wet parts of West and East Malesia share many genera but nothing like so many as their geographical propinquity might lead one to expect. About 350 phanerogamic genera occur in either West or East Malesia, but not in both. The family Dipterocarpaceae, represented by about 500 species in West Malesia, amongst them some of the region's ecologically most important trees (e.g. *Shorea*), has only seven species in the island of New Guinea, none of them more than locally abundant.
The South Malayan flora is yet more 'isolated'. For instance, Java lacks 111 genera of lowland plants which occur in nearby south Sumatra and are also more widely spread in Malaysia, Kalimantan and the Philippines (Steenis 1965). There is also a strong component in the South Malayan flora the geographical relationships of which are with the Asian mainland, particularly Burma.

Another way of comparing and contrasting the patches in a floristic mosaic is through the degree of endemism which each patch exhibits, i.e. the proportion of its plants which are restricted to it geographically. Malaya as a whole has about 25,000 species of flowering plants. After correcting for relative areas, West Malaya seems to have about four times the share of this total enjoyed by East Malaya but about half its species endemism. South Malaya is intermediate in its species-for-area figure but is extremely poor in endemics; it has some of the characteristics of a derivative and depauperate flora.

Evidently, then, the flora of Indonesia is far from homogeneous. Indeed, it demonstrates much greater differences from place to place than can readily be explained by environmental variety and the rather obvious inhibitions to dispersal imposed by present sea barriers. Against the background of more continuous land connection in the recent geological past, the differences are even harder to explain.

Between Malaya and Australia lies one of the most striking plant-geographical boundaries of the world. Despite the fact that similarities of structure and taxonomy can be found between vegetation in similar environments in northern Australia and New Guinea, no fewer than 205 tropical Australian genera fail to reach New Guinea and 608 New Guinea genera fail to penetrate Australia (Hoogland 1972). Of course, the distribution of land masses in relation to the major atmospheric circulation pattern and of soil parent materials renders the greater part of northern Australia utterly different in its physical environment from the greater part of Malaya. Yet it is incredible that the genus *Eucalyptus* naturally has but tentative outliers in New Guinea, the eastern Nusa Tenggara, Seram, Sulawesi and Mindanao, and that the family Ericaceae is represented by but a single species in Australia, to name but two exemplars of the discontinuity. Something more than dispersal ability and environmental limitation must be involved.

If Indonesia stands to one side of a major floristic discontinuity, it straddles the most famous faunistic boundary in the world, namely Wallace's line. The history of the zoogeographical division of the region from the Sclater to Simpson is a fascinating study which need only slightly concern us here (see e.g. Scrivenor et al. 1942-43; Mayr 1944; Simpson 1977). The fact is that practically every major group of animals from the insects upwards has a major discontinuity or unusually steep gradient of change in its taxonomic composition somewhere between Bali and Irian Jaya. Depending on the criterion used, the 'best' position of the zoogeographic frontier is located along one of several courses (Figure 4). Thus Wallace (1860) himself laid it between Bali and Lombok on account of their contrasting bird faunas, then extrapolated northward. Subsequently Huxley (1868) modified this northern extension bringing it conveniently along the edge of the Sunda shelf, the shallowly inundated southward extension of Asia which bears Malaya, Sumatra, Borneo, Java and nearby small islands. De Beaufort (1913) established a faunistic break (Lydekker's line) along the edge of the Sahul
THE BIOGEOGRAPHIC SETTING

Figure 3. Floristic divisions of Southeast Asia after Steenis (1950) and Balgooy (1971)

Figure 4. The positions of several zoogeographic lines in relation to the extent of the Sunda and Sahul shelves as outlined by the 200m bathymetric contour

A: Wallace's line (of Wallace)
B: Wallace's line (of Huxley)
C: Weber's line (of Mayr)
D: Weber's line (of Pelseneer)
E: Lydekker's line (of de Beaufort)
Mayr (1944) argued that Wallace's and Lydekker's lines had similar significance; the first marks the boundary eastward from which the Asian fauna becomes relatively depauperate, the second the corresponding 'frontier' of the Australian fauna. He then went on to define the line through the intervening 'no-mans-land' separating islands with more than half their species of western affinity from those with more than half their species of eastern affinity (Weber's line of Pelseneer 1904). Finer points of zoogeography apart, an Asian-based fauna meets an Australian-Pacific based one in Indonesia and adjacent countries. The first has affinities with many parts of the world, not only with Eurasia but with Africa and the Americas; the second is of much more limited continuous range with some notable outliers in other southern continents (e.g. South America). The degree to which components of these two faunas have penetrated the territory of the other is strongly related to their capacity for dispersal and the availability of appropriate habitats, particularly suitable food bases amongst the plants or animals lower in the food chain. Thus the cassowary reaches westward only to Seram, the marsupial mammals, as represented by the cuscuses, to Sulawesi and Timor, whereas cockatoos go as far west as Lombok and Kalimantan. From the other side, the tiger ranges no further east than Bali, whilst western-centred beetles spread through New Guinea to the Solomons.

Indonesa therefore straddles a zone of major biogeographical change expressed by very many groups of animals and plants. The rather poor fossil evidence from the region shows that, although there have been geologically recent adjustments to the boundaries of some taxa, the major disjunction between Asian-based and Australian-based biotas is of long standing. The intermittent exposure and flooding of the Sunda and Sahul shelves during the Quaternary Period must have affected the facility with which different components of the biota could migrate from time to time during the last two million years. It is tempting to attribute the major discontinuity to the presence of the deeps between the two continental shelves, which have never dried out during relevant geological times. Yet this very belt is but a thousand kilometres wide and studded with islands, albeit of uncertain permanence, and now, at least, of varied climates. Had the juxtaposition of the main continental masses been as close as it is now through a substantial part of the time since the earliest spread of flowering plants (circa 100 million years) or mammals (circa 65 million years), to cite but the most recent groups to be affected, it is difficult to believe that the boundary would not have been more blurred than it is, if expressed at all.

The existence of this biogeographic break between continents supposed to have been close together for a very long time was long a major difficulty, especially in zoogeography and particularly when the main, or only, flow of animals and plants was thought to have been from north to south. Two developments of the past decade have put the problem in a new light, namely the re-emergence of continental drift as a likely geological process and the palaeontological demonstration of a source of animals and plants in the former southern continent of Gondwanaland, separated from the rest of the world about 150 million years ago but subsequently moving, in pieces, toward it again. One of these pieces is Australia with New Guinea, and it is thought that it reached its present position in relation to Southeast Asia about ten million years ago. It carried with it flora and
fauna long isolated from those of Asia and therefore with separate evolutionary histories. This hypothesis nicely explains the origins of the modern biogeographic discontinuity but, for some people at least, still leaves the problem of its persistence; after all, ten million years accommodates many generations of animals and plants and plenty of opportunity for migration of all but the most sedentary. A great deal will still be written about these problems, particularly relating notions of ecological interdependence of organisms and the effects of islands' size on their efficiencies as stepping stones to the improving geological account of the distribution of islands in the past and to ideas about climatic fluctuations. At present, the best information we have about the past relates to the Quaternary Period (the last two million years) and more specifically to the last twenty millennia.

Perhaps as much as fifteen million years ago a world-wide cooling trend began which culminated during the last two million years in alternating colder and warmer periods (Shackleton and Kennett 1975). During the warmer periods, partial melting of the ice-caps raises the level of the seas throughout the world. Roughly speaking, the present distribution of land and sea in and around Indonesia represents the high water condition of a warm period. At the other extreme, at the depth of a cold period (say about 18,000 years ago) the sea level was depressed by about 180 metres, so that the more or less continuous coastlines lay along the borders of the Sunda and Sahul shelves, and many present islands were joined by land (Figure 4). These extremes of high and low water have probably occupied but a small fraction of Quaternary time. For the rest, the potential land areas on the two shelves have been variouly exposed more than they are today, their low relief being repeatedly swept by mangrove swamp and other coastal vegetation as sea level oscillated vertically at rates often between 1.0 metre and 1.5 metres per century (Chappell and Thom 1977). Mean annual temperature at sea level was probably only 2°C lower than at present in the Indonesian region (CLIMAP 1976) at extreme low water and the continuous areas of ever-wet climate were probably reduced (Webster and Streten 1978). The effects of these environmental fluctuations on the distribution of the biota are largely matters of opinion (Walker, in press) but there can be little doubt that the boundaries of the main structural vegetation types and their attendant faunas have oscillated substantially. Moreover it is unlikely that the conditions of the last low-water - high-water fluctuation, about which we know most, replicated those of earlier ones of which there were perhaps twenty; each cycle would, after all, be operating on a biota of different evolutionary and migrational history in geological circumstances changing, sometimes very slowly, at other times, as in volcanism, very suddenly. For instance, there is fossil evidence that in the mid-Quaternary, components of a continental Asian flora grew close to Timor (Zaklinskaya 1978) whilst in Java lived a suite of non-rainforest mammals including hispid hares (*Caprolagus* spp), the black bear and several browsing proboscideans (Medway 1972).

**MAN AND NATURE**

It was in this very labile natural system that man first became important in Indonesia. According to Hutterer (1977) he was there in the early Quaternary. It is impossible to guess, lacking any useful evidence, the time at which human populations escaped the restrictions which in nature
control the over-exploitation of one organism by another. But in the light of what we now know about the environmental impact of non-agricultural people in other parts of the world, including Australia, there is every reason to suppose that human activity might have substantially altered the biota, at least around the rainforest margins, long before agriculture became established. Archaeological evidence for agriculture in Indonesia dates back only to about 4000 to 5000 years ago (van Heekeren 1975) although it was probably being practised earlier (Jacob 1976), particularly in the light of its 6000-year or more age in the highlands of Papua New Guinea (Golson 1977). Pollen diagrams from 950 metres above sea level in Sumatra (Flenley 1979) and 2500 metres above sea level in Papua New Guinea (Walker and Flenley 1979) provide circumstantial evidence of human interference with the forest about 5000 and 4300 years ago respectively. Both shifting and settled agriculture have developed in Indonesia and persist there, side by side, to the present day. The first exerts strong selective pressures on the forest biota, the second virtually destroys it. From mainland Asia, humans brought the rat, the house-mouse, the feral pig and possibly the civets and the sambar deer (Medway 1972). They preferentially cropped, and probably transplanted on their journeys, the many useful forest plants: fruit trees, fast-growing timber trees, ropy lianas and so on. Indigenous plants, once their value as staple foods was recognized, were probably both conserved, transplanted and cultivated, amongst them the sago and taro. Eventually came the exotic staples such as rice, cassava and the sweet potato, and plantation crops such as rubber from sources as diverse as the Asian mainland and South America. Episodically throughout prehistory human populations waxed and waned on a long-term rising trend the gradient of which has steepened sharply in recent industrial times. Despite the high productivity of some of the farming techniques developed, the demands of this enlarging population, with economic ambitions determined by world rather than local historical norms, has made enormous inroads on the natural and near-natural ecosystems of Indonesia.

In order to try to appreciate the conflict between man and nature as it is exemplified in Indonesia, it is perhaps best to concentrate on one major ecosystem, the rainforest. Southeast Asia has about 240 million hectares of evergreen rainforest (about a fifth of the world total) of which about two-thirds is in Indonesia. Before the very rapid inroads of the industrial period this area was perhaps 10 per cent larger. In 1974 it was reported (Meijer 1974) that twenty-four million hectares of rainforest had been allocated to about 500 timber companies for logging within the next twenty years, a logging rate above one million hectares a year. Theoretically this rate could be upheld by a sustained yield rotation of, say, 100 years and still leave a little for wilderness reserve. In practice, of course, some kinds of this extremely varied forest are more economically attractive than others, so that between 1966 and 1971 more than half of all the commercially useful dipterocarp forest of Indonesia was opened to timber concerns (Meijer 1973). Moreover, poor management methods, beginning with excessive damage and waste during logging and continuing with ecologically inappropriate treatments, conversion to agriculture and simple abandonment to uncontrolled secondary regrowth, mitigate against the achievement of a sustained yield system.
Rainforest is economically very attractive. It accumulates dry matter at a mean rate of about 2200 grams per square metre per year (Whittaker and Likens 1975) and fixes energy at the rate of about $8.2 \times 10^6$ calories per square metre per year (Leith 1975) (The comparable figures for warm temperate grassland are 600 grams per square metre per year and $2.0 \times 10^6$ calories per square metre per year, and for cultivated land 650 grams per square metre per year and $2.7 \times 10^6$ calories per square metre per year.) The main source of the dry matter is atmospheric carbon and soil (rain) water in a process driven by solar energy. But to operate at this level of efficiency the forest requires a steady supply of mineral nutrients from the soil. In a system with such large biomass (mean 45 kilograms per square metre making up about 42 per cent of the total continental biomass of the world; Whittaker and Likens 1975) most of the available nutrients are contained in the living plants and animals and in their dead products which accumulate as litter on the forest floor. Without the return of these nutrients to the soil by in situ decomposition of forest litter, the capacity of an area to grow forest trees is very greatly reduced. This is particularly the case on many deeply weathered and long-leached tropical soils where the nutrients in the biomass represent the accumulated capital of thousands of years. Simply to log such forest or, worse, to clear-fell it, removes this capital and so greatly reduces the rate at which the remnant system can return to a high production state. This distribution of nutrients, the complexity of the energy and mass pathways, and the long life and reproductive strategies of the dominant trees puts rainforest amongst the fragile ecosystems of the world. This is not to say that parts of it should not be cropped, but to indicate that its apparent promise of repeated high returns is illusory and that the chances of its permanent destruction by bad management are high. And simple, apparently time-saving, procedures can have enormous effects in this forest. For instance Tinal and Palanawal (1976) report that in a Sulawesi forest about half the trees over 14 centimetres diameter at breast height are wasted by breakage, bark damage and the like. In another example from Indonesia, Kartawinata (1976) observes that in the valuable dipterocarp forest, tractors extracting logs at about 25 trees per hectare so damage 30 per cent of the soil that secondary, economically useless, species invade, suppress the regeneration of more desirable trees and persist for upwards of forty years. Under such circumstances, sustained yield at present exploitation rates is extremely unlikely and rainforest is not a renewable resource (Gomez-Pompa et al. 1972). The risk of its total destruction also looms large.

The ethical and aesthetic reasons for the conservation of large areas of Indonesian rainforest are easy to comprehend, although they may not be uniformly accepted by all the people involved. The majesty of the great trees, the fascinating appearances and habits of many of the animals, the sheer variety of life and, rightly or wrongly, the impression of origins immeasurably old are strongly and properly emotive. It is easy to feel, if one is not already starving, that to destroy the rainforest is somehow to strike at the very quid of the system which bore humanity itself.
The economic returns of rainforest conservation lie partly in the avoidance of precipitate capital loss already described but also in the protection of much greater areas of the Indonesian environment than are covered by the forest itself. The soil and hydrological stabilities of catchments used for intensive agriculture are best and most cheaply protected by surrounding forest; its removal leads to inconvenient erosion and redeposition and to longer periods of local drought and increased risk of destructive flooding. Particularly in the tropics, too, forest removal changes the local albedo, water and temperature conditions to points which can affect regional climate.

The scientific arguments for conserving rainforest are of two main kinds: those which relate the forest to the general world environment and those which arise from the special biological nature of the forest.

The world's rainforests lie in latitudes which receive a high proportion of the incoming solar radiation, the surface heating and long-wave reflection effects of which are a substantial force in driving the atmospheric circulation. Changing the nature of this part of the earth's surface by removing the rainforest will undoubtedly affect this circulation, although by what magnitude is not clear. Although the high rate of energy fixation by rainforest is paralleled by high photosynthetic activity per unit area of land surface, it is unlikely that failure to conserve it would dangerously deplete the oxygen content of the atmosphere. More important, perhaps, is the chance that the shifting of carbon from biosphere to atmosphere, as a result of the burning often associated with forest clearance and management, will combine with the effects of burning fossil fuels to dangerously affect the atmosphere-earth heat balance.

The special case for conserving substantial areas of rainforest for scientific purposes stems from its diversity. Because it is made up of so many animal and plant species from very many families, it is the world's largest store of genetic material. This is the stuff of evolution, be it slow and 'natural', or speedy, as in the selection of especially productive strains of crops. Moreover, it is arguable that the very rapid environmental changes of the last two million years have already in higher latitudes selected for the 'weedy' characteristics in the total biota, whereas the lesser intensity of this effect in lowland equatorial regions has left genotypes adapted to more stable circumstances more or less intact. If we value the evolutionary system which has produced us and which we have learned to manipulate for our own ends, the conservation of as great a variety of its raw material as possible must command our highest priority.

Although we manipulate evolution in plant breeding and so on, we are far from a full understanding of its mechanisms. Undoubtedly, such an understanding would increase the efficiency with which we manage the world. Because of its variety, diversity and complexity, rainforest provides the ultimate testing ground for hypotheses about how evolution, particularly its ecologically expressed aspects, works. To have any generality, a theory must explain rainforest.
Figure 5. The locations and extent of nature reserves or equivalent areas in Southeast Asia. From Flenley (1979).

These are but some of the scientific arguments in favour of conserving rainforest. That they call for large rather than small reserves is clear, although what the limiting size might be is uncertain and will, in any case, vary from region to region. Indonesia is reported to have 198 reserves (October 1978, see Anon. 1979) some of which are of substantial size and in rainforest (Figure 5). As in most other parts of the world, however, the main criterion for a reserve's establishment is not so much its intrinsic biological value as its uselessness for anything else, which must lead to the total destruction of many, perhaps the most precious, varieties of this biogeographical unit.

In the context of geological time, rainforest was formerly much more extensive than it is today, its present rather small area resulting from its replacement elsewhere by other plant formations at rates allowing of compensatory changes by migration and selection, leaving the remnants of rainforest ecologically coherent. Indeed, there have been times during the past two million years when the lowland rainforest was less extensive and less continuous than it is today. But the environmental oscillations which have caused this geologically recent waning and waxing of the rainforest have been slow by comparison with the life-times of rainforest trees and their effects geographically selective, leaving intact the most highly integrated parts. By contrast, exploitation by modern man is fast and tends to concentrate on the 'better' forest, conserving only the economically less attractive, which are often ecologically the most marginal, parts of it. Under present selection criteria and the pressures of fast-growing human populations, rainforest is at greater risk of effective extinction than at any time during its history of at least fifty million years.
Whether we look only fifty years or 5000 years ahead, rainforest is an especially valuable resource the full exploitation of which must, paradoxically perhaps, include its conservation and, to a degree, the preservation of substantial sections of it. The world at large would be the beneficiaries of such a policy, whereas the responsibility for its execution lies with countries, like Indonesia, most in need of immediate returns from their natural resources. It is up to the richer and more profligate nations to make an ecologically acceptable balance between short-term exploitation and long-term conservation of rainforest economically attractive to the peoples who own it. The needs of Indonesia's peoples are great, but there are few places in the world with natural endowments as exciting and potentially instructive. Learning the lessons written there will be difficult and slow but this is no excuse for burning the book.

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THE LONGEST LINK: HUMAN EVOLUTION IN SOUTHEAST ASIA AND THE SETTLEMENT OF AUSTRALIA

A.G. Thorne

The populations of Indonesia and Australia are farther apart now than they have ever been - the contemporary relationships revolve around two sets of peoples with very different genetic and cultural backgrounds, economic systems and aspirations. Yet the geographic juxtaposition of white Australia and brown Indonesia that has developed dramatically in the last 200 years represents merely the latest and most superficial of a complex series of biocultural relations stretching back in time for more than 50,000 years.

There are two reasons why the inhabitants of the region were closer in the past. For a substantial part of that long time period they were literally closer, as their shores were separated by narrower and shallower seas. More important, however, is the fact that for more than 99 per cent of this lengthy Australian-Indonesian connection the human inhabitants of both land masses were directly related biologically, socially and economically. Ultimately they were one people.

To trace the substance of this relationship it is necessary to go back even further in time, when the Indonesian area was first settled by humans in the late Pliocene or early Pleistocene. Despite continuing attempts to date the earliest remains, a precise basal chronology is still uncertain. Evidence from Java (Jacob 1975) and from south China (that indicates early human presence in East Asia generally) suggests the first migrants entered the region between 1.5 and 2 million years ago. This is surprisingly early in terms of the dates for early *Homo erectus* in Africa, where these first humans evolved. There is no evidence to indicate the route or routes by which the earliest Indonesians reached their region but, given the landforms and vegetation of Southeast Asia and the time of arrival, it is likely the migration was coastal. This is important as it suggests that the inhabitants have had a long association with coasts and littoral resources. Compared to other known *Homo erectus* and early *Homo sapiens* sites in Europe, Asia and Africa, the Indonesian remains lie close to the sea - indeed the earliest were recovered from marine sediments (Siessser and Orchiston 1978).

The sequence of morphologies in Indonesia during the bulk of the Pleistocene has been the subject of much debate but is now seen as relatively simple. Differences in opinion have arisen due to 'splitting' and 'lumping' preferences, the lack of adequate comparative samples from other areas and a tendency to classify specimens or groups of fossils on the basis of morphological sequences defined elsewhere. New materials, especially from China and East Africa, demonstrate that the sequence of early and middle Pleistocene hominid fossils from Indonesia - all from Java - involves a series of simple and continuous changes. Where sufficient remains can be grouped in broad time periods, there appears to be a low level of variability. In contrast, the African *Homo erectus* fossils demonstrate a very wide morphological variability, both at particular sites and in
restricted time periods. The Chinese fossil hominids indicate that major shifts in cranial form occurred there through time. The Chinese remains from Lantian are similar to those from Indonesia in the middle Pleistocene, while the later Choukoutien 'Peking Man' sample is quite different. Either new people entered the East Asian region during the middle Pleistocene or rapid in situ evolution took place.

For Indonesia, 'the most parsimonious hypothesis is that sequential populations of a single lineage provide the samples at the Javan sites' (Wood 1978, p. 56). The changes that do occur involve increases in size and robusticity and a decline in a number of 'primitive' characteristics. That both of these changes parallel general trends in human evolution in the Pleistocene shows that Indonesia was not totally isolated and, conversely, that maintenance of a distinct morphological form in Indonesia demonstrates that the level of isolation of the Indonesian population was high.

A model based on central and peripheral population variation may explain the unique morphology of the Javan hominids (Thorne, in press; Thorne and Wolpoff, in press). The Indonesian region, at the periphery of the Pleistocene world for early man, represents a zone of reduced gene flow and thus produces fewer new genotypes through time. Founder and peninsula effects assist the development of reduced genetic and morphological variability. These processes will also create pronounced divergences in the characteristics of different geographically peripheral populations, especially if these are distinguished environmentally. In this context the Pleistocene peripheral populations of Indonesia and China may be characterized by the environmental stability of the former and the highly dynamic sequence in the latter. That significant differences of an environmental nature developed in the two areas is evidenced by the faunal sequences of island Southeast Asia and the East Asian mainland.

There being no land bridge between the Indonesian islands and Australia, the migration of the first Australians was made by sea. The distance travelled by these people depends on when they came, as the later Pleistocene was a period of substantial changes in sea-level, though over the last 150,000 years almost always lower than at present. In the periods of lowest sea-level, at about 160,000, 55,000 and 20,000 years ago (Chappell 1976; Chappell and Thom 1977) the necessary passage was reduced to a series of short island hops. Measurements by Birdsell (1977) indicate that at these times the longest open water passages were less than thirty kilometres, except for one of more than eighty kilometres. During periods of high sea-level similar to that of today, voyages of more than 100 kilometres would have been required.

The watercraft used by modern Aboriginal Australians do not seem to be adequate for the sort of voyages that must have occurred, and it is likely that 'the watercraft used in the late Pleistocene were superior to those found in recent times in Australia and Tasmania' (Birdsell 1977, p. 123). That the island population supplying the migrants should have a relatively sophisticated maritime technology is not surprising, as they had long occupied a series of islands where the economic base was coastal or largely coastal. Sea-level fluctuations over a period of at least 100,000 years are also likely to have promoted adaptation to changing island size, dynamic coastal ecologies and varying distances between island groups. Thus the
initial colonization of the Australian continent is best seen as the voyaging of competent mariners. A consequence of this scenario is the notion that, regardless of whether absolute sea-level or a changing sea-level produces southward movement, people who make the voyage for the first time can easily be followed almost continuously by other people. This of course would be even more likely if the homeland maritime technologies and/or their sophistication were increasing in the region.

Just when groups of people began to cross from Indonesia to Australia, establishing the 'link', is quite unknown. Given the earliest evidence for human presence in Australia, the first movements began more than 40,000 and probably more than 50,000 years ago (Jones 1979; Thorne 1977, 1980; White and O'Connell 1979). As the direction of the migration was from Southeast Asia to Greater Australia, it would be logical to trace the subsequent pre-history and even history of the link from the Indonesian side. This is not easy, as the late Pleistocene human remains from the area are very scarce, poorly dated and widely scattered geographically. In general the known skeletal evidence is too late in time to be genuinely ancestral to the earliest Australians, as by the late Pleistocene the major morphological pattern was well established in Australia. It is necessary to look first at the Australian fossil evidence and then back to Indonesia.

The Australian fossil data has been an enigma from the beginning and, like the Solo crania, raises questions of morphological and chronological antiquity that frequently have been confused. For the last forty years the basic issue has revolved around fossils that are skeletally robust or archaic and those that are gracile or advanced, compared to Holocene and contemporary Australian forms. These fossils have been described and discussed at length (Macintosh 1967; Thorne 1976, 1977). Fortunately the largest samples are securely dated. The robust group, including the Kow Swamp-Cohuna population, occupied an area close to the Murray River in northern Victoria between 15,000 and 9,000 years ago. The Talgai cranium from southern Queensland is of similar form and has been dated to more than 16,000 years ago (Macintosh and Larnach 1976). A recent discovery at Cosscack in Western Australia (Freedman and Lofgren 1979a, 1979b) is morphologically similar and is claimed to be no older than mid-Holocene. The smaller gracile group includes the oldest human remains found so far in Australia, the Lake Mungo skeletons from the Willandra Lakes in western New South Wales, and dated to between 25,000 and 30,000 years ago (Bowler et al. 1972; Bowler and Thorne 1976). The isolated Keilor cranium from southern Victoria, near Melbourne, is a member of the gracile group and is dated to around 14,000 years ago (Mulvaney 1961).

The Australian fossils raise two fundamental questions that bear on the prehistoric relations with Indonesia. These are:

1. Do the early prehistoric skeletal remains represent morphological trends that developed within Australia or evidence of the movement of people with different biological characteristics from outside?

2. If the fossils represent introductions from outside, who came first and from where?
Both groups of hominids have a number of unifying cranial and post-cranial features that readily distinguish them from each other and from modern Aboriginal morphology. On cranial examination and analysis the two groups can be substantiated statistically (Thorne and Wilson 1977) and demonstrate that the range of morphologies in the Australian Pleistocene was much wider than in the late Holocene (Thorne 1977). At first glance the expansion of the prehistoric range in two directions would suggest that, if internal adaptation or random process was the stimulus, either the range of Australian environments was more diverse and represented stronger selection pressures, or demographic patterns were such that genetic drift in morphological features over the southeast of the continent was effectively greater.

There is not enough data at present to resolve the issues with certainty, particularly as we have no real idea when the biological processes discussed here began. However, the case for the two morphologies being the result of migration from outside is stronger. The so-called robust or skeletally archaic group is known best from the Murray Valley and, apart from the Kow Swamp-Cohuna sample, includes the Lake Mitchie and Mossqiel individuals. Two other individuals lie outside this region and make it difficult to see local adaptation as the responsible agent. While the Talgai youth is a difficult cranium to interpret it clearly belongs to the robust group and stems from an area well outside the Murray Valley. If gene flow or population movement along the eastern drainage system were to be invoked to create a link, then one would expect other relevant samples to reflect the robusticity. The Willandra Lakes sample lies in this zone and is of the opposite form. A more important individual is that from Cossack, which makes a local adaptation virtually untenable as an explanation. Not only is the western Australian environment quite different from that of the southeast of the continent, but parallelism as an adaptive or drift explanation beggars the imagination in a space the size of Australia. Further, if the robust form within the Murray Valley is adaptive or the result of drift, why is it not there now or in the recent past? If demographic projections based on ethnographic density estimates can be relied on, and as there is good evidence for the environmental stability of the Murray Valley region, then the absence of Kow Swamp-like people from the mid-Holocene and later material from the Murray Valley is curious.

The gracile or advanced group, including the dated Lake Mungo I and III skeletons, plus the Keilor cranium, needs to be explained as well. The Keilor area lies outside the Murray Valley and, being coastal, could represent a sufficiently distinct set of conditions to lead to this form. As in the case of Kow Swamp, one needs to ask why the Keilor morphology is not more widely represented in skeletal remains from the southeast coast in the recent past. On the other hand, the Willandra Lakes, where the Lake Mungo remains were found, lie on the edge of the Murray Valley. The river systems that created these lakes flow south into the Murray River, providing just the conditions for gene flow and mixing that argue against the development of distinct groups in such a small area. Thus the outgrowth of the robust morphology from the gracile, or the reverse, would need to be argued on environmental or demographic grounds. I see no satisfactory data that would provide the environmental basis for such adaptation, particularly as the economic systems in the two areas are so similar. A demographic
argument, based on significant divergences in population size and distribution at the Willandra Lakes and central Murray Valley, has not been produced to date.

A final problem in looking at the Australian fossil data has to do with the absence of the modern range of morphologies in the Pleistocene record. That is, if the robust and gracile groups are merely evidence of an expanded range, where are all the morphologies in between? In the analysis of the cranial data (Thorne and Wilson 1977) all well preserved individual crania were shown to lie outside the range of the near-contemporary cranial range, in two directions. The individuals that were not significantly different, a male and a female from Kow Swamp, were among the least well preserved individuals and lacked just those cranial parts that were the basis of the significant differences in the bulk of the fossil sample. Thus a major difficulty in the promotion of an expanded Pleistocene morphological range is the fact that virtually all the data lie outside the near-contemporary range, certainly outside the two standard deviation limits statistically. It seems most unlikely, to put it mildly, that, with the substantial fossil data known at present, vagaries of accidental discovery explain the absence of modern morphologies in the early Holocene and Pleistocene record.

Though limited, the skeletal evidence from Indonesia and East Asia supports the notion that the Australian skeletal variation is rooted in movement of distinct morphologies from Sundaland to the Sahul Shelf. As outlined above, the form of the inhabitants of Indonesia during most of the Pleistocene is monomorphic and is characterized by skeletal primitivity and robusticity. Just how long this form remained in relative isolation depends on the age of the Solo remains, the most recent of the Homo erectus-like fossils. The site is assumed to be late Pleistocene in age, based on its relationship to the Solo River and the high proportion of modern faunal species associated with the hominid remains. Whatever its age, the Solo remains form the central part of the morphological sequence from Javan Homo erectus to modern Homo sapiens Australian Aborigines that is perceived as being generally continuous (Weidenreich 1946; Coon 1963; Macintosh 1965; Thorne 1977, 1980; Wolpoff 1980). Thus the general features of the bulk of modern Aboriginal Australians, and in particular the robust Australian Pleistocene remains, can be traced to Indonesia directly (Thorne and Wolpoff, in press).

Evidence for the gracile forms is present in Indonesia as well, from Niah in Kalimantan (Brothwell 1960) and Wajak in Java (Jacob 1976). Similar remains have been found at the Tabon site in the Philippines (Fox 1970; Howells 1973). All these materials are of late Pleistocene age. Given the longstanding skeletal tradition within Indonesia, these gracile forms imply a substantial environmental change in the region leading to new morphologies, rapid influx of new genes from outside that transformed the Indonesian population, or direct movement of people with a different skeletal form into the area. There is little evidence to support either significant environmental change or changes likely to promote increased gene flow. There is, however, evidence from China of a morphology that makes sense of the gracile forms in the Indonesian region. The skeletal remains from Choukoutien (Upper Cave) in northern China and from Liu Kiang in southern China demonstrate the widespread distribution of gracile people on the East Asian mainland during the late Pleistocene. Moreover, the gracility, and modernity, of these
remains represents the end product of a lineage that developed in isolation, parallel to but distinct from that existing in Indonesia (Coon 1963; Thorne 1977; Wolpoff 1980). That mainland Asian people with this morphology spread outside that area, especially outside China, is shown by the morphology of the inhabitants of the Americas and by the spread of Oceanic people in the Holocene. Both these settlements were accomplished via watercraft, on present evidence, and it is likely that a similar spread of people occurred southward to Indonesia. Thus the movement of gracile people from the East Asian mainland, moving to the Indonesian area populated by more robust people, provides the sort of morphological variability that is seen also in Australia. The fact that the two forms seen in Australia are distinct in late Pleistocene times suggests that mixing in Indonesia, if it did occur, did not prevent relatively unmixed forms reaching Australia. As Macintosh (1965) noted, the 'mark of ancient Java' is on the early Australians. So, too, is the stamp of ancient China.

Resolution of which morphology came first to Australia is problematic, though most authors have argued that as robusticity characterizes the basic Aboriginal skeletal form and the majority of the fossil remains, robusticity or skeletally archaic features characterized the people who made the initial crossings (Coon 1963; Thorne 1971, 1977, 1980; Jones 1979). The morphology of the Tasmanians may provide additional evidence for this, particularly if coastal movement of new immigrants or genes was a major economic or cultural phenomenon (Bowdler 1977). As Jones (1979) points out, the Tasmanians are not particularly robust by Australian standards. If not directly related to the gracile people represented at Keilor and Lake Mungo, they certainly show no signs of the features of the Kow Swamp and other robust individuals. Given the period when Tasmania was linked to mainland Australia through lowered sea-levels, the period when robust forms are dated from southeast Australia, it is surprising that only gracile forms are found on the island if the robust people were the latecomers.

Looking at these morphological variants in broader perspective, the final issue is whether the different sorts of people came from Indonesia to Australia as the result of discrete population pulses, separated by time gaps or entry points. Birdsell has long postulated a hybrid model (1949, 1977) that has been the basis for much of the thinking about the mechanics of migration, the timing of it and the demographic and biological results that were produced within Australia, apart from the purely anatomical aspects (Hallam 1977; Bowdler 1977). While Birdsell's specific hybrid construct has not found support, in studies of near-contemporary or Pleistocene data, those like myself who favour a hybrid model have tended to visualize the movement of different people as relatively discrete blocks of migrants with specific sets of anatomical and cultural attributes. There is, however, another way of looking at migration and morphology.

To return to the mechanics of initial colonization: if the first voyagers were successful, then why not another voyage the next day, and the next, and so on, right down to the present? That is, should we not consider the Aboriginal colonization of Australia as one long continuous migration of people from Indonesia? Such an approach removes the problem of major population replacement, either culturally or physically. In the recent past, contact between northern Australians and people from Indonesia (Macknight 1976) and New Guinea (Moore 1979) has resulted in substantial cultural change
in these areas, associated with only limited biological effects (Kirk 1976). Many of the cultural changes are non-material and thus not visible archaeologically. Biological changes resulting from the contact are recognizable genetically and via superficial features, but perception of them skeletally is limited to a few examples of immediate hybrids and pure migrants (Macknight and Thorne 1968). Had the Indonesian contact through the Macassan trepangers continued we might expect to have seen the development of a gradual change in the skeletal morphology of Arnhem Land people and of more southerly populations somewhat later. By extension, the Pleistocene and early Holocene settlement of Australia might reflect a similar process of continuous trickle of genes as well as material culture and socio-economic items.

We should, therefore, see the biological connection between Indonesia and Australia as a continuous association over more than 50,000 years, or possibly twice that time period. If there was a break, perhaps it was when the (white) Australians ended the regular Macassan contact early this century. Ironically, these same Australians helped to start a new migration, resulting in the movement of people by watercraft from Southeast Asia, through Indonesia, following the Vietnam War. In a real sense the boat people arriving on the coasts of Australia today are the latest in a very long succession of voyagers linking Australia to Indonesia and ultimately to Asia.

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INTRODUCTION

Indonesia is one of the most remarkable ethnic 'melting pots' in the world, but its potential for the study of human evolution has been little exploited. Much of the country lies within the biogeographical area of Wallacea, bounded to the north and west by Asia and to the south and east by Papua-Australia. In this transition zone is a fauna of varying degrees of intermixture, and this intermixture is true also for the living representatives of *Homo sapiens*.

During periods of Pleistocene low sea level the northern portions of Indonesia, including the Philippines and Taiwan, were part of an extended Southeast Asian Sahul land mass. Excavations of human skeletal remains and of human tools indicate a remarkable antiquity for hominid forms in this area (Jacob 1976), and Howells (1973) argues that the evolving populations in Indonesia reveal traits in the upper Pleistocene which suggest that Indonesia was the home at that time of 'old Melanesians'. It was from here some 50,000 or more years ago that these 'old Melanesians' crossed the sea into the adjacent Sundaland, the extended land mass of New Guinea, Australia and Tasmania.

To what extent the 'old Melanesians' were the outcome of evolution from *pre-sapiens* forms in Indonesia or were the result of new types migrating in from the north, perhaps blending with local types, is a matter for conjecture. Since the end of the Pleistocene, however, there is little doubt that this process of migration and blending has had a major impact on the composition of the peoples in Indonesia and on the colonization by man of the Pacific world in general. Studies in Indonesia, one of the main areas of human radiation into the Pacific, therefore are of great importance in helping us understand the development of Pacific populations.

The archaeological evidence for recent human occupation and movement in the Indonesian region has been reviewed recently by Bellwood (1978). My present purpose is to outline what support can be given to the archaeological inferences through genetic studies of living populations.

Indonesia at present is an island world which lends itself readily to cultural isolation, which in turn reinforces genetic isolation and leads to micro-evolution. Hildred Geertz (1963) has reviewed the extent of cultural differentiation in Indonesia and earlier investigators have documented the diversity of physical types which can be distinguished by classical physical-anthropological techniques. A good example is the study by Bijlmer (1929) of the peoples in the Timor-Sumba-Flores archipelago, an area of great interest to ourselves because of its proximity to Australia.
Bijlmer followed the typological classification common at that time, but recognized that in the Timor archipelago there was extreme variability. In order to constrain the classification he was forced to make choices. So for the Timorese he states (1929, pp. 91, 92):

If one wanted to distinguish in the Dutch East Indies only Malays and Papuans, or Indonesians and Melanesians, one would have to place the boundary between these two races undoubtedly between Sumba and Timor and the latter would then fall on the Melanesian side.

But he goes on to comment on the photograph of one Timorese that these types make neither a Mongoloid nor a decidedly Negroid impression. They form a separate type...and...as a picture of an Australian would do very well.

Such anthroposcopic and anthropometrical studies, either on living persons or on skeletal materials, have limitations which restrict their usefulness in population comparisons of the kind with which I am concerned here. The basic data is difficult to assemble and, particularly for skeletal material, is distributed patchily and sometimes is of doubtful provenance. In addition, the relative contribution of genetic and environmental factors to the variability in the measures is not known in detail. These limitations are not so serious for many of the simple genetic traits now being studied by population geneticists. Most recent studies have restricted themselves to traits which are detectable in samples of blood, obtained frequently for medical investigations and readily available therefore for other studies. Moreover, most of the traits are inherited in a simple Mendelian manner which enables mathematical analysis, together with model building, to proceed at a more sophisticated level.

Two types of analysis are possible. In one, attention is focussed on alleles which are unique to the populations under consideration. If such an allele arose by mutation in a population ancestral to that being studied, its frequency and distribution in neighbouring populations can give some indication of the length of time it has been in existence as well as of the pattern of gene flow across population boundaries. The other approach measures the genetic similarity, or dissimilarity, between populations on the basis of summed differences in the frequencies of commonly varying or polymorphic genetic loci. The more data available for such polymorphic loci in the populations concerned the more reliable will be the estimation of genetic distance between them.

UNIQUE ALLELES IN THE INDOONESIAN AREA

New mutations which express themselves as detectable traits in blood with a simple Mendelian type of inheritance, accumulate in populations and occur with widely variable frequency ranging from occurrence in a single individual, or the members of one family, through a proportion of individuals in a single population or tribal group to a wider distribution in groups of genetically related populations. Many examples of highly restricted mutants are known, but it is the more widely distributed variants which interest us here.
Among the red cell antigen systems one variant of special interest in the Pacific area is the Diego(a) variant. Discovered originally in American Indians, among whom it is widely though not universally distributed, it is found also in Mongoloid or Mongoloid-derived populations in Asia. What is of particular interest in the present context is the absence of the Di(a) antigen in populations in Australia, New Guinea, other parts of Melanesia and Polynesia, or in Micronesia except for the Chamorro of Guam. It is present, however, in modern populations in Malaysia and Indonesia. Any suggestion, therefore, that Micronesians or Polynesians have Mongoloid origins must take into account the almost complete absence of a marker found widely distributed in other Mongoloid populations.

Another red cell antigen which has been found distributed in mainly non-Austronesian-speakers in Papua New Guinea is the Gerbich-negative (Ge\(^a^\)) allele. Booth et al. (1972) believe that this allele was displaced by Austronesian language speakers who pushed up the Markham River Valley in eastern New Guinea as well as into other areas of coastal New Guinea.

Although this may be an oversimplification of the factors affecting the distribution of Ge\(^a^\) it is important that its distribution in Indonesia be studied in detail. No information is available so far.

Another blood trait, which affects the shape of the red cells, is present in Papua New Guinea, in at least some parts of Indonesia, and also in Southeast Asia. Ovalocytosis is found among Papua New Guineans living in coastal, malarious areas and Serjeantson and her colleagues (1978) have presented evidence that the gene controlling the oval shape of the cells is selected by malarial pressure in much the same way that falciparum malaria selects the gene for haemoglobin S in African populations. What is of interest here is that Bonne and Sandground (1939) reported that nearly half of the Toradja living around Lake Lindu in central Sulawesi have ovalocytosis. Similarly, aboriginal Malay groups (Temuan, Jakun, Senoi) have very high frequencies, while the frequencies in Malays is very low (Baer et al. 1976). Thus the gene for ovalocytosis seems to have great antiquity in the whole Southeast Asian-Indonesian-New Guinea area, and has been maintained in those areas where malaria has been endemic. Further mapping of its distribution in Indonesia is a high priority.

Genetic variants in several serum protein systems have great potential in discriminating between populations. One of the more striking differentiations is achieved by variants of the iron-binding serum protein, transferrin. Two alleles at the transferrin locus control electrophoretically slow-moving variants of importance in the Asian-Pacific area. One, \(T_f^{D\text{Chi}}\), is found with low frequency (1.5 per cent) in all Mongoloid populations, including many Amerindian populations. The other allele, \(T_f^{D\text{L}}\), occurs with higher frequency, up to 10 per cent, in all Australian Aboriginal populations, nearly all New Guinea populations and many other parts of Melanesia. It occurs also with low frequency in the western Carolines, though not in other parts of Micronesia or central Polynesia, but we have found some samples in Samoa. These two transferrin variants reveal interesting limits to the extent of gene penetration. \(T_f^{D\text{Chi}}\), for example, has not been detected in Australia, except in a single individual with recent Mongoloid admixture, nor has it been found in Micronesia, Polynesia or Melanesia. Indonesian populations show the Mongoloid-Melanesian dichotomy. The populations of Irian Jaya have only \(T_f^{D\text{L}}\), whereas the
Toba Batak and Nias Islanders reveal the presence of only \( T_f^{D,Chi} \). Recent unpublished studies in our laboratory for a population in Bali reveal one of the highest frequencies of \( T_f^{D,Chi} \) anywhere in the world (25 per cent). The same population, however, provided also an example of \( T_f^{D1} \). We might expect to find increasing frequencies of \( D_1 \) further to the east of Bali in the Timor-Sumba-Flores area, but we do not have data at present from these populations.

The Group Specific Component (Gc) system detectable in blood serum also has unique alleles in different parts of the world. Some years ago we discovered an electrophoretically fast Gc variant in an Australian Aboriginal population in Cape York (Cleve et al. 1963). The corresponding allele, \( Gc^{AB} \), is present in many parts of Australia, in New Guinea and in the New Hebrides. Recently we have also detected its presence in low frequency in Samoa. From its very high values in the highland and south coastal areas of New Guinea, the widespread distribution of \( Gc^{AB} \), corresponding broadly with the distribution of \( T_f^{D1} \), suggests a wide dispersal of populations in the western Pacific before Austronesian-speakers arrived. In a recent paper, Omoto et al. (1978) have reported another unique Gc variant occurring with polymorphic frequency among the Aeta in the Philippines. Comparison on agarose gels after immunofixation shows this variant to be slightly faster than Gc Aborigine. It will be important also to plot the distribution of both \( Gc^{AB} \) and \( Gc^{Aeta} \) in Indonesia.

Other specific serum protein alleles should be plotted in similar fashion in the Indonesian area. These include variants of albumin, such as \( Albumin \) New Guinea which occurs in several Melanesian populations in the western Pacific, and also the distribution of unique haplotypes in the immunoglobulin system. Space does not permit discussion here, but reference to recent papers by Curtain et al. (1976) and Schanfield (1977) will indicate their great potential for discriminating population movements in the area.

In previous publications (e.g. Kirk, in press) I have discussed the characteristic patterns of distribution in the Pacific of some of the specific genetic markers revealed through the study of enzymes detectable in red blood cells.

One of the more informative of these red cell enzyme systems is phosphoglucomutase (PGM). In red cells there are two sets of PGM isozymes controlled by separate genetic loci, \( PGM_1 \) and \( PGM_2 \). One allele at the first locus, \( PGM_1^2 \), occurs in many localities in India, Malaysia, New Guinea, the western Carolines, Banks Islands, Rennell and Bellona, and Fiji, as well as sporadically among Chinese and Japanese. It does not occur, however, in the eastern Carolines or Australia. The frequencies of \( PGM_1^2 \) in most areas are low, but in parts of New Guinea the gene frequency ranges from 2 per cent to 5 per cent, reaching 9 per cent in the Anga in the Eastern Highlands.

Another first-locus gene, \( PGM_1^1 \), on the other hand, is present sporadically in Japan and Southeast Asia and achieves polymorphic frequency in the western Carolines, as well as in Santa Cruz, the Reef Islands and in the Tokelau. It is present in the Marshalls and in Samoa, but absent from New Guinea and Fiji.

A third allele in this series, \( PGM^6 \), which is found with low frequency in Japan, China, Thailand and Malaysia, occurs only rarely in Australia and the western Pacific.
At the second locus of PGM there are several unique alleles, two of which are important for Papuan and Austronesian language speakers. Both $PGM^3_2$ and $PGM^1_{10}$ occur all over New Guinea. Frequencies tend to be higher in the highlands but appreciable frequencies also occur in some coastal populations. These alleles do not occur in Micronesia, Polynesia or, with the exception of a single individual, in Australia. However, they do occur in the eastern Solomons (Santa Cruz and Reef Islands) and $PGM^3_3$ has been detected in Tikopia and Anuta, Polynesian Outliers culturally but having biological ties with Melanesian populations of the Solomons. What is of interest here, however, is that $PGM^3_2$ occurs in Bali, indicating again a substratum in the population with older Melanesian affinities.

Three other red cell enzyme systems possess rare alleles which are of value in understanding the dispersal of populations in the western Pacific. The first of these, Malate dehydrogenase (MDH) has been reviewed by Blake (1978). The allele $MDH^3$ is found most frequently in the highlands of Papua New Guinea and on the south coast of West Irian. It occurs also on the north coast of Papua New Guinea and on Karkar Island, but not elsewhere in the Pacific. Another unique allele, $MDH^5$, occurs with polymorphic frequency in the western Caroline Islands, but has not so far been reported elsewhere.

The second of these systems, Glutamic pyruvic transaminase (GPT), is of interest because it has marker alleles which occur sporadically in low frequency. $GPT^3$ has been found only in the Huon peninsula of eastern Papua New Guinea and in Samoa, whilst $GPT^6$ has been found in both the Huon peninsula and Samoa as well as in the eastern Carolines and the Tokelau Islands.

Finally, the Phosphoglycerate kinase system (PGK) is under X-linked genetic control and has two marker alleles showing opposing patterns of distribution. $PGK^2$ has frequencies ranging from 2 to over 12 per cent in the western Pacific. It is highest in the Polynesian Outliers of Tikopia and Anuta and lowest on the Reef Islands, but is virtually absent in all other parts of the Pacific, being present only in a few coastal areas of New Guinea.

On the other hand, $PGK^4$ has its highest frequency in the Eastern Highlands of Papua New Guinea, lower frequencies in coastal areas, and has been detected sporadically in Santa Cruz and the Banks Islands outside New Guinea.

The X-linked system, Glucose-6-phosphate dehydrogenase (G6PD) has not been included in this discussion. The G6PD deficiency allele $G^a$ is found in many parts of the western Pacific, achieving very high frequencies in coastal areas of Papua New Guinea and parts of the Solomons. These are all malarious areas and it is probable that the distribution of the $G^a$ allele may reflect the distribution of this disease more accurately than the distribution of peoples, since in other parts of the world $G^a$ is known to be sensitive to selection pressure by malaria.

Malaria is known also to act as a selective agent for some haemoglobin variants. Whether this is true for the most widespread haemoglobin variant in the Pacific is not known. The alpha-chain variant Hb. $\delta$ KonjariKI was detected first in a population in the New Hebrides and has since been found in various parts of island Melanesia and in some coastal localities in New Guinea. It is not found, however, in the New Guinea highlands, in
Micronesia or Polynesia. Equally interesting is the virtual absence from all parts of the Pacific, except for Indonesia, of another haemoglobin variant, HbE. This abnormal haemoglobin achieves frequencies of 20 per cent or more in some parts of Southeast Asia, and again probably has been selectively favoured by malarial pressure, but it is very rare in New Guinea, where we have observed only a single case in more than 10,000 persons tested. In Indonesia reported frequencies for HbE range from around 4 per cent in Java and Bali to around 20 per cent in Sumba and 11 per cent in Timor.

Some of the unique markers discussed above must have great antiquity: possibly the oldest of them predate the entry of the first human populations into the Pacific arena. This is true, almost certainly, for transferrin D1, for this variant is found in parts of Indonesia, as well as all over Australia and New Guinea, where it frequently achieves high frequencies. From this base the TfD1 allele was carried into other parts of Melanesia, Santa Cruz and the Reef Islands, its frequency decreasing with distance from New Guinea through intermixture of the original populations. The allele just reached Fiji and Samoa, but apparently disappeared from the populations which moved further out into the Pacific.

Pattern No. 1, represented by TfD1, I will refer to as Australoid. It is possible that GcAB has almost the same pattern as TfD1. Unfortunately, several of the critical populations have not so far been examined for the presence of this allele, but for the moment I consider GcAB to be an Australoid allele.

The second pattern is Proto-Papuan. Alleles having this pattern include PGM1, PGM2, PGM10, PGK and MDH3, and some of them probably predate the Austronesian migrations into and past New Guinea. None of these alleles are found in Australia and must have arrived in New Guinea, or evolved there, after the effective splitting of the Australoid populations into two by the drowning of the land bridge between Australia and New Guinea nearly 10,000 years ago.

These Proto-Papuan alleles are characterized by having relatively high frequencies in the Papua New Guinean highlands and in parts of West Irian, with sometimes lower frequencies on the coast, and still lower frequencies out into the Solomons and the Banks Islands and the Polynesian Outliers. The most widespread of these Proto-Papuan alleles is PGM1, which moved out independently to the western Carolines. PGM3 also just reached Fiji but did not get to Samoa or the Tokelaus.

The third pattern is Austronesian. Alleles belonging to this group are not found in Australia and only infrequently, if at all, in the highland areas of New Guinea. Their highest frequencies occur in the Solomons, the Polynesian Outliers and Banks Islands, some coastal areas in the north and east of New Guinea, in the western Carolines and Fiji. Alleles in this group include PGM1 and PGK2, probably HbJongariki and AlbuminNew Guinea, GPT3 and GPT6. The pattern of their distribution agrees well with that based on archaeological and linguistic evidence suggesting a movement of Austronesian peoples out of Indonesia into the western Pacific. Here they overlaid an earlier Papuan element detectable in places like Santa Cruz, and returned westward onto the eastern and northern shores of New Guinea where they mixed with Papuan peoples, displacing their language and modifying their culture.
If the patterns of distribution for these unique genetic markers, outlined above, have any validity it becomes imperative to study populations in those parts of Indonesia in which some of the migrating populations had their origin. Such areas include Halmahera and the Timor-Sumba-Flores archipelago. Unfortunately this portion of the Indonesian map is still genetically blank and we must await the outcome of studies planned for the future in this area.

GENETIC DISTANCES

In a recent discussion of the genetic evidence for movement of Pacific peoples (Kirk, in press) I emphasized that such movements, as of Austronesians for example, were not a once-only event. In the case of Austronesians, as maritime peoples their migrations were many, and varied in direction, from the prehistoric period down to the last few centuries when written records began to document them in more detail. Many of these island communities therefore lost migrants to other places and gained genes from the arrival of new groups on their own shores. The resulting genetic make-up of such populations inevitably is non-uniform and all one can hope to achieve in terms of studies of genetic similarity is an approximation based on the averaging of all these past events.

We are now engaged in analysing, by multi-variate techniques, our own very extensive data on blood genetic markers for western Pacific populations, supplemented, wherever possible, by the results of other investigations.

One type of multi-variate analysis uses the data for the distribution of unique marker alleles only. In Figure 1 is shown a two-dimensional representation of the distances making use of the first two principal components. It will be noted that there is a tight cluster of nine populations with a further five not far removed. These include the western and eastern Carolines, Banks, Santa Cruz, Fiji, Marshalls, Samoa and the Polynesian Outliers, Tikopia, Anuta, Rennell and Bellona. Included in this cluster, but on its periphery, are the New Guinea coastal populations of Motu from Port Moresby, and in the north, Madang Province, and the Takia-speaking people from Karkar Island. The Waskia-speaking people from the same island are intermediate between the Eastern Highlands population and the Takia. The Eastern Highland population itself clusters with the south coastal group from Irian Jaya.

The second type of multi-variant analysis makes use of all the genetic information available, including variation in the frequencies of common alleles as well as of the unique marker alleles. Because common alleles are included we can now spread our net further and encompass populations such as the Ainu in Hokkaido and the Atayal in Taiwan.

Figure 2 shows the result for the Principal Component analysis based on genetic distances derived from Morton's biokin distance matrix. Here it is interesting that the Ainu take a position between the Australian and the East Asian populations, being somewhat closer to the latter. There is a fairly tight cluster of the Motu from Port Moresby, western Carolines, Tokelau Islands and Fiji with Samoa slightly separated. The Polynesian Outliers, Rennell and Bellona and Banks Islands are further removed. The eastern Carolines are also distinctive from the main cluster, but not too
Figure 1. Principal component analysis for genetic distances between populations in the Western Pacific based on the distribution of unique genetic markers.
Figure 2. Principal component analysis for genetic distances between selected Pacific populations based on polymorphic systems.
far away from the Banks Islands. Further away, in an isolated position comparable to that of the Australian populations, is the Eastern Highlands population of Papua New Guinea.

CONCLUSIONS

Genetic marker and genetic distance analysis allows us to make some general statements about the evolutionary relationships between populations in the Southeast Asian and western Pacific areas.

Firstly we can make a broad distinction between Southeast Asian populations, including those for the Java-Sumatra-Kalimantan areas of Indonesia, and those in the New Guinea-Australia and other western Pacific areas. Our study on Bali, still incomplete, indicates affinities predominantly with Southeast Asia but with suggestive evidence of some genes belonging to the New Guinea-Australia region. Detailed investigation of populations in the Timor-Sumba-Flores Islands would almost certainly indicate increasing affinities with Papua and Australian Aboriginal populations, and it will be interesting to see which populations cluster with Aboriginal and which cluster with New Guinea populations.

Bronya Keats (1977), analysing our genetic data for Australian and New Guinea populations by multi-variate techniques, has shown that there is a clear cut separation between all Australian Aborigines and all New Guineans. This separation has occurred despite the evidence from the distribution of unique markers such as Tj1 and Gd which indicates a common gene pool between these peoples at some time in the past. Determining which Indonesian populations outside Irian Jaya lean in the direction of Australia and which lean toward New Guinea, therefore, will be of great interest.

But of greater interest will be studies aimed at identifying a genetic substratum in Indonesian populations which might reveal affinities with the Austronesian-speakers who migrated out along the north coast of New Guinea to start the colonization of the other remoter areas of the Pacific. In the next few years we hope to have information which will help answer this question.

NOTE

Many collaborators have helped in providing blood samples from populations in Southeast Asia, Indonesia, Australia, New Guinea and other parts of the Pacific. For assistance with the extensive laboratory testing in Canberra I am indebted especially to N.M. Blake, and for the multi-variate analysis my thanks are due to Sue Serjeantson and Bronya Keats.

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The basic rhythm of plants and agriculture through most of Southeast Asia is dominated by rainfall - by its incidence rather than by its volume.

(Dobby 1976, p. 32)

The opening quotation provides a key to understanding one of the most important characteristics of Southeast Asian prehistory and ethnography; the trends in subsistence from cereal dominance to tuber and fruit dominance as one moves from the higher tropical latitudes of the Northern Hemisphere down towards the equator. In the period of early Austronesian expansion, from about 4000 to 2000 BC, peoples subsisting at least in part by plant cultivation made such a movement, from the south China/Taiwan region, through the Philippines, into eastern Indonesia and New Guinea. In moving from a region with marked rainfall seasonality into the equatorial latitudes with fairly high all-year-round rainfall (Figure 1), it appears that these early cultivators were required to make certain major modifications to their systems of horticulture.

Let me first provide some background. In this paper I will discuss mainly the prehistory of south China, Taiwan, the Philippines, eastern Indonesia (Sulawesi, Maluku and Nusa Tenggara) and New Guinea; and I do have a number of basic views about this prehistory which I have elaborated elsewhere (see especially Bellwood 1978a, Chapters 5, 8; also 1976a). There is no space to repeat all the details here, but the basics may be listed as follows:

1. Prior to Austronesian expansion, the islands of Southeast Asia were inhabited by Australoid hunting and collecting populations. Modern representatives of these populations comprise the Negritos of central Malaya and the Philippines, and such groups may have played some part in horticultural developments, particularly with respect to the very widespread habits of vegetative replanting, especially of yams. On the other hand, the present Negritos of Malaya and the Philippines have shown a surprising tenacity in maintaining a non-horticultural lifestyle, despite considerable cultural pressure (especially some northern Luzon groups; Peterson and Peterson 1977).

2. Between 4000 and 2000 BC Austronesian-speaking populations with an economic emphasis on plant cultivation expanded southwards from Taiwan, through the Philippines, into eastern Indonesia and western Melanesia. This period and region of expansion is my direct concern in this paper,
Figure 1. Climatic regimes in Island Southeast Asia. Top: after Barrau 1968, Figure 1. Bottom: after Robequain, C. 1954, *Malaya, Indonesia, Borneo and the Philippines*, Longmans, London, Figure 5.
but it should also be borne in mind that the descendants of these people had, by AD 1000, gone on to colonize well over half the circumference of the globe, from Madagascar to Easter Island.

(3) Linguistic considerations place Proto-Austronesian somewhere in island Southeast Asia, and its initial break-up was probably under way by 4000 BC (Pawley and Green 1975). Blust's reconstruction (1976, Table 1) of the Proto-Austronesian vocabulary suggests a technological and economic milieu associated with timber and thatch dwelling and community houses, use of the bow and arrow and pottery, emphasis on fishing, and canoe transport with sails and outriggers. Pig and dog, chicken and horticulture were all present, the latter with cultivation of yams, aroids (Colocasia and Alocasia), banana, breadfruit, sugarcane, sago, rice and millet. To this list should perhaps be added the coconut, although Blust does not give a reconstruction for it.

(4) The above list is not place-specific, and it undoubtedly subsumes the lifestyles of a number of early Austronesian societies from Taiwan right down into eastern Indonesia, including the Philippines. Blust's documentation does however, enable us to be more specific. The initial break-up of Proto-Austronesian almost certainly took place in Taiwan, and although no linguists (e.g. Dahl 1976, p. 127; Benedict 1975, p. 136) seem willing to be totally committed on this (but see Foley this volume), I can see no other reasonable alternative to explain the archaeological and linguistic facts. From the above list, those animals and plants which have Proto-Austronesian witnesses in Taiwan include pig, dog, rice, sugarcane and millet. This is important for what I wish to say below, because Taiwan is of course a subtropical island which has cold winters, and the absence at an early date of the tropical plants listed under 3 above (except for sugarcane) is quite expectable. I would conclude from the linguistic evidence that the early Austronesians in Taiwan had a cereal economy based on rice and millet, while those groups who moved south towards the equatorial latitudes turned much more towards tubers and fruits. This is exactly what the archaeological and botanical evidence also suggests. As Blust has stated (1976, p. 37):

> It seems likely then that the early Austronesian settlers of the Pacific took rice with them... but that rice did not succeed under Oceanic conditions and sooner or later passed away altogether.

I accept this statement as a basis for the key hypothesis in this paper, but would suggest that the early demise of rice did not take place in Oceania, but much further to the north and west.
I wish now to proceed through two lines of evidence, archaeological and botanical.

EARLY AUSTRONESIAN PREHISTORY: THE ARCHAEOLOGICAL EVIDENCE

The archaeology of the early Austronesians is, to my mind, witnessed directly by a chain of Neolithic cultures which are characterized by pottery, ground stone tools of various forms, and some sporadic evidence for horticulture. These Neolithic cultures appear in Taiwan by 4000 BC, and in the Philippine and east Indonesian islands by soon after 3000 BC. It is not clear what precedes the appearance of the Neolithic in Taiwan, but in the Philippines and eastern Indonesia the preceding industries are entirely without pottery or evidence for horticulture, and the record of them comprises only flaked stone. However, the widespread appearance of specialized and distinctive small flake and blade industries in the Philippines and eastern Indonesia from about 5000 BC onwards, may indicate a development of canoe technology and inter-island contact amongst the hunting and collecting populations of those islands. The appearance of similar industries in Australia by 3000 BC may have a similar explanation. I would suggest that the Austronesian expansion caused major repercussions amongst the previously-established non-horticultural residents of island Southeast Asia, and that these repercussions did extend to Australia, although this is not a question for discussion in this paper.

Perhaps I should state here that I regard the Austronesian settlement of island Southeast Asia to be the result of a series of definite population movements by horticultural peoples with a basically Mongoloid genetic inheritance, witnessed today by the Polynesians, Micronesians, aboriginal Taiwanese, Filipinos, and the majority of the Indonesians apart from those in the eastern cinal region. These people replaced (and are indeed still replacing) a sparse and indigenous Australoid population in island Southeast Asia by a process of genetic absorption resulting from a substantial superiority in numbers and technology. The question of Melanesia of course is not so easily explained, and I will defer discussion of this until later.

By stating this view, I hope to make it clear that I am against the view (if such exists) that the Indonesians and Filipinos are entirely the result of an in situ genetic and cultural evolution within island Southeast Asia. Certainly, they have been adapting within this area for upwards of 5000 years, but ultimate origins, I believe, must be traced back via a Proto-Austronesian location in Taiwan to the mainland of southern China. Benedict's hypothesis (Benedict 1975) that the Austro-Thai languages (Thai, Kadai and Austronesian) all have a common ancestor is of crucial importance here. Although the Thai and Kadai languages in south China are now geographically restricted owing to Chinese expansion (LeBar et al. 1964, end map), it can by hypothesized that their ancestors did occupy the coastal areas of south China up to the latitude of Taiwan at the time of Austronesian settlement on this island. Archaeology strongly supports such a Taiwan-mainland link at his time, circa 4000 BC. However, it should not be stated that Austronesian speakers sensu stricto have ever inhabited the mainland of China, for the Austronesian language family only crystallized as an entity in and beyond Taiwan, in other words,
after the break-up of the proto-language. The ancestral cultural and linguistic phases on the mainland of China are better referred to as 'Austro-Thai', after Benedict, or as 'pre-Austronesian' if only the Austronesians are under discussion.

Should anyone wish to question the idea that the early Austronesians ever had the ability or motivation to migrate rather than merely to evolve in situ, I would point (without going into details) to the well-documented 3000 mile Lapita expansion through Melanesia into Polynesia at about 1500 BC, and also to the documented spread of Neolithic societies along the whole north coast of the Mediterranean within little more than 1500 years (Ammerman and Cavalli-Sforza 1971). While the Austronesian expansion may have been slightly less 'monolithic' than that of the Mediterraneans Neolithic, it is nevertheless quite conceivable that early Austronesians could have spread along the highly fragmented coastline of the Philippines and eastern Indonesia within a similar timespan. A spread of coastal settlement from Taiwan to New Guinea in the fourth millennium BC seems not at all surprising on present evidence.

Turning to early Austronesian archaeology, we may begin with the Corded Ware culture on Taiwan (K.C. Chang 1969), now renamed the Ta-p'en-k'eng culture (K.C. Chang 1977, p. 85). This culture is dated rather loosely from about 4000 to 2500 BC and is characterized by cord-marked pottery, stone adzes, and stone items identified as projectile points, fish-net sinkers and a barkcloth beater. The typological details need not concern us, and K.C. Chang states that there is no direct evidence of horticulture in the two main sites of this culture. However, within the category of polished fragments of slate, all regarded as projectile points by K.C. Chang, I suspect there may also be fragments of the slate reaping knives which are such a dominant feature of the Chinese Neolithic in general (e.g. K.C. Chang 1969, Figure 23, no. 3; Plate 23,1). In accord with the linguistic evidence, and with the archaeological evidence from the neighbouring mainland of China, I would suggest that cereal cultivation (of rice and/or millet) was present in the Ta-p'en-k'eng culture, and I regard this culture as the expression of initial Austronesian settlement on Taiwan.

In the later cultures of Taiwan - the Lungshanoid and Yüanshan, both following 2500 BC - the evidence for cereal cultivation, the use of stone reaping knives, and spindle whorls for weaving (another Proto-Austronesian activity) become quite firmly established, and this material has been presented in detail by K.C. Chang (1969). The Yüan-shan, however, has only a few rudimentary stone knives, a factor which may suggest that cereals were less important than in the Lungshanoid, and which may be significant in view of the strong connections of this culture with those of similar date in the Philippines and further south and east (Bellwood 1978a, Chapter 8).

On the Chinese mainland, there are no sites with evidence for cereal cultivation in Fukien, on the coast opposite Taiwan, at a date comparable to the Ta-p'en-k'eng culture, but there are contemporary and poorly known cultures with corded pottery. However, further to the north, in Chekiang and southern Kiangsu, there are now several well-dated finds of rice dating from the fourth millennium BC belonging to the Ma-chia-pang phase of the Ch'ing-lien-kang culture (K.C. Chang 1977, pp. 136-41; Ho 1977; Glover, in press). The rice occurs only in sites to the south of the Yangtze, in association with rectangular timber house remains, cord-marked pottery and reaping knives. Although I have no detailed reports on these sites, the additional presences of pig, dog, chicken and a knowledge of weaving seem fairly certain, to judge from knowledge of the Lungshanoid as a whole.
For the purposes of this paper, it is only necessary to note that rice
cultivation was present close to the Yangtze delta by 4000 BC, in association
with a material culture which could easily provide a background for the
earliest Neolithic culture on Taiwan. Since the area of origin of rice
cultivation lies far to the south of the Yangtze (T.T. Chang 1976a, p. 144),
then the presence of rice cultivation all along the southern coastal regions
of China at this time is highly likely. The taxonomic status of this early
Yangtze rice is uncertain, for although claims for both indica and japonica
varieties have been made (quoted in Ho 1977), one should perhaps be cautious
about accepting them in light of the difficulties in characterizing rices
of similar age from northeastern Thailand (see Yen 1977). The latter are
evidently closer to the present wild or weedy rices, as one would expect
to be the case in the initial centuries of cultivation.

I am therefore suggesting that the first recognizable archaeological
cultures which may be identified as Austronesian in Taiwan were associated
with rice (and millet?) cultivation, and that there is no need to posit
a preceding stage of tuber cultivation without cereals on this particular
island, or even on the Southeast Asian mainland (Gorman 1977). This
provides a clue to one of the reasons for Austronesian expansion, and I
will return to the whole question of rice versus tubers below, after
extending the archaeological record to the south of Taiwan.

The expansion of horticultural settlement beyond Taiwan is hard to
follow, owing to the lack of botanical information from excavations, but
I would suggest that it is to be equated with the appearance of related
and simple forms of plain or red-slipped pottery in the Talaud Islands
(Bellwood 1978b, p. 261), southwestern Sulawesi (Glover 1978, p. 100) and
Timor (Glover 1972, Table 10.1) in the earlier third millennium BC.
Related wares appear in the Philippines at about the same time, but their
dating is less certain (Bellwood 1978a, pp. 208-9). In all these regions
the pottery intrudes into a developing sequence of flake and blade industries
which often continue on into quite recent times, and this circumstance
suggests that the local hunting and collecting populations survived, and
possibly influenced the horticultural adaptations followed by the incoming
populations.

This aspect of survival of earlier-established populations in the
Philippines and eastern Indonesia is in contrast with the situation in
Taiwan, where flake industries do not survive in any coherent way in the
Ta-p'en-k'eng assemblages. The latter seem to represent an integrated
horticultural assemblage with no apparent signs of fusion with or borrowing
from any prehorticultural technologies.

The initial Neolithic assemblages in the Philippines and eastern
Indonesia are also quite different from those in Taiwan in other ways.
These, all of extreme importance, are as follows:

(1) An absence of remains of rice prior to about 2000 years ago.\(^3\)
Rice, when carbonized, does survive perfectly well in cave
and shelter sites right through the tropics, and its absence
from excavations in this region reflects, to my mind, a
relative, perhaps even total, absence from the crop register.
The almost total absence of ground stone axes and adzes in some regions of eastern Indonesia, and specifically from the long rock-shelter sequences obtained in Talaud (Bellwood 1978b), southwestern Sulawesi (Glover 1978) and Timor (Glover 1971, p. 174). In these areas the small unground flakes and blades are virtually universal until the coming of metal, perhaps around 2000 years ago. This observation may not apply in toto to the Philippines, but even here I suspect that the majority of stone axes and adzes have been found in Luzon (e.g. Duff 1970), rather than in the southern islands of the group. Adzes are also common components of collections from Java and they are of course numerous in the late Neolithic site of Kalumpang in west central Sulawesi (van Heekeren 1972), so their absence is by no means universal. However, I do feel that these tools become quite significantly absent from the tool-kits of the majority of those horticultural groups who expanded southwards from the last outposts of the long dry season in the northern Philippines into the equatorial zone.\(^5\) The only conclusion I can draw is that early horticultural activities in the equatorial zone did not involve large-scale forest clearance, and cultivation probably took place in small fixed plots next to dwellings (cf. Harris 1973, p. 400). Timor, of course, does have a markedly seasonal rainfall, but its initial horticultural settlers presumably arrived after making the above adaptations.

The knowledge of weaving, as evidenced by baked clay spindle whorls, disappears from the prehistoric (but not ethnographic) record fairly sharply to the south of Taiwan. Cotton might have been one of the fibres used in weaving (Li 1970, p. 11), as may the fibres of *Musa textilis*, *Cypholophus moluccanu* and *Maoutia setosa*, all still spun today by the Yami of Botel Tobago (Kano and Segawa 1956, p. 362). It is hard to know why the knowledge of weaving was lost, given the wide range of fibre-producing plants in Southeast Asia and Oceania, but the fact remains that the spread of loom weaving into eastern Indonesia and parts of western Oceania (Riesenberg and Gayton 1952) may have been a quite recent event.

These three absolute or relative losses - rice, stone adzes and weaving - took place, according to the hypothesis which I will state more fully in the next section, as early horticulturalists expanded into the region without marked dry seasons, represented especially by the southern and eastern Philippines, Sulawesi, Borneo, and perhaps the Moluccas. Pig, and probably dog and chicken, did spread with these societies, but the grazing animals such as goats and bovids apparently did not until much later. I would point out again that the absence of stone adzes is only relative and by no means absolute, and also that rice might have been introduced at an early date into a trans-equatorial region with favourable climate and soils, such as eastern Java, but at present we have absolutely no evidence for this.
THE MAJOR CULTIVATED PLANTS AND THEIR ECOLOGICAL TOLERANCES

In the 'traditional' horticulures of the area under consideration (Taiwan, Philippines, eastern Indonesia) it is clear that there are variations in the distributions of the major crop plants. Certain major trends, culled from the extensive listings in LeBar 1972 and 1975, appear to be as follows:

1. Millet, mainly Setaria italica, survives as a major staple and ritual food only in Taiwan, where it is grown by shifting cultivation. It also exists as a minor food in many parts of the Philippines and eastern Indonesia, but is generally absent in western Indonesia. Its distribution may show a preference for regions with a marked dry season (e.g. Nusa Tenggara) but it is also grown in Sulawesi and Maluku.

2. Rice is today, of course, the major staple in most areas. However, according to Spencer's distribution maps (1966, Figures 4,5), it was only a minor crop east of Borneo prior to AD 1500. It still remains less important than millet in aboriginal Taiwan and, despite widespread ritual importance, is often out-produced by tubers or sago in parts of the Philippines and eastern Indonesia.

3. Sago attains importance in the coastal equatorial regions of Sulawesi, Maluku (Ellen 1979) and New Guinea.

4. Taro survives as a staple in southern Taiwan, Botel Tobago, Banggai (eastern Sulawesi) and in the islands off the western coast of Sumatra. It is of only minor importance elsewhere.

5. The yams are now of only minor importance to the west of New Guinea (as is generally true of taro), but it should be borne in mind that both yams and taro may have been considerably more important prior to AD 1500 (Spencer 1966, Figures 4,5).

6. Of the major tree fruits, only banana and sugarcane are reported as being common as far north as Taiwan (cf. the presence of sugarcane in the Proto-Austronesian vocabulary). The others, such as breadfruit and coconut, have more equatorial preferences.

I wish now to examine these plants in a little more detail, with respect to centres of origin and histories of spread.

Rice

The cultivated Asian rices were first domesticated in a climatic zone with a marked dry season which extends from northeastern India, across northern Southeast Asia, into southern China (T.T. Chang 1976a, 1976b; and see Figure 2 this paper). The wild annual ancestor, Oryza nivara, developed from a perennial forebear (O. rufipogon) as an adaptation to a seasonal rainfall regime (Whyte, in press). The perennial form grows in continuously flooded habitats today (T.T. Chang 1976b; Oka 1974, p. 476), while the
Figure 2. Top: Distribution of wild relatives and spread of geographic races of *O. sativa* in Asia and Oceania (after T.T. Chang 1976a, Figure 2). Bottom: (1) 'Home' area of rice where crop may be raised year after year with no climate modification by man; (2) Important rice-producing areas where at least one parameter of climate is frequently less than ideal for successful crops; (3) Areas where rice production is widely scattered and where climate must be modified to produce a crop; (4) Areas with no important production of rice (after Huke 1976, Figure 2).
wild annual form is adapted to seasonally wet swamps and ditches (Katayama et al. 1972). The early cultivated rices in this region probably had a growth cycle which was highly sensitive to fairly precise variations in rainfall distribution during the growing season, as well as to the progressive changes in day length throughout the year (Oka 1974, p. 477; Vergara 1976), and they would presumably have produced a reliable crop despite a relatively high cloud cover, except perhaps during the ripening phase at the beginning of the dry season, and a generally low incidence of sunlight (Huke 1976). These rices would also have had a strong level and long period of dry season dormancy (Chang and Oka 1976).

Today, rice yields are highest in arid areas where the incidence of sunlight is at a maximum, but where an artificial supply of irrigation water must, of course, be provided. The equatorial regions, on the other hand, are, even today, not major rice producers, perhaps owing to the combination of lack of rainfall seasonality and the probability of a high cloud cover when plants are ripening (Grist 1975, pp. 11-12). The situation which early rice growers might have faced if they tried to take their crop into the equatorial zone of Southeast Asia has been excellently described in a short article by Spencer (1963, p. 84):

...the rice plant reacts strikingly to seasonality, temperature change, photoperiodism, and other above-ground factors of environment and ecology... Thus small changes in photoperiodism and light intensity markedly affect the date of flowering and heading out of the grain...A variety of rice acclimated to a given set of such conditions may do poorly, or may altogether fail to flower and head out, when moved to a region in which different conditions prevail...It seems probable that rice developed first in a subtropical region of distinct seasonality as to length of day, cloud cover, temperature regime and light intensity. The zone from eastern India across to northern Indochina is such a region, with many local variations. Many rices acclimated to these local conditions fail to head out and yield mature grain when moved southward towards the equator into regions of less variation.

Spencer's statement sums up my own position concerning the spread of rice by early Austronesians, and its disappearance from the crop register in a very early period of Austronesian expansion should cause no surprise, regardless of what advances the plant may have made in recent historical times.

Millet

The two most important species of millet, *Panicum miliaceum* and *Setaria italica*, were domesticated by the fifth millennium BC in the Yang-Shao culture of the Huang Ho loesslands (Ho 1977), but the spread of these plants into south China is very poorly documented. K.C. Chang (1977, p. 455) mentions millet from a late second millennium BC site in Yunnan, and Glover (1972, I, p. 320) reports a single grain of *Setaria* from a context of perhaps 1000 BC in eastern Timor. Both species are found in present shifting cultivation systems in Southeast Asia, as is the native mainland Southeast Asian millet *Echinochloa frumentacea* (Spencer 1966, Appendix D). It is likely that millet, together with rice, was a major crop
of the early Austronesian societies in Taiwan, but it is not clear whether similar latitudinal restrictions would have hampered early attempts to move it southwards into equatorial regions.

Yams

The two main yam species, *Dioscorea alata* and *D. esculenta*, were first domesticated in the same region of marked rainfall seasonality as rice, and both have adapted to long periods of dry season dormancy (Burkill 1951; Alexander and Coursey 1969; Coursey 1972). On the other hand, certain minor species of yam do have a more equatorial distribution from Malaya, through Indonesia, into New Guinea (Spencer 1966, Figure 5), and Burkill (1951) also regarded the Indonesian region as a secondary centre of yam domestication (see also Barrau 1965, p. 66). On grounds of distribution it is likely that yams have always been present in Southeast Asian horticultural systems, and they may have attained more importance in seasonally dry areas, as remains the case in New Guinea today (Paijmans 1976, p. 118).

Aroids

Unlike yams, the aroids have evolved in environments of all-year-round dampness (i.e. stream banks and swamps), and they require irrigation when under cultivation in areas where there is a long dry season (Barrau 1968; Paijmans 1976, p. 120). The *Cyrtosperma* species was probably first domesticated in eastern Indonesia or New Guinea, and wild forms are said to occur in the latter area (Paijmans 1976, pp. 108-9). *Alocasia* also occurs wild in New Guinea, but Plucknett (1976, p. 11) has recently placed its origin in India. For *Colocasia*, an origin in Assam was suggested by Spier (1951) on ethnological grounds, but a more likely origin, favoured by Barrau (1965, p. 64; 1968) lies in equatorial Indonesia. However, this plant is so widespread, and has been so important in the past, that there could have been more than one centre of initial domestication (see also Yen and Wheeler 1968).

The tree fruits

Breadfruit, coconut, certain bananas (and the sugarcane; Simmonds 1976) were all first domesticated in the equatorial regions of Indonesia and New Guinea (Li 1970; Bellwood 1976b; Yen 1973) and it is in these areas today that they mostly retain their greatest subsistence importance. The importance of tree fruits has also been greatly developed in various parts of Oceania.

A SYNTHESIS OF AUSTROINESIAN HORTICULTURAL PREHISTORY

From the above observations - linguistic, archaeological and botanical/distributional - I wish to suggest that there are four major stages involved in Austronesian horticultural prehistory. Each stage is focussed on a different geographical region, but the four are not entirely separated chronologically, and there is some overlap.
Stage 1

In a recent and very perceptive paper, Gorman (1977) has argued that rice and tubers were first domesticated together on the Southeast Asian mainland, and that the often-claimed evidence for an earlier stage of tuber cultivation alone is weak. Gorman also argues that cereal cultivation proved non-adaptive as people moved into island Southeast Asia and the Pacific, and this is the basic viewpoint which I am presenting in this paper. Gorman's claim for a 7000 BC date for rice cultivation will certainly need future verification, but this problem does not impinge on the matters discussed in this paper.

I will therefore commence Stage 1 with a horticultural complex with rice, millet, possibly Job's tears, certain legumes such as Phaseolus angularis (Li 1970), and possibly yam and taro. This complex extended from mainland Southeast Asia into southern China at about 4000 BC, and encompassed the earliest Austronesian settlers of the fourth millennium BC on Taiwan. Rice was probably grown by 'wet' techniques involving localized swamp inundation, but if millet was ever of major importance then it is very likely that shifting cultivation was practised too.

Cereal swiddening is known to make much greater demands on the land than vegetculture (Harris 1973, p. 403) and, although perhaps an extreme case, the enormous demands which modern Iban (Sarawak) rice swiddening makes on land have been emphasized by Freeman (1970, Chapter 6). If such a system was present in the early cultures under consideration then a fairly rapid geographical expansion may be expected, particularly if the tubers and legumes were of only minor importance. Heavy inland expansion is claimed by K.C. Chang (1974) for Taiwan around 1500 BC, but I would suspect that if shifting cereal cultivation was practised by the early Austronesians in Taiwan then coastal population movements as a result of land shortage would have taken place much earlier. In this sense, shifting cultivation, together with the development of a canoe technology, could have been one of the basic initiators of Austronesian expansion.

Stage 2

As Austronesian coastal expansion penetrated southwards through the Philippines towards the equatorial zone, rice, and perhaps millet, may have been unable to flower and set seed in climatic conditions which would ensure successful ripening and harvest of the grains. Legumes might also have met similar barriers. It is quite possible that the resident Australoid hunter-gatherer groups were already exploiting in a fairly intensive fashion the aroids, certain yams, and the major tree fruits. They may also have been using a range of 'relict' plants such as Cordyline fruticosa, Pueraria lobata and Setaria pumifolia (Barrau 1970, p. 496; 1974, p. 32). Swidden cereal cultivation may thus have given way partially (or possibly totally) to areally restricted fixed plot cultivation next to homesteads (Harris 1973, p. 400), with small-scale swiddening being applied to the tubers. Complex patterns of interdigitation between Austronesians and the preceding populations may also have given rise to the complex technological and economic mosaic noted for eastern island Southeast Asia by Hutterer (1976). The Tasaday plant collectors of Mindanao (Fernandez and Lynch 1972), although certainly not isolated survivors from the initial period of Austronesian expansion, may
nevertheless have preserved an economic option which was much more widespread prior to the first horticultural developments. The Negritos, and such groups as the Punans of Borneo, may represent similar situations.

Wet taro cultivation may have developed when taro was taken out to the fringes of this zone to localities where rainfall is seasonally distributed, and the classic surviving example of terraced wet taro in this region is Botel Tobago, off the coast of southern Taiwan (Kano and Segawa 1956). The same developments, of course, took place in certain of the Pacific Islands (Barrau 1968; Bellwood 1976b). It is quite possible that wet rice cultivation in northern Luzon developed from local systems of taro cultivation, although I would certainly not claim this to be true of terraced wet rice systems in general. The antiquity of true terraced wet rice prior to 2000 years ago is basically unknown, and the system is generally recent in the area under consideration.

Stage 3

Between 3000 and 1500 BC Austronesian settlers took their cultivation systems into Oceania. This story is outside the scope of this paper, but many important developments took place, involving the development of new and more productive cultivars (Barrau 1965; 1970, pp. 498-9), an increasing emphasis on arboriculture (Yen 1973) in certain localities, and a number of specific developments in cultivation techniques (reviewed in Bellwood 1976b; 1978a, Chapter 6).

Stage 4

Stages 1 to 3 evolved in their respective areas into historical times, and their beginnings can be dated now with some confidence (Stage 1, 4000 BC; Stages 2 and 3, 3000 BC or thereabouts). Stage 4, which involves the ultimate expansion of rice from its homeland region into equatorial Southeast Asia, is much harder to recognize beyond the historical record, and dates of introduction may differ sharply between neighbouring localities. This is a question which clearly requires much future research, and it also involves the important question of the spread of intensive wet-field cultivation of rice.

ADDITIONAL THOUGHTS

Is it coincidence that the major phase of Austronesian expansion should have taken place just at that time when the sea level began to stabilize after its post-glacial rise? The chart presented by Chappell and Thom (1977, p. 281) indicates that this stabilization took place in the crucial millennia between 4000 and 2000 BC, and they also note that active marine transgression would not give a very favourable coastal environment for human settlement. Considerable developments in canoe technology presumably also took place at this time.

The Melanesian populations have a unique phenotype in the Austronesian-speaking world, and have clearly resisted large-scale settlement by Mongoloids (unlike the Philippines and most of Indonesia). Golson's evidence for horticulture in the New Guinea Highlands at a date prior to any reasonable possibility of Austronesian influence is of tremendous importance here. Could it be that taro was introduced at a
very early date into New Guinea (Paijmans (1976, pp. 108-9) does not list it as a native), and then domesticated independently in the unique ecological situation of the Highlands? Such an early domestication would give the Melanesians, both in New Guinea and in the islands to the east, the required demographic advantage to enable them to hold their archipelago, in a genetic sense, against the basically Mongoloid horticulturalists who so successfully settled virtually the whole of Southeast Asia, together with Micronesia and Polynesia.

NOTES

Specific and useful comments on aspects of this paper have been made by Mary Cook, Jack Golson, David Harris, Doug Yen. The overall synthesis is my own.

1 Blust's claims for iron and writing in the Proto-Austronesian vocabulary are very hard to accept from an archaeological viewpoint, but it is interesting to note that Benedict (1975, pp. 140, 186) also reconstructs both for Austro-Thai.

2 The linguistic presence of sugarcane in Taiwan in Proto-Austronesian times poses a problem, since this plant originated in and around New Guinea (Simmonds 1976) and one would hardly expect to find it so far north at such an early date. Perhaps a more detailed linguistic investigation is required.

3 Glover (in press) reports a radiocarbon date of c. 2000 years for a rice sample from the Ulu Leang 1 shelter in southwestern Sulawesi. Although he suggests the possibility of an earlier date on stratigraphic grounds, this still needs to be verified.

4 Java and Sumatra as yet have no coherent prehistory, and are not considered in this paper. The Malay Peninsula is considered by me to be a terminus of Austronesian settlement in Southeast Asia, and I do not regard it as having played any part in early Austronesian expansion (Bellwood 1978a, p. 170).

5 On the grounds given here, it would appear that the Lapita culture, with its developed adze kit, can be derived more easily from the Philippines than from the islands to the south.

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In the study of the prehistory of the regions of the world, scholars have found the tools of comparative and historical linguistics to be indispensable. In the absence of written records, the comparative study of the vocabularies and structures of the languages of the area is of utmost importance in reconstructing the earlier settlement and migration patterns and is an essential complement to archeological studies. These methods allow us to group languages into families in the same way that people belong to families, i.e. they develop from a common ancestor. Thus, English and German belong to the same language family, the Germanic language family, because they both descend from a common parent language spoken in prehistoric times. In addition, with these methods we can reconstruct features, such as vocabulary and grammatical markers, of this language. Thus, we know that the parent language of English and German, which we call Proto-Germanic, had case endings and verb endings similar to classical Latin, which have been lost in both of the modern languages. This genetic relation, i.e. relationship of parenthood and offspring, can be represented as:

![Diagram](https://via.placeholder.com/150)

in which English and German are daughters of the parent language, Proto-Germanic.

The rigorous methods of comparative and historical linguistics were worked out in the nineteenth century within the context of the unravelling of the prehistory of European peoples, for which some corroboratory evidence, of course, existed in the early written documents of Greek and Latin, not to mention Vedic Sanskrit, the ancient ritual language of India. However, the methods have been applied to other areas of the world with no early written documents, such as North America or sub-Saharan Africa, with impressive results (see e.g. Siebert 1967; Sapir 1949). These results have borne out the great usefulness of comparative and historical linguistics for working out the prehistory of the various peoples and areas of the world.

The methods of comparative and historical linguistics were first applied to the languages of Indonesia in the nineteenth century by various Dutch scholars. The earliest significant corpus of written texts in any language in Indonesia are those of Old Javanese or Kawi, which date from around the tenth century. This is quite late, and, although these documents are important, they cannot be regarded as evidence of the same weight as our reconstructions of the earlier stages of the languages.
arrived at by the methods of comparative linguistics. Consequently, in reconstructing the prehistory of Indonesia we must rely heavily on the findings of our linguistic researches. Since the nineteenth century the comparative and historical study of the languages of Indonesia has continued to develop, with the result that today the prehistoric picture of Indonesia as viewed by the findings of comparative linguistics is clearer, although numerous lacunae still exist in our knowledge. This essay should be taken as a progress report on the findings of comparative and historical linguistics as regards the prehistory of Indonesia.

The languages of Indonesia can be divided into those which belong to the Austronesian language family and those which do not. By far the greater part of the area of Indonesia is occupied by speakers of Austronesian languages. In addition, the majority of languages spoken in Indonesia belong to this family. Because of their importance, most of this essay will be devoted to them, with a briefer discussion first of the non-Austronesian languages.

The non-Austronesian languages of Indonesia are only found in the eastern provinces, in north Halmahera, central and eastern Timor, the islands of Alor and Pantar, and most of Irian Jaya. Thus, we see these non-Austronesian languages are clustered around the island of New Guinea. This is in general keeping with the linguistic picture of the Pacific. From Sumatra to Hawaii the languages of the Pacific are Austronesian, except for those of New Guinea and its environs. Here, while there are Austronesian languages along the coast, the vast majority of the more than 800 languages of this area belong to many different families, the interrelationships of these being by no means clearly worked out. New Guinea, without question, presents the most complex linguistic picture in the world. As we are not treating New Guinea specifically in this seminar, I will say no more about this, except to point out that the western half of the island of New Guinea, the Indonesian province of Irian Jaya, participates fully in this Papuan babble. While not as complex linguistically as Papua New Guinea, Irian Jaya has a great plethora of languages (around 300, although the exact number is undetermined), the vast majority of which are non-Austronesian. Only along the north coast of Irian Jaya are Austronesian languages found.

Not enough rigorous comparative linguistic work has been done on these non-Austronesian languages of Irian Jaya for us to have much to say about its prehistory. As there are no clear links of these non-Austronesian languages of the New Guinea area to language groups elsewhere in the Pacific or in Southeast Asia, we find no evidence to support an earlier migration from Asia, western Indonesia or elsewhere in the Pacific, and, consequently, we must assume this complexity has developed in situ.

For the other much smaller pockets of non-Austronesian languages in eastern Indonesia, various connections have been proposed. The non-Austronesian languages of north Halmahera have been linked to a group of languages in the extreme west of Irian Jaya. However, I find the evidence for this quite unconvincing, and will treat it no further, proposing to regard the north Halmaheran languages as a group of isolated non-Austronesian languages with no outside connections.
However, the situation with the languages of Alor, Pantar and eastern Timor is more interesting from our point of view. There is some evidence (Wurm 1975), although not strongly compelling, that these link to a large group of languages spread through the island of New Guinea, in both Papua New Guinea and Irian Jaya. Furthermore, the evidence within New Guinea for the migration pattern for this group suggests an east to west pattern, starting from eastern Papua New Guinea through the centre of the island to western Irian Jaya (Wurm 1975, p. 950). However, Wurm (1975) also believes that this large grouping originally migrated to the New Guinea land mass through eastern Indonesia. This leaves it unclear, then, whether the present non-Austronesian languages of Timor, Alor and Pantar are remnants of the early migration through eastern Indonesia to New Guinea or an advanced guard of the later west to east migration through New Guinea. At present there is no strong evidence to decide between either of the two hypotheses.

When we turn to the Austronesian languages we are on much firmer ground. All of the languages of Indonesia other than those already discussed are Austronesian, and, consequently, are all related genetically. This family has the widest geographical distribution of any language family in the world. The languages of the Philippines, the aboriginal languages of Formosa, the languages of Micronesia and Polynesia, as well as most of those of insular Melanesia, all belong to this family.

Given that all these languages are genetically related, they must go back to a single parental language. This language we call Proto-Austronesian. To determine the time and place at which this ancestral language was spoken is a complex undertaking. Archeological evidence in Papua New Guinea, such as pig bones and stone adzes, indicates the presence of Austronesian speakers by around 3000 BC. Proto-Austronesian could not have been spoken any later than that. However, there is significant evidence that it is considerably older than that. Paul Benedict (1975) has tried to prove that the Austronesian languages are related genetically to the Thai-Kadai languages of mainland Southeast Asia. The following diagram illustrates this claim:

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PROTO-AUSTRO-THAI

PROTO-THAI-KADAI

PROTO-AUSTRONESIAN
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Thus, Proto-Austronesian was a sister language of the ancestral parent language of the Thai languages. This would suggest that Proto-Austronesian was spoken much more closely to the Southeast Asian mainland than New Guinea. Given that the distance from the Southeast Asian mainland to New Guinea is considerable, we would expect an earlier date for Proto-Austronesian, to allow the groups speaking the proto-language to split up and migrate to New Guinea. Thus, 5000 BC is a reasonable date for Proto-Austronesian, although as recent as 3500 BC is possible.

Even if one refuses to accept Benedict's evidence for a genetic link between the Austronesian and the Thai language groups (and this is a controversial claim), there is still compelling evidence for a homeland close to Southeast Asia. First, whether one accepts Benedict's hypothesis or not, the evidence he has marshalled is considerable and demands explanation. If these linguistic similarities are not due to genetic
relationship, they must be due to ancient contact between Proto-Thai and Proto-Austronesian or a language close to it. Given that Proto-Thai appears to have been spoken in the southern China-northern Vietnam area, and that except for the very ancient connection we are claiming there is no evidence that Thai speakers had any other contact with Austronesian speakers until historical times, when the Thai groups expanded southwards, we may conclude that these linguistic similarities are due to borrowing into Proto-Thai from a very early Austronesian language, possibly Proto-Austronesian. This would strongly support a homeland for Proto-Austronesian around the southern China-northern Vietnam coast.

Second, and even more compelling, is the high diversity exhibited by the aboriginal Austronesian languages of Formosa. In many respects the Austronesian languages on Formosa differ more from each other than do all the other Austronesian languages outside Formosa, in spite of the huge geographical area over which these are spread (Harvey 1979). All of the Austronesian languages outside Formosa exhibit certain innovative changes in their sound systems and grammar which stamp them as belonging to one group (Harvey 1979, Chapter 3). The Austronesian languages on Formosa, on the other hand, do not seem to belong to one group, but form several different groups. High internal diversity is a strong positive indicator of ancient occupation and thus, indirectly, of the homeland of a language family ( Sapir 1949; Bloomfield 1933). As Formosa is adjacent to the southern China coast and there are no Austronesian languages on the adjacent mainland, the logical conclusion is that Formosa was the homeland of the Austronesian-speaking peoples and this will be assumed throughout the remainder of this essay.

After 5000 BC, the community which spoke Proto-Austronesian began to break up and Austronesian-speaking peoples began to migrate. From Formosa they moved through the Philippines and reached northern Borneo and northern Sulawesi. The speakers of the language ancestral to the modern languages of Polynesia, Micronesia and Melanesia could have migrated directly out to Oceania, but, given that it seems likely that these languages are closely related to those of southern Halmahera and eastern Indonesia, the speakers of the ancestral language probably moved through eastern Indonesia as well, possibly as a splinter group of the northern Sulawesi migration. In fact, although highly speculative, it seems possible that Indonesia was largely settled in two great arc-like migrations: one, moving south from northern Borneo to populate western Indonesia; the other, moving south from northern Sulawesi, or possibly Halmahera, to settle parts of eastern Indonesia such as Maluku, and Oceania as a whole. This correlates well with the fact that northern Borneo and Sulawesi as a whole exhibit the highest diversity among Austronesian languages in Indonesia. As mentioned above, this high diversity indicates old occupation and the central dispersal point for the migrations. This does not account for the settlement of the central islands of Nusa Tenggara, Sumbawa, Sumba and Flores, but I have no clear ideas on these so will say nothing about them.

The large islands of western Indonesia, Borneo, Sumatra and Java will concern us now. Sumatra and Java especially show remarkable linguistic homogeneity in contrast to the complex situation in Taiwan, the Philippines and even Sulawesi. Of the three main islands only Borneo, and indeed coastal northern Borneo, i.e. the Malaysian states of Sarawak and Sabah, show any comparable complexity. As mentioned above, we must
assume a central dispersal point here. The languages of northern Borneo
range from those in Sabah with strong grammatical similarities to the
languages of the Philippines, to those in southern Sarawak which exhibit
the rather general grammatical structure of western Indonesian languages,
of which we can take Malay-Indonesian or Javanese as typical. The rest of
Borneo, as far as our impoverished knowledge enables us to say, is
remarkably linguistically homogeneous, like Sumatra and Java with languages
of the typical western Indonesia grammatical type.

As Sumatra and Java are the locations of the great historical
civilizations in Indonesia, they deserve more detailed discussion. The
greater part of Sumatra is occupied by languages closely related to Malay,
such as Minangkabau. Malay, which, of course, has spread over the Malay
Peninsula and large areas of Borneo, appears to have spread from its place
of origin in Sumatra. The only languages which deviate from a close
relation to Malay in Sumatra are those in the north, Acehnese, Gayo and the
Batak group.

From the viewpoint of the history of Southeast Asia, Acehnese is
especially interesting. It has been claimed that it is related to or has
been influenced by the group of languages in mainland Southeast Asia called
Mon-Khmer, of which Cambodian or Vietnamese are the main representatives.
While Acehnese is without doubt an Austronesian language, it is possible
that it has been influenced by Mon-Khmer languages, although this is as
yet unproven. Austronesian languages which have definitely been influenced
by mainland Mon-Khmer languages are those of the Chamic group in Kampuchea
and Vietnam. These are clearly Austronesian languages from western
Indonesia, whose speakers migrated to the mainland perhaps 2000 years ago
and later founded the highly civilized Hindu Kingdom of Cham. Khmer and
Vietnamese rulers whittled away at the Chamic Kingdom, and the last bit
was absorbed by the Vietnamese in the fifteenth century. Although clearly
Austronesian genetically, as a result of two milenia of contact with Mon-
Khmer languages these Chamic languages now share many linguistic features
with the Mon-Khmer languages surrounding them.

Java has only two indigenous languages: Sundanese, of west Java, and
Javanese, of central and east Java. Madurese is also spoken on Java but
is indigenous to Madura, an island off the northeast coast of Java. Thus,
although Java is the most populous island in Indonesia, it is linguistically
the most homogeneous of the major islands. Javanese is the largest
language in Indonesia in terms of native speakers, with about fifty million
speakers. It is also the language with the oldest written documents, which
date from the tenth century.

Many of the languages of western Indonesia show the influence of the
waves of Indian cultural influence which swept over Sumatra, the Malay
Peninsula and Java in the first millenium AD. Javanese exhibits the most
extensive influence of all. Just as English has many French words from the
French influence in England in the Middle Ages - mutton < Fr. mouton,
people < Fr. people, court < Fr. court, sport < Fr. sport - Javanese has
borrowed hundreds of words from Sanskrit, the high cultural language of
India. However, in Java, a unique development paralleled this borrowing.
Speakers of Javanese developed a distinction in speech styles, with one
style used to speak to people of higher status than the speaker (called
krama in Javanese) and the other for people of equal or lower status
(called ngoko in Javanese). Because the Sanskrit words entered Javanese
through the high cultural circles of the courts, they were at first
associated with people of high status. Consequently, the vocabulary of the krama speech style contains a very high percentage of Sanskrit loans in comparison to ngoko, which, on the other hand, has a higher percentage of native Austronesian words. This points up clearly the socio-cultural component in language change, and reinforces the importance that we can attach to the methods of comparative and historical linguistics in unravelling the prehistory and supplementing the history of Indonesia.

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IN TROD UCTION

In recent times the observation that 60 per cent of Indonesia's population lives on Java, which constitutes only 7 per cent of Indonesia's total land area, is frequently made in sources ranging from government planning documents to primary school textbooks. In days of equality of distribution, population is not overlooked. Indeed, references are sometimes made to the 'maldistribution' of Indonesia's population, as if uneven distribution of population is intrinsically undesirable and can have no reasonable explanation. The broader stream of thought, however, has divided Indonesia into two ecological zones, referred to by Geertz (1963) as 'Inner' and 'Outer' Indonesia, which essentially correspond to Java and the remainder of Indonesia. Inner Indonesia, or Java, is characterized by wet rice agriculture, fertile volcanic soil, high agricultural productivity and high population density. Outer Indonesia is centred upon swidden agriculture, alkaline soils, low agricultural productivity and low population density. Thus, Java's high population density is explained by its ecological superiority. However, ecological superiority cannot in itself be a sufficient explanation of higher population density. It would be very difficult to argue, for example, that the 300 per cent increase in population density in Sumatra since 1930 has come about because of a change for the better in Sumatra's ecology. Quite clearly, in explanations of population growth in agricultural societies attention must also be given to the expansion of area under cultivation and to technological change. Thus, Ester Boserup (1965) postulates that increased population pressure leads to the expansion of area under cultivation and eventually to change from long-fallow to increasingly shorter fallow agriculture. Boserup, in fact, refers to nineteenth-century Java as an example of this phenomenon. This framework remains inadequate, however, because it is not possible to consider the relationship between population and agriculture in isolation from the nature of the prevailing social organization. The ruling authority clearly plays a major role in the introduction and spread of new technology, in the opening up of new areas for cultivation, and, more recently, even in the protection or improvement of the ecological situation.

If examination of the relationship between population growth and agricultural development requires the framework outlined above, very little real contribution has been made in this area of research, even in more modern times. In particular, while considerable controversy surrounds explanation of Java's population growth in the nineteenth century, there has been virtually no research on the pre-nineteenth-century population.
In this perspective, the task set for this paper, that is, to provide a history of Indonesia's population from prehistoric times through to the present time, is, conservatively, formidable. The paper is therefore divided into three sections: (1) speculations about pre-nineteenth-century population; (2) a review of the nineteenth-century controversy; and (3) an examination of the changes occurring in the twentieth century.

PRE-NINETEENTH-CENTURY POPULATION

Java's population reached thirty million around 1905, whereas the population of Japan reached thirty million around 1870. The population sizes of Java and Japan were, therefore, not all that different in the latter part of the nineteenth century. This comparison is interesting, not only because there were many basic similarities between Java and pre-industrial Japan (Geertz 1963, pp. 130-43), but also because relatively reliable estimates have been made of Japan’s population at much earlier times. In particular, it has been estimated that Japan had a population of around ten million in the thirteenth century (Taeuber 1958, p. 20). Such a vast population for Java at any time prior to the nineteenth century has not even been speculated. For example, in attempting to explain the splendid edifices of central Java (ninth century), Schrieke (1957, p. 300) says that

according to the most reliable estimate, the whole middle section of Java, comprising all the country between Tegal and Banumas on the one hand and Surabaya - Kadiri on the other, cannot have had a population of much more than one million people.

No reference is made as to how this most reliable estimate was made and thus it can only be assumed that it was obtained by some kind of backward extrapolation of the nineteenth-century population of this region. Without considering the accuracy of nineteenth-century population estimates, which is the subject of the next section, it must be remembered that any population during the past millenium may have experienced long periods of depopulation or stagnation of population growth. If, by means of wet rice technology, Japan's population was able to reach ten million by the thirteenth century, is it unrealistic to suggest that Java's population at the end of the first Mataram dynasty (tenth century) was five million or more? A population of this size and the prosperity that it implies would be sufficient explanation of the mystery of the 'splendid edifices' which bothered Schrieke.

Wittfogel (1957) has classified Java under the Dutch administration as an 'hydraulic society' such as those existing in the great, ancient civilizations of Egypt, India and China, but the argument being made here is that Java was an 'hydraulic society' of some significance before AD 1000. Wittfogel characterizes hydraulic societies in the following terms:

(i) advanced agricultural technology;
(ii) political stability over an extensive area;
(iii) existence of trade based on large towns;
(iv) bureaucratic control over land and irrigation; and
(v) a large population.

As there is strong evidence for the existence of the first four of these characteristics in Java before AD 1000 (van Setten van der Meer 1979), it seems logical to infer that the population was substantial at that time. It has even been inferred from the large number of stone tools that have been found that Java was relatively densely populated in the Neolithic period (Heine-Geldern 1945, p. 137). Tools used in wet rice agriculture have been dated to the Neolithic period, thus indicating a very early commencement of wet-field farming (van Setten van der Meer 1979, p. 3).

An appreciation of the size and complexity of systems of irrigation in ancient Java can be obtained from the recent study of van Setten van der Meer (1979). She points out that simple hydraulic technology and methods of administration on an intervillage level existed before the Indian influence, but that the Indian principles of kingship and administration brought a progression 'to the large scale irrigation complexes of dams, reservoirs, bridges and canals which must have existed at least by the time of the Sailendras of Central Java and contemporary kingdoms in East Java' (van Setten van der Meer 1979, p. 8). Her study of stone and copper inscriptions dating from AD 450 to AD 1486 indicates the use of sophisticated engineering (tunnels, dams, dykes, pipes, channels and bridges), a complex society having a highly stratified bureaucracy, and a system of land tax and mortgages based on a well-organized set of measures and classifications of land. Furthermore, surplus rice for export was transported a not-inconsiderable distance down the Solo and Brantas river systems, thus implying political control of successive kingdoms over a large area of Java and over the two major water systems.

Literary sources, particularly from the Majapahit period, certainly indicate a political philosophy well in line with that of hydraulic societies. The Natarakartagama (fourteenth century) records an exhortation of the Prince of Wengker to the squires in which the Prince emphasizes the importance of the welfare of the rural districts and the need to maintain the dam, dykes, roads and buildings (canto 88, stanza 2, Pigeaud 1960, III, p. 103). He goes on to say that both terraced and unterraced fields must be guarded and treated with care, that cultivated land should not be allowed to go to waste, and that persons arriving from foreign districts should not be hindered when they are going to clear new land (canto 88, stanza 3, III, p. 104). He then points out that the towns and the defence of the kingdom against foreign attack would be jeopardized if agricultural production were to decrease (canto 89, stanza 2, III, p. 105). Similar themes from a much earlier period are contained in the Old Javanese Ramayana (van Setten van der Meer 1979, p. 78). The Charters from the Majapahit period translated by Pigeaud (1960) also indicate substantial intervention by the state in the settlement of land disputes (e.g. the Charter of Renek, AD 1379).

While few remains of large towns or irrigation schemes have been unearthed, the task of finding such remains is formidable given the intensity of land usage in Java today, the changes that have occurred over
centuries in river courses, and the amount of volcanic ash that has been deposited on the island. In any case, the towns would have been constructed primarily from wood or thatch which, by now, would have disappeared.

Thus, the successive ancient kingdoms continually promoted a change to shorter fallow and the settlement of new people within their districts of control. It is almost universally the case that the life of a settled or sedentary population is much less precarious than that of shifting cultivators. Thus the activities of the kingdoms stimulated population growth through lower mortality. It might also be hypothesized, as White (1973) has suggested in respect of Dutch agricultural interventions in the nineteenth century, that increased fertility to meet an increased demand for labour also resulted from the social control exercised by the kingdoms.

There were times, of course, in the millennium beginning AD 800, when the kingdoms were in a state of decline, their social control was reduced or eliminated, the land was ravaged by wars, famines, epidemics, floods and eruptions, and there are references to these periods in the literature. These crises would have been marked by long periods of stagnation of population growth or even population decline. Thus, 'Malthusian checks' would have kept the population of Java from growing on the scale that it has grown in the past 200 years, but it does seem plausible that Java's population in different periods before the nineteenth century may well have been considerably greater than has been envisaged.

THE NINETEENTH-CENTURY CONTROVERSY

While it is likely that the population of Java experienced a sustained period of growth in the latter half of the eighteenth century, it was in the nineteenth and early twentieth centuries that Java became world-renowned for its high rate of population growth. Taking two points, the Raffles census of 1815 and the Dutch colonial census of 1900, the population of Java increased from 4.6 million to 28.7 million or at the average annual rate of 2.15 per cent. This was an unprecedented high rate of growth for a non-industrialized society at that time. The Dutch administrations expressed some degree of pride in this high rate of population growth and considered it a vindication of their policies but, as time went by, the pride became mixed with apprehension at the declining welfare of the native people (Hull 1975, p. 60). Specifically, the high population growth was attributed to:

(i) the pax Neerlandica, or the establishment of peace and the end of internecine wars that came with Dutch control;

(ii) the introduction of elementary sanitation and hygiene, and medical advances, particularly smallpox vaccination; and

(iii) the improvement in living standards brought about by Dutch agricultural policies.
For Irene Taeuber, nineteenth-century Java was the 'world's classic illustration of population growth' (1964, p. 135) and Java receives prominent mention in the general theories of Boserup, Myrdal (1968, pp. 1395-8) and Wittfogel. Geertz (1963, p. 70) more succinctly attributed the rapid population growth to the agricultural policies of the Culture System:

it was during the Culture System period [1830-1870] that the saying about the Dutch growing in wealth and the Javanese in numbers first hardened into a sociological reality.

In recent years, however, there have been a number of studies which have questioned the accuracy of the nineteenth-century population estimates (Breman 1971; Wander 1965; Widjojo 1970; Peper 1970) and, besides these, a number of articles have reconsidered the three above-mentioned explanations of high population growth (White 1973 and 1974; Geertz 1973; van de Walle 1973). Recent summaries of these arguments are given in Manderson (1974) and Hull (1975). Rather than attempting to resummarize the various arguments, this paper puts forward a point of view based on all the previous research on this subject.

Firstly, there can be no doubt that the early nineteenth-century estimates of population, including the Raffles estimate of five million for 1815, severely understated the real situation. The Keyfitz (1972) comment in his review of Widjojo's book that the actual population at the beginning of the nineteenth century was probably somewhere between ten and fifteen million is most likely to be correct. As time goes by, the evidence for this conclusion becomes increasingly more convincing. These early nineteenth-century estimates were based primarily on reports by village heads on the numbers of households in their village. After the experience of more than 1,000 years of taxation on the basis of reports on village land under cultivation or the number of village households, and the conscription for military or civil service of village men, by the nineteenth century village leaders would have become masters of understatement. Besides this, populations in more remote areas would have been missed entirely by the census-takers. Results from independent cadastral surveys taken in the 1850s and 1860s, by which time census procedures had improved, revealed census undercounts for various regions of Java ranging from 10 per cent to almost 50 per cent (Widjojo 1970, pp. 57-64; see also van Niel 1972, p. 109).

If it is assumed on the basis of the cadastral surveys that the recorded population of Java in 1865 was underestimated by 20 per cent, then the population of Java at this time would have been seventeen million. This implies an average rate of population growth between 1865 and 1900 of 1.5 per cent per annum. Given the disruption of the Java War in the 1820s and the severe famine in the 1840s, the average rate of growth in the period 1815-65 must have been much lower than 1.5 per cent, certainly no more than 1 per cent. Under these assumptions, the minimum estimate of the population in 1815 would be 10.3 million. Finally, therefore, Java's rate of population growth throughout the nineteenth century was probably no more than 1.2 per cent per annum, rather than 2.2 per cent, and this revised estimate seems to agree more logically with the 1900-71 rate of growth of 1.4 per cent.
With these manipulations of the data, nineteenth-century Java loses its exceptional demographic standing; however, it is incorrect to then presume that there is nothing left to explain in respect of nineteenth-century population growth in Java. Even with the data corrections, the population of Java increased from around ten million in 1800 to around thirty million in 1900. This represented a dramatic break from the pattern of rapid growth followed by periods of stagnation or depopulation which must have characterized pre-nineteenth-century Java. The twenty million increase was added to Java's population despite the crises of the Java War and the famine of the 1840s. In addition, nineteenth-century Java would have been subjected to mortality crises of a lesser magnitude.6

Given the statistical perspective outlined above, there has been too much of a tendency among interpreters of this population increase to ask the question: 'what caused the population to increase?' rather than the more appropriate question: 'how was this population increase sustained?' As van de Walle (1973, p. 241) has pointed out:

With a crude birth rate of 45 per thousand (a likely level) for Java), even a dismally high crude death rate of 30 per thousand would yield a 1.5 per cent growth rate per year.

Thus van de Walle puts a classic Malthusian viewpoint: that the population increased in Java because of the absence or relative absence of 'catastrophes causing extraordinary loss of life'. It should be remembered, in addition, that catastrophes also reduce the birth rate very substantially and leave their imprint on the age distribution of the population so that their impact is still evident in population growth rates a generation afterwards.7 However, once a population has been subject to relatively constant conditions of high fertility it will develop an age distribution which has an in-built momentum for growth. Put rather simply, population growth, once commenced, has a self-generating mechanism that will continue so long as it is sustained by the social and economic conditions. Thus, for example, an increased demand for labour generated by Dutch agricultural policies did not cause the population to increase (White 1973), although it may well have been a factor which sustained the increase.

In the search for factors which sustained population growth at a high level in nineteenth-century Java, the arguments are convincing that improvements in medical and public health conditions can be ignored (Peper 1970, pp. 79-81; Widjojo 1970, p.41). Political stability was clearly a necessary condition for the sustenance of population increase, but, in itself, could not be a sufficient condition. Attention, fairly obviously, then moves to an examination of changes in the conditions of agriculture in Java in the nineteenth century. On this point, it is not so much the level of living of the Javanese which is the important question (see Peper 1970, p. 78), but rather whether agricultural production and work opportunities in agriculture increased sufficiently to sustain the population growth. The overall standard of living may have been declining in some parts of Java in the nineteenth century, as was claimed by many contemporary reformers, but this may have had little impact on the demographic components of population growth. At the same
time, while the statistics are probably even less reliable than the population statistics, there is evidence of a substantial increase in the area of land under cultivation, both for export and subsistence crops, in Java in the nineteenth century. As all this took place at the time of massive Dutch involvement in the agricultural economy of Java, it seems far-fetched to suggest, as Peper (1970, p. 82) has done, that 'it is perhaps even more reasonable to speak of a negative influence' of the West on Java's population growth. The evidence is strong that population grew more rapidly in West Java and East Java than in Central Java and that within West Java the highest growth took place in the Priangan region and in East Java in the peninsula area. Thus higher population growth was centred in the areas of greater Dutch activity.

For a broad view of agricultural changes in Java at this point, the reader might be advised to consult Agricultural Involution (Geertz 1963), as it lucidly describes most of the processes sustaining population growth in the nineteenth century and through into the twentieth century. However, certain factors should be mentioned which stand out as likely determinants of the sustained population growth, but the relative contribution of each of these factors awaits more intensive study than has been possible here. The first five factors were important, at least from 1830 onwards, whereas the second five became more important from about 1880 onwards.

1. A large number of work opportunities were generated on the upland estates, which did not exist previously. Again this change was particularly evident in West and East Java. The Culture System may also have generated a greater demand for labour in the more traditional farming areas (White 1973).

2. There was a considerable expansion of the area under wet rice cultivation. Some of this expansion, particularly in the areas near the estates, such as the inner-montane basins of the Priangan, may well have been given stimulus by the need to provide a food supply to the estate workers. Hugo (1976, pp. 90-108) has described the way in which Javanese sawah technology was transferred to areas in West Java mainly in the nineteenth century.

3. The estates were not so much established on unused land as upon land which had been previously used by ladang farmers. The ladang cultivators were, therefore, forced to change to shorter-fallow agriculture. As ladang farming was a particularly precarious lifestyle, the change to shorter-fallow sustained population growth.

4. The colonial administration built a network of roads which were, of course, primarily for the purpose of shifting export produce to coastal ports but which at the same time opened up more areas to the local movement of subsistence crops.

5. The roads would also have facilitated much greater mobility of the population, a necessary adjunct to the labour demands of the estates and the expansion of total land under
cultivation. The movement of Madurese to estates in East Java is a good example of how increased mobility may have relieved population pressure.

6. Cultivation of the dry, upland areas for subsistence crops such as corn and cassava began to increase rapidly at the end of the nineteenth century (Booth 1977, p. 39). This trend had started slowly and was even remarked upon by Raffles (1965, I, p. 121) as early as 1815.

7. There was a growth of towns and associated commercial activities which provided a broader diversity of opportunities.

8. From 1880 onwards the Dutch became heavily involved in the building and improvement of irrigation systems. The amount of land irrigated by running water increased by 60 per cent between 1880 and 1915. In the same period, however, total land under cultivation increased by almost 100 per cent, reflecting the very large increase in dry-land farming (Booth 1977, p. 39).

9. Agricultural involution became more evident. Sawah was more intensively cultivated by more workers. Similar comments apply to the sugar industry and the rotation of sugar and rice cultivation on the same land may have been one of the factors stimulating more intensive sawah cultivation.

10. Vast changes were occurring in a range of socio-economic variables such as land tenure, credit, tax and land rent, social organization in the peasant sector and development of the commercial sector. These changes led to a more complex and diversified economy, the effects of which on population are very difficult to gauge.

In summary, the nineteenth century saw a dramatic increase in the area of land under cultivation in Java. While the statistics may be doubtful, Raffles (1965, I, p. 108) claimed that in 1815 the soil was entirely neglected or only half-cultivated in seven-eighths of Java. In contrast, in 1905 the Dutch administration commenced the policy of moving people from the more densely settled areas of Java to farming settlements in south Sumatra. After ten years of unconventional views on nineteenth-century Java, such as those of White, Peper and Widjojo, this paper takes a rather conventional approach. It follows conventional demographic wisdom in respect of population growth in pre-industrialized, agrarian societies, it has little quarrel with the agricultural theories of Boserup and Geertz, and it takes the view that the Dutch administration played a very significant role in sustaining population growth.

THE TWENTIETH CENTURY

To this point, the discussion has focused on Java, but population growth in the other parts of Indonesia is one of the striking features of the twentieth century. The story of population growth during the period
1900-61 is well told by Widjojo (1970) and he draws attention to the inaccuracy of population counts in areas outside Java up until the 1930 census. However, despite this data inaccuracy, it is clear that between 1900 and 1980 Sumatra's population has increased five or six times and similar growth is apparent in other areas outside Java. Sumatra's population today is the same as that of Java only eighty years ago and it has been growing at a rate far greater than was ever experienced by Java.

High growth rates in the outer islands of Indonesia have resulted from a conjunction of some of the agricultural changes that occurred in Java in the nineteenth century with the general lowering of mortality rates which has occurred in the past forty or fifty years in Indonesia. In addition, traditional fertility behaviour differs in the outer islands such that completed family sizes are somewhat higher than in Java. In certain localized areas such as Lampung and the east coast of north Sumatra, outer island population growth has, of course, been boosted by migration from Java. The characterization of Java (inner Indonesia) as densely populated and outer Indonesia as sparsely populated is no longer valid in respect of a number of areas of high density outside Java, such as the peninsula area of south Sulawesi, Minahasa, the eastern lowland and Tapanuli regions of north Sumatra and, most interestingly, central Lampung.

Because of the diversity of the outer islands of Indonesia, it is not possible to give a detailed analysis of particular local factors which have sustained population growth outside Java, but rather some points will be mentioned here where the experience of outer Indonesia has differed from that of Java. As Geertz (1963, p. 105) has pointed out, a considerable proportion of exported agricultural produce in outer Indonesia has been produced by small-holders. Because of the development of tree crops, there was a movement away from swidden farming towards more permanent farming (Geertz 1963, p. 121). Thus, while the major implications of this outer island farming pattern compared to Java may have been in terms of social organization and standards of living, the shift away from ladang farming is likely to have had a positive impact on the sustenance of population growth.

Also in the outer islands, there has been much greater emphasis on extractive industries and large-scale projects. As in developed countries, these industries have tended to attract young, mobile workers. In addition, outer Indonesia is much more heavily urbanized than Java, promoting further opportunities for the young and the mobile. When these conditions are set alongside the traditional pattern of merantau, which is common across most of the areas of Indonesia outside Java, cultural change is more likely in outer Indonesia. The implication of these patterns for population growth is more difficult to assess. While it is evident that this life-style leads to a later age at marriage than prevails in Java, completed fertility is still significantly higher outside Java.

The important point to be made, however, is that population has grown very rapidly indeed during this century in the outer islands of Indonesia. In addition, the high fertility rates have produced an age structure with a very great in-built momentum for population growth. With
very little doubt, Sumatra's population will reach fifty million in twenty years' time. Thus, although the rapid rate of growth of population in outer Indonesia has been absorbed relatively comfortably until now, strains are already becoming evident in some areas. South Sulawesi, south Kalimantan and south Sumatra, all prime targets for transmigration from Java, all appear to be suffering a sizeable loss through migration of their indigenous populations. Excessive cultivation of swidden areas has already produced considerable ecological damage across large areas of outer Indonesia. This imbalance of population and resources, or, more precisely, resource usage and planning, will be more severely tested in the future.

The processes of agricultural change in Java in the twentieth century continued along the lines discussed above in respect of the nineteenth century. Hillsides were denuded and dry land crops were planted and involution continued to develop. Irrigated areas expanded and cities continued to grow. With the decline of the sugar industry in the 1930s and the transfer of this land to the cultivation of rice, a further impetus would have been given to sustained population growth. This was offset, however, by the disruption of the 1940s, when it is quite evident that mortality rates increased and fertility rates decreased (Widjojo 1970). However, as mentioned above, between 1900 and 1971 the population of Java grew at the rate of 1.4 per cent per annum, a higher level than the nineteenth century. This higher growth rate came about broadly through a decline in mortality with little change in the level of fertility. The decline in mortality, however, has not been as substantial as that in many other developing countries. Between 1961 and 1971 Java's population growth rate was almost 2 per cent per annum, probably higher than at any other time in its history.

The change in population densities in Java in the twentieth century is well illustrated by the accompanying diagram (Figure 1). In 1920 almost 80 per cent of kabupaten in Java had a population density of less than 400 persons per square kilometre, whereas by 1971 only 20 per cent of kabupaten fell into this density category. This diagram indicates the tendency for growth in the twentieth century to be spread across virtually all areas of Java. Between 1930 and 1961 a comparison of the growth rates of kabupaten with their population densities shows that, in general, the population grew more rapidly in the less densely settled areas. These areas were, naturally enough, the areas of marginal soil fertility; dry, upland, limestone hill areas. The gains from this extension of settlement may, however, have been very short-term in nature. Forests have been destroyed leading to problems of flooding and erosion and, in the 1961-71 period, the population growth in these areas was very low. Referring to the limestone areas of southern Gunung Kidul, McDonald and Alip Sontosudarmo (1976, p. 83) conclude that:

Within the short span of forty years this region has switched from being an area of new settlement to an area of substantial outmigration and the ecological destruction caused by deforestation may never be repaired.

Based on this study of Yogyakarta province, McDonald and Alip Sontosudarmo observed that the negative relationship of population growth and
Figure 1. JAVA-MADURA. PERCENTAGE OF KABUPATEN IN DIFFERENT POPULATION DENSITY CATEGORIES, 1920-71.
population density observed for the period prior to 1961 was reversed in the 1961-71 period and that population pressure was more readily absorbed in the more intensely settled, wet rice growing areas. These areas generated more capital and in general were located along major roads. The population had thus turned to a vast range of non-agricultural activities, principally small-scale processing industries, referred to in general terms as 'rural diversification' (McDonald and Alip Sontosudarmo 1976, pp. 84-5). Similar conclusions were made by Edmundson based on a case study of two villages in East Java (Edmundson 1977). Another very important reaction to population pressure in Java has been the increase in commuting and circulating from villages to work in the towns and cities (Hugo 1978).

Java, during the nineteenth and twentieth centuries, while its population has increased from around ten million to eighty-five million, has gone through a progression of reactions to increased population. While many government actions have indirectly helped to sustain population growth, government policies directly designed to decrease or alleviate population pressure have never been particularly prominent until recently. As the options become more difficult, the direct role of government may become more important.

NOTES

1 It should be remembered, of course, that expansion of the area under cultivation may, frequently, be stimulated by new technology as suggested below in respect of the Priangan area in the nineteenth century.

2 Two early examples are Bharatayuddha, canto 52 (quoted in Schrieke 1957, p. 84) (twelfth century), and Nagarakrtagama, canto 49, stanza 6 (Pigeaud 1960).

3 Geertz, however, has preferred to ignore this reality (Geertz 1973, p. 237).

4 Alfred Wallace's amusing story of how the Rajah of Lombok overcame this problem of understatement should be required reading for census takers (Wallace 1869, I, pp. 276-87).

5 This reconstruction differs in detail from, but agrees closely with, that of Peper (1970, p. 84).

6 For example, Smith (1976) has estimated from parish records that a mortality crisis occurred on average every fourteen years in barrios in nineteenth-century Philippines.

7 For a discussion of this point in respect of nineteenth-century Java, see Hull 1975, p. 57.

8 For a discussion of agricultural change in the Priangan and in West Java generally in the nineteenth century, see Hugo 1976, pp. 90-108.
'Inner Indonesia' also includes the densely settled areas of South Bali and west Lombok.

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INTRODUCTION

The transition from a 'traditional-agricultural' to a 'modern-industrial' society, as it has been experienced by Western nations, has involved changes in all three processes by which populations increase or decrease. In the West these changes have tended to follow a definite pattern to such an extent that models which specify the regularities have been advanced. The familiar 'demographic transition' model first advanced by Notestein (1945) details the changes in fertility and mortality levels that have characterized Western nations undergoing industrialization. More recently, Zelinksky (1971, pp. 221-2) has put forward the hypothesis of the 'mobility transition' which parallels and is inter-related with the demographic transition in which 'there are definite patterned regularities in the growth of personal mobility through space-time during recent history and these regularities comprise an essential component of the modernization process'.

I have argued elsewhere (Hugo 1975, 1978a, 1978b) that while such a mobility transition has considerable validity in describing mobility patterns in Euro-American societies one should be very wary of claiming universality for what is a fundamentally time and culture bound formulation in Third World societies. Using the Indonesian case as an example, it was suggested that there are at least two major sets of reasons why population mobility patterns have not (indeed, could not) follow those experienced in the West. Firstly, it is argued that, when Indonesia was passing from the relatively static pre-modern traditional society of the first phase of the demographic and mobility transitions to the early transitional society of the second phase, the nature of the major forces of change were intrinsically different from those experienced in the West. For much of its recent history the critical independent variable which intervened in the evolution of Indonesia's economy and society (and hence its mobility patterns) was not Western-type modernization, but colonialism. This powerful influence, involving the pre-eminence of the goals and needs of the colonial, rather than the colonized, peoples has no counterpart in the Eurocentric transition outlined by Zelinsky. The second set of propositions relates to the fact that many Third World nations entered the second phase of the transitions at widely different absolute points in time from most Western nations. This of course meant that there were substantial differences in the transportation technology available to the respective societies as they entered the early stages of modernization, and this had a major impact on both the type and level of population mobility.

This paper relates to the first of the arguments referred to above and attempts to demonstrate the nature of the impact of colonial rule on population movements in Indonesia. The various types of population movement which characterized the colonial period will be summarized and it
is suggested that these types of movement can be recognized in most African and Asian countries which experienced colonial rule. It is argued here that a knowledge of the patterns and levels of population movement established during the colonial period, and the forces which produced them, is a fundamental requirement for understanding contemporary population mobility in Third World contexts such as Indonesia.

**SOURCES OF DATA**

While there are many studies of contemporary migration in Indonesia (e.g. McNicol 1968; Speare 1975; Suharso et al. 1976; Sundrum 1975; Hugo 1979, and in press), the literature concerned with population movements during the colonial period is meagre. This is somewhat surprising given the fact that the 1930 census conducted by the Netherlands East Indies administration (Volkstelling 1933-36) obtained information on patterns of population mobility which is more comprehensive than any collected before or since. These data, which have only been analysed in a limited way in the literature (see e.g. Pelzer 1945, Hugo 1975, Jones 1977, Naim 1979), provide a clear picture of migration in Indonesia in the latter years of the colonial period.

The 1930 census was a *de facto* count of the population in Java and Madura while a *de jure* principal was adopted for the Outer Islands. Its major shortcoming was a failure to collect age data for the non-Christian indigenous population. The census differentiated between the 'natives' or indigenous inhabitants on the one hand (97.38 per cent) and 'other non-indigenous orientals' (0.19 per cent) on the other. While some limited migration data relating to the non-indigenous groups was published, the bulk of the data relating to migration within the Netherlands East Indies relates only to the indigenous population - a fact usually overlooked in analyses of the 1930 census. For Java-Madura all indigenous persons enumerated outside of their district or *kesedanaan* of birth were regarded as migrants and, significantly, some attempt was made to differentiate between permanent and temporary migrants. In the Outer Islands the migration defining regions were administration subdivisions which were somewhat larger than the *kesedanaan* used in Java-Madura. This is an important point to bear in mind in comparing migration rates since most movement tends to occur over short distances.

Unfortunately, the amount of migration data from the 1930 census which was published is limited. The complete origin/destination matrices were published only for large province-level regions and not for *kesedanaan* and subdivisions. In addition to this matrix, the tabulations shown in Table 1 were published for each regency (Java-Madura) or subdivision (Outer Islands). However, it is important to point out that a substantial amount of detailed kabupaten, *kesedanaan* and subdivision level data is contained in the highly useful descriptive text and tables in the eight published volumes of the census. A major shortcoming of the data is the fact that no cross tabulations were made for migrants and non-migrants according to their social, economic and demographic characteristics, so that analysis of migration selectivity is not possible. Nevertheless the data which are available allow us to put together a reasonably comprehensive picture of indigenous population movement during the latter colonial years.
Table 1
1930 Census of The Netherlands East Indies
tabulations relating to place of birth

Note: Places in brackets refer to the present residence of the person.

1. Persons still living in their district (Java/Madura) or subdivision (Outer Islands) of birth.
2. Persons living in a different district (Java/Madura) or subdivision (Outer Islands) but in the same regency (J/M) or division (O.I.) of their birth.
3. Persons living in a different regency (J/M) or division (O.I.) but in the same province (J/M) or island (O.I.) of their birth.
4. Persons living in a different Javan province (J/M) or island other than Java (O.I.) than that of their birth.
5. Persons born outside Java-Madura (J/M) or in Java-Madura (O.I.).
6. Persons born outside of the Netherlands East Indies.

The 1930 Volkstelling was the first accurate enumeration of the Netherlands East Indies population, so there is no comparable source of information relating to population mobility in the earlier colonial years. Widjojo (1970) has demonstrated the very limited reliability of earlier data. However, it is possible to make some cautious statements regarding broad trends in population movement during this earlier period based upon careful interpretation of population statistics compiled from the reports of local officials and collected in early colonial enumerations, in concert with historical accounts of the period.

PRE-COLONIAL POPULATION MOVEMENTS

The Dutch historians Vollenhoven (1918, II, pp. 123-5) and Leur (1955, pp. 100-1) have summarized patterns of migration within pre-colonial Indonesia as being of three main types:

(a) colonization by large groups of migrants from one region who settled in another;

(b) migration of individuals, particularly traders who settled in port cities;

(c) establishment of authority in foreign regions.

Large-scale migrations associated with agricultural colonization occurred in both Java and the Outer Islands. A good example is the Javanese movement into the Banten and north coastal regions of Sundanese West Java which gathered momentum in the sixteenth century and has been described elsewhere (Hugo 1975, pp. 77-83). The main paths of this movement are shown in Figure 1. This movement was instrumental in the spread of sedentary wet rice cultivation into West Java where previously almost all
Figure 1. Major paths of migration in the sixteenth and seventeenth centuries in Western Java
of the indigenous Sundanese population engaged in *ladang* (dry field) cultivation. In the Outer Islands one can also point to several groups who moved out of their heartland areas, in which pressure of population on agricultural resources was building up, and pushed their agricultural frontier into neighbouring regions. These include the colonizing migrations of the Minangkabau out of West Sumatra to the river valleys of Jambi and the Malay Peninsula and the Buginese movements out of South Sulawesi into Central and Northern Sulawesi.

Leur and Vollenhoven give several examples of migrations associated with the 'establishment of authority in foreign regions'. These include movements connected with the establishment of Buginese settlements in eastern Sumbawa and western Flores, Acehnese control of the Gayo, Alas, Karo, Simelungan and Toba Batak areas in what is now North Sumatra, and Balinese migration to Lombok. An example of such a movement within Java was the conquering of Bantam (in the north west of West Java) by the Sultan of Demak (in Central Java) in 1527 and the subsequent establishment of Javanese authority in that region (see Figure 1).

The third type of movement, that of individuals, particularly traders, is strongly associated with the development of ephemeral port cities, especially on the north coast of Java and the east coast of Sumatra. Such cities had extremely heterogeneous populations and conducted trade not only with other parts of Indonesia but with Chinese, Indian, Persian and Arab traders who lived in clearly demarcated quarters of those cities.

In addition to the important types of movement mentioned above, one should mention the migrations associated with famine in pre-colonial times. *Ladang* cultivation systems prevailed over much of the archipelago (with the important exceptions of Central and East Java) so that there was almost complete reliance in areas such as West Java on rain falling in the expected amounts at the expected time. Inevitably there was uncertainty with regard to harvests, and famines were frequent. Terra (1958, p. 162) points out that dryland rice is particularly sensitive to drought and in West Java, where rice was the dominant *ladang* crop, it is clear that periodic crop failures impelled substantial population movements (both permanent and temporary) out of the drought-affected areas (see Haan 1910; Volkstelling 1933; Dam 1961).

In addition to the predominantly permanent types of population movement mentioned above, a range of non-permanent, circular forms of movement existed during the pre-colonial period. Particularly important here are the movements associated with swidden agriculture, especially in West Java and much of the Outer Islands. *Ladang* is an agricultural system involving 'the production of a variety of quickgrowing, predominantly food crops on a short term cultivation and long term fallow basis' (Missen 1972, p. 32) generally referred to as 'shifting cultivation'. This pattern of agriculture, for example, led Haan (1912, I, pp. 31-2), writing of the pre-1800 era, to characterize the Sundanese of West Java as 'wanderers'. The movements of peripatetic traders by both land and sea, pilgrims and other travellers were also important forms of circulation during pre-colonial times. Lineton (1975, p. 13) in her study of the Bugis and Macassarese of South Sulawesi before the Dutch occupied Macassar in 1669, for example, describes their mobility in the following way:
These traders were—and most traders still are—nomads rather than migrants, roaming the archipelago in search of trade in accordance with the direction of the prevailing monsoon, returning to Sulawesi for only a few months of each year to refit and repair their praus.

POPULATION MOVEMENTS IN THE PERIOD FROM AROUND 1600 TO 1870

The lifetime migration data from the 1930 census will be used later to show the major migration streams which existed in the Netherlands East Indies in the latter part of the nineteenth and early twentieth centuries. The aim in this section is to summarize the impact of gradually increasing European influence on migration patterns from the sixteenth century up until the latter part of the nineteenth century. This period saw a continuation of the population movement patterns outlined in the previous section, but with some new forms being superimposed upon them as European influence increased. The Portuguese and Dutch at first fitted into the existing trading patterns and became yet another group occupying a distinctive quarter of the port cities but exerting little influence on the hinterlands of such cities or on indigenous population mobility. In the seventeenth century, however, the VOC (Dutch United East India Company) greatly disrupted circulation associated with indigenous commerce (especially that related to spices) in Eastern Indonesia. One group affected by this were the Bugis of South Sulawesi and the direct outcome was that the Bugis turned to smuggling and piracy and, associated with this, they founded a series of settlements along the coasts of Sulawesi, Kalimantan, Bali, Lombok and many other islands in the archipelago. However, elsewhere in the Outer Islands of Indonesia the VOC’s impact on population movements was minimal. Fisher (1964, pp. 255-6) explains that although the VOC had established nominal claims over practically the whole coastline of Sumatra and Borneo, its interests there were limited almost entirely to patrolling the seaways, and keeping on sufficiently friendly terms with the coastal sultans to obtain regular supplies of pepper.

In Java, however, the VOC impact was much more substantial.

By 1619 the Dutch had taken control of Jakarta, renamed it Batavia, and made it the base of their East Indian operations. Castles (1967, p. 155) points out that during this period the Dutch, partly for security reasons, did not encourage the hinterland’s indigenous population to settle in or near Batavia. Raffles (1817, I, p. 64) wrote that initially the Dutch, ‘having no confidence in the natives, endeavoured to drive them from the vicinity of Batavia, with the view of establishing round their metropolis an extensive and desert barrier’. The fleeing Sundanese left a vacuum in this area (known as the OmmeLanden) so that, when the Dutch realized the possibilities of growing sugar for export in the vicinity of Batavia, slaves were brought in from elsewhere.
As a result, during the seventeenth century the Sundanese constituted a minority in Batavia's heterogeneous population, as can be seen from Table 2. Chinese had been well established as merchants in Bantam and other ports before Europeans came to Java; however the Dutch brought many more to Batavia in the seventeenth century to work as day labourers on city projects, as well as on *Onmelon*den sugar plantations. Originally the Dutch brought slaves from India and Burma but later mainly from Bali and South Sulawesi (Lekkerkerker 1918).

### Table 2

**Composition of population of Batavia, 1673**

<p>| Source: Castles 1967, p. 157 |</p>
<table>
<thead>
<tr>
<th>No.</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europeans and Part-Europeans</td>
<td>2750</td>
</tr>
<tr>
<td>Chinese</td>
<td>2747</td>
</tr>
<tr>
<td>Mardijkers</td>
<td>5362</td>
</tr>
<tr>
<td>Javans</td>
<td>6339</td>
</tr>
<tr>
<td>Balinese</td>
<td>981</td>
</tr>
<tr>
<td>Malays</td>
<td>611</td>
</tr>
<tr>
<td>Slaves</td>
<td>13278</td>
</tr>
<tr>
<td>Total</td>
<td>32068</td>
</tr>
</tbody>
</table>

By 1705 the Dutch had annexed all of West Java, although they had not yet acquired control of the rest of Java. During the late seventeenth century the VOC realized the potential of the Priangan highlands for growing high-altitude, commercial, export crops like coffee. The VOC's motives were entirely mercantalist and their aim was to extract the maximum in the way of saleable export crops with the minimum expenditure of their resources. The traditional aristocracy were installed as regents and became the medium through which the people of Priangan were forced to grow coffee. The so-called 'compulsory crops' system, through the agency of the regents whom Geertz (1963, p. 51) styles 'labour contractors', inflicted much hardship on the Sundanese and had an important impact on patterns of population movement.

Firstly the VOC, in their attempts to maintain their profitable monopoly, 'hermetically sealed off' (Haan 1912, IV, pp. 545-53) Priangan from all unauthorized Europeans, non-Priangan natives and Chinese. This prohibition was aimed especially at the Chinese, whose commercial skill was known and whose competition was feared (Tan 1963, pp. 4-5). The regulations were effective in maintaining the isolation of Priangan and contributed to the slowness of the spread of sawah cultivation into the highlands. The limit of Chinese activity was the *Onmelon*den, and even within this area the Chinese could not move without a pass (Milone 1966, p. 207). However their economic activity was intense, particularly in the growing and processing of sugar.
Another effect was for local populations to flee the heavy exactions of the compulsory crop system. Raffles (1817, I, pp. 64-5) states that the oppression and degradation imposed by the Dutch led to depopulation in parts of Priangan as well as the Banten and Cirebon regions.

Every new act of rigour, every unexpected exaction, occasioned a further migration, and cultivation was transferred to tracts which had previously scarcely a family on them.

The VOC was liquidated in 1798 but the new Dutch government administration was not able to establish sovereignty over all Java until the conclusion of the Java Wars in 1830. The Java Wars caused substantial disruption and refugee migration, particularly out of Central Javan areas such as Kedu. Much of this flow of refugees was directed toward the province of East Java. In fact this eastward flow out of Central Java (which was to remain of major importance for another century) had begun in the eighteenth century, with persons fleeing from the heavy demands for produce and for labour made upon them by the VOC or Central Javan sultans and settling in areas such as Probolinggo, Pasaruan and Besuki (Ranneft 1916, p. 64). Such refugee flows were also important elsewhere in Java. Raffles (1817), for example, mentions that Dutch enforcement of compulsory labour for road and harbour construction and coffee and pepper cultivation was particularly oppressive in the Bantam area of West Java, producing heavy outmigration.

Raffles estimated (1817, I, p. 63) that the population of Batavia was around 60,000 in 1815. Since the populations of Batavia's closest rivals, Semarang and Surabaya, were 20,000 and 25,000 respectively, it was clearly Java's principal city - a status it was to lose during the nineteenth century. The recency of migration to the city in 1815 is reflected in the population's masculinity (sex ratio 1203) and ethnic heterogeneity (see Table 3). Slaves were still a substantial proportion of the total population. Most came from Bali and south Sulawesi but at different times Sumbawa, Sumba, Flores, Timor, Nias, Kalimantan and Pampanga (Luzon) made contributions. Castles (1967, p. 156) points out that the unhealthiness of Batavia necessitated constant replenishment of population from the outside such that during the third quarter of the eighteenth century 4000 slaves were being imported annually. The Sundanese thus remained a minority element in Batavia's population.

The nineteenth century saw an even greater concentration of Dutch colonial activity in Java rather than the Outer Islands. The Dutch initiated a series of politico-economic policies which were designed to make Java a 'mammoth state plantation' (Geertz 1963, p. 53). The 'Cultivation System', introduced in 1830, involved 'the remission of the peasant's land taxes in favour of his undertaking to cultivate government owned export crops on one fifth of his fields or, alternatively, to work sixty-six days of the year on government owned estates or other projects' (Geertz 1963, pp. 52-3). The latter alternative predominated in West Java, where similar systems had been practised for a century, and the system came to be known as the Preanger System. As part of this system the Dutch reimposed the ban on outsiders moving into Priangan.
**Table 3**

**Batavia: Ethnic composition of population, 1815**

*Source: Raffles 1817, II, p. 246*

<table>
<thead>
<tr>
<th>Ethnic Group</th>
<th>Total</th>
<th>Percentage</th>
<th>Sex ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europeans</td>
<td>2028</td>
<td>4.3</td>
<td>1127</td>
</tr>
<tr>
<td>Chinese</td>
<td>11854</td>
<td>25.1</td>
<td>1622</td>
</tr>
<tr>
<td>Javans</td>
<td>3331</td>
<td>7.1</td>
<td>1150</td>
</tr>
<tr>
<td>Balinese</td>
<td>7720</td>
<td>16.4</td>
<td>1111</td>
</tr>
<tr>
<td>Arabs</td>
<td>318</td>
<td>.7</td>
<td>1288</td>
</tr>
<tr>
<td>Moormen</td>
<td>119</td>
<td>.3</td>
<td>1479</td>
</tr>
<tr>
<td>Malays</td>
<td>3155</td>
<td>6.7</td>
<td>1255</td>
</tr>
<tr>
<td>Bugis</td>
<td>1863</td>
<td>4.0</td>
<td>1242</td>
</tr>
<tr>
<td>Macassarese</td>
<td>2029</td>
<td>4.3</td>
<td>1303</td>
</tr>
<tr>
<td>Sumbawans</td>
<td>232</td>
<td>.5</td>
<td>1550</td>
</tr>
<tr>
<td>Mandharese</td>
<td>223</td>
<td>.5</td>
<td>1009</td>
</tr>
<tr>
<td>Ambonese/Bandanese</td>
<td>82</td>
<td>.2</td>
<td>2280</td>
</tr>
<tr>
<td>Timorese/Butonese</td>
<td>24</td>
<td>.1</td>
<td>2000</td>
</tr>
<tr>
<td>Slaves</td>
<td>14239</td>
<td>30.2</td>
<td>967</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>47217</td>
<td>100.4</td>
<td>1203</td>
</tr>
</tbody>
</table>

What impact did the Cultivation and Preanger Systems have on population mobility in Java? Clearly, the whole rationale of the Cultivation System is based on an expectation that the population will *not* migrate and will remain in the one place to cultivate export crops for the government. Nevertheless it is clear that substantial population movements occurred, with people moving away from areas where the Cultivation System had been introduced to government lands not subject to it or to lands held by private individuals (see Day 1904, p. 315 for examples of such movements). In many areas the hardships visited on the population by the system were sufficient to impel them to flee. Day (1904, p. 316), for example, says that it caused a diminished food supply which in turn produced famines such as that of 1849-50 in which one-third of a million people perished. There was also migration associated with the inequalities in the Cultivation System as Day (1904, p. 265) has shown:

... it distributed burdens so unequally that it pressed many of the inhabitants to the verge of failure while it bore so lightly on others and left some entirely untouched

... The indigo culture was especially oppressive requiring an immense amount of care and labour; and natives in the indigo districts migrated to other sections where only coffee and sugar were cultivated.

It is certain then that the eastward drift of population from Central to East Java, which began in the previous century, continued apace during the years of the Cultivation System. Such a statement would appear to
receive substantial support in Table 4, which shows a spectacular increase between 1815 and 1867 in the proportion of Java's population living in East Java province at the expense of Central Java.

Table 4

<table>
<thead>
<tr>
<th></th>
<th>1815</th>
<th>1867</th>
<th>1930</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Java - Jakarta</td>
<td>24.0</td>
<td>24.2</td>
<td>27.3</td>
</tr>
<tr>
<td>Central Java - Yogyakarta</td>
<td>57.1</td>
<td>36.7</td>
<td>36.6</td>
</tr>
<tr>
<td>East Java</td>
<td>18.9</td>
<td>34.6</td>
<td>36.1</td>
</tr>
</tbody>
</table>

However, the Raffles statistics of 1815 have been shown to be major underestimates (Widjojo 1970, pp. 21-2) and it is certain that the degree of underestimation would have been much greater in the frontier province of East Java than in the much more closely settled and more closely administered central province. Nevertheless substantial eastward movement almost certainly also occurred.

In West Java the Preanger System was applied over much of the province. The smooth operation of the system, however, was threatened by the 'wandering' of Sundanese lajang cultivators so the Dutch encouraged the spread of sedentary sawah cultivation in areas suitable for irrigation. This had a profound impact on the Sundanese since for them it represented a transformation from 'wanderer to settled cultivator' (Haan 1910, I, pp. 31-2). However, the compulsory work on government plantation required under the Preanger System involved West Javans in travelling up to eighty miles from their place of residence (Day 1904, p. 272), so that significant seasonal migrations occurred as a result.

The Agrarian Law of 1870 abolished the Cultivation System and ushered in a new era of free enterprise in the Netherlands East Indies which saw the rapid development of a plantation sector in rural areas, mining and other exploitative activity and an associated extension of the transportation system, growth of cities and expansion of the colonial bureaucracy and army to expedite the greatly increased level of exploitation. Inevitably this led to major changes in the patterns of population movement and these are summarized in the next section.
Introduction

Slater (1975, pp. 139-46) has shown how the spatial structure of a country under colonialism passes through a series of distinct phases and assumes a distinctive form. As the level of control over the colony is strengthened and the penetration of the capitalist mode of production increases, both in its spatial extent and intensity, distinctive spatial inequalities emerge. Capital investment is concentrated on development of areas and resources which satisfy the needs of the colonial rather than the colonized populations. Hence there is an overriding concern with commodities needed by Europe rather than with the colony, and development is spatially concentrated in areas suitable for plantations, mining and oil and timber exploitation rather than in, for example, irrigation schemes needed for subsistence food production. The location of road, railway and water transportation systems and cities is thus such that it facilitates the production and delivery of these commodities to the European market. The spatial structure that emerges under colonialism is then very different from the indigenous structure and it is inevitable that population redistribution will occur in response to these drastic changes in the location of investment and economic expansion.

The 1930 census migration data gives us a quantitative picture of the migrations which took place during the period that Geertz (1963) refers to as the 'florescence of Dutch colonialism' in Indonesia. Data from the census will be used here to demonstrate the major forms of population movement which characterized the latter colonial years in Indonesia and which were largely shaped by the distinctive nature of the colonial system. Although only the case of Indonesia is discussed here, it is likely that the various types of movement recognized and described could form the basis of a typology of colonial population movement which would have wide applicability to the colonial periods of many Asian and African countries.

Of the total indigenous population of Indonesia in 1930 some 11.5 per cent were living outside of their district (if they were born in Java) or subdivision (if they were born in the Outer Islands) of birth at the time of the census. Interregional variations in this proportion have to be carefully interpreted, given the variations in the size of the migration defining regions, although there was little variation between major regions of Indonesia in the average population size of the migration-defining regions. Clearly, however, migrants generally constituted a larger proportion of the Outer Island population than that of Java, especially in Sumatra and Borneo, where, as we will see later, the colonial impact was substantial. Within Java migrants comprised a larger proportion of the population in East and West Java than in Central Java.

Figure 2 shows the major patterns of longer distance, interprovincial moves as reflected in the 1930 census. The migration flows can be divided into a number of meaningful categories, and the nature of these and how they were influenced by colonial policy and practice will be discussed below.
Table 5

Indonesia: 1930 - Percentage of indigenous residents in major regions living outside of their District (if born in Java) or Subdivision (if born outside Java) of birth

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Java</td>
<td>9.1</td>
<td>Celebes</td>
<td>7.7</td>
</tr>
<tr>
<td>Central Java</td>
<td>5.4</td>
<td>Bali-Lombok</td>
<td>2.6</td>
</tr>
<tr>
<td>East Java</td>
<td>11.8</td>
<td>Moluccas</td>
<td>8.8</td>
</tr>
<tr>
<td>Sumatra</td>
<td>18.5</td>
<td>Outer Islands</td>
<td>2.3</td>
</tr>
<tr>
<td>Borneo</td>
<td>14.4</td>
<td>Total</td>
<td>11.5</td>
</tr>
</tbody>
</table>

Movement to Plantations

After 1870 private Europeans and Chinese were permitted to obtain long-term leases over land and there was a tremendous expansion of capital intensive plantation agriculture. This expansion occurred initially in Java, 'thanks to its transport facilities, greater public security and abundant labour supply' (Fisher 1964, p. 259). However, in the irrigated lowlands of Java the density of settlement left little land available for plantation development and, as a result, most of the new plantations were established in the central highlands of Java. This created new foci of investment and job opportunities in the interior. Since this region was comparatively lightly settled, labour recruitment had to be carried out elsewhere in Java and substantial migration of both a permanent and temporary nature resulted. Even at the time of the 1930 census enumeration, a substantial proportion of the population in plantation areas was born outside of the region. Sugar plantations particularly required large numbers of workers, and districts located in sugar plantation areas in Central and East Java attracted large numbers of migrants. For example, in Central Java 28.7 per cent of the residents of Majenang district were born outside of it, while in East Java the proportions for Banyuwangi, Jember, Surabaya and Lamajung were 47.2 per cent, 37.5 per cent, 29.7 per cent and 26.9 percent respectively. The plantations also drew on large supplies of seasonal labour and hence encouraged substantial temporary migrations. In West Java, for example, persons 'temporarily present' made up a significant percentage of the population in districts located in the southern plantation zone of the province such as Pameungpeuk (6.2 per cent), Bungbuland (5.9 per cent) and Ciparay (3.2 per cent).

Much of the labour employed in the cultivation of plantation crops was, as Geertz (1963, p. 59) points out, 'permanent fully proletarianized workers'. This leads us to an important influence of Dutch colonial policy on rural mobility patterns in Java which has been pointed out by Wertheim (1959, p. 94). He suggests that during this period a segment of Java's agrarian population became accustomed to performing coolie labour under supervision, which in turn made them more ready to seek part time occupations outside of the village than had formerly been the case. This
Figure 2. Indonesia: Major interprovincial lifetime migration streams (those with more than 5000 persons) 1930. (Source: Volkstelling 1936, VIII)
had its greatest impact in West Java, which was the first part of Java to be colonially exploited on a large scale (more than a century before the rest of the island). In West Java the Preanger System of the nineteenth century encouraged 'coolie-type' labour on plantations, while the selling and leasing of large tracts of land in West Java to private plantation companies greatly increased the demand for wage labourers of the coolie type. The increase in mobility was so marked that the Dutch felt constrained to introduce a system of passports (Widjojo 1970, p. 40).

By the late nineteenth century the growing congestion in Java forced colonial planters to turn to the Outer Islands. Prior to 1870 Dutch colonial exploitation of the Outer Islands had been limited to some coffee cultivation and coal and tin mining. However, in the latter years of the century the fertile northeastern lowlands of Sumatra, located on the major sea route to Europe, were developed for tobacco and later for rubber, tea, palm oil and sisal. Hence this region became a major new centre of colonial activity. The scarcity of labour in the region led planters first to recruit Chinese coolies to work on the plantations and, later, Javanese and Sundanese workers from Java. The result was the introduction of the contract coolie system whereby agents recruited workers for planters. As Furnivall (1948, p. 346) has pointed out 'a private agent dependent for his livelihood on the number of recruits is less scrupulous than an official in his relations with both employers and labourers'. Heavy penal sanctions were applied to contract coolies and severe exploitation and mistreatment were commonplace until recruiting was placed under government supervision in 1909.

The importance of these contract labour movements in the overall pattern of population movement can be readily seen in Figure 2, which shows that migration from Java to North Sumatra was clearly the largest interprovincial movement in the years preceding the 1930 census. This was an entirely new form of movement in the archipelago and one which owed its origin to colonial policy and practice. The significance of contract coolie movements to Sumatra is reflected in the fact that one-tenth of the indigenous population of Sumatra were born in Java-Madura (Volkstelling 1936, IV). This figure of course underestimates the impact of migration from Java-Madura, since it excludes the Sumatran-born children of Javan migrants. The main region to be influenced by the movement from Java was the east coast (now part of North Sumatra Province) which, as Table 6 shows, recorded one-third of its indigenous residents as having been born in Java-Madura.

The contract coolie movements were made on both permanent and temporary bases, but it was difficult to distinguish between them because temporary migration often involved absences of several years. Between 1913 and 1925 some 327,700 kulikontrak (contract coolies) left Java for Tanah Sebrang (the land beyond), representing some 15 per cent of Java's population growth during the same period (Scheltema 1926, pp. 873-4). Although many contract coolies returned to Java, an unknown but significant number settled in the Outer Islands and this is reflected in the fact that at the 1971 census 10 per cent of North Sumatra's population had lived in another province and more than two-thirds of them had lived in the province for more than ten years.
Scheltema (1932, pp. 428-9) has listed the regency of origin of the 62,615 contract coolies who left Java in 1928. Although the figures refer to only one year, they probably are an accurate reflection of the origins of most contract coolies in the pre-1930 period, since planters tended toward the re-engagement of old-hands (loakeh), and to seeking recruits by the voluntary emigration of fellow villagers whom the loakeh brings with him when returning for a period of service (Geographical Handbook Series 1944, II, p. 289).

West Java was the least important contributor of contract coolies, as can be seen from Table 7. Only 13 per cent of contract coolies to the Outer Islands in 1928 came from West Java. At the time of the 1930 census enumeration, there were 379,000 coolies working on European estates in Sumatra, of which 290,000 were Javanese and 30,000 Sundanese (Volkstelling 1936, VIII, p. 34). The underrepresentation of West Java people among the contract coolies was clearly a function of their diversion to alternative employment opportunities on local plantations and in cities like Batavia.

Before 1931 there were some experimental attempts to establish agricultural colonies of settlers from Java in the Outer Islands, mainly Sumatra, but the two major colonies in 1930 had a total population of only 31,759 persons (Pelzer 1945, pp. 191-210). However, when the depression of the 1930s forced curtailment of plantation industries and reduced the demand for Javanese labour, the government turned to colonization to replace contract labour schemes as a measure to relieve population pressure in Java (Pelzer 1945, p. 228). Hence between 1936 and 1940 the number of colonists in the Outer Islands trebled from 66,600 to 206,020 (Pelzer 1945, p. 202). It is clear that the colonists were predominantly from Central and East Java and Madura. In the 1939-40 period for example, the only West Java residency from which colonists moved to the Outer Islands was Cirebon, which accounted for 0.9 per cent (Pelzer 1945, p. 263) of the migrants (1,175 persons).
Table 7

Origin of contract coolies to Outer Islands, 1928

Source: Scheltema 1932, pp. 428-9

<table>
<thead>
<tr>
<th>Origin</th>
<th>No. of contract coolies</th>
<th>Rate per 1000 resident population</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Java</td>
<td>8,171</td>
<td>7</td>
</tr>
<tr>
<td>Central Java</td>
<td>20,065</td>
<td>18</td>
</tr>
<tr>
<td>Yogyakarta</td>
<td>2,635</td>
<td>17</td>
</tr>
<tr>
<td>Surakarta</td>
<td>4,244</td>
<td>17</td>
</tr>
<tr>
<td>East Java</td>
<td>25,730</td>
<td>17</td>
</tr>
<tr>
<td>Unknown</td>
<td>1,770</td>
<td>-</td>
</tr>
<tr>
<td>Java Madura</td>
<td>62,615</td>
<td>15</td>
</tr>
</tbody>
</table>

The 1930 census figures of Java-born residents of the Outer Islands hence are a reflection predominantly of coolies under contract at that time or former coolies who had settled in the Outer Islands. Table 8 shows that there was a substantial increase in each of the Javan groups in the Outer Islands between 1920 and 1930 and a reduction of the sex-ratio, suggesting that the population was becoming more settled. The dominance of Central and East Java groups is again evident, while the very large increase in Batavians may be due in part to a failure to differentiate them from the Sundanese at the earlier date. In sum it is clear that the contract coolie scheme produced a substantial redistribution of population from Java to the Outer Islands and at a rate which has not been improved upon in subsequent explicit attempts to achieve such a redistribution.

Table 8

Javan ethnic groups in the Outer Islands, 1920 and 1930

Sources: Scheltema 1926, p. 874; Volkstelling 1936, III, pp. 90-2

<table>
<thead>
<tr>
<th></th>
<th>1920 Sex ratio</th>
<th>1930 Sex ratio</th>
<th>Percentage change per annum 1920-1930</th>
</tr>
</thead>
<tbody>
<tr>
<td>Javanese</td>
<td>520,559</td>
<td>1339</td>
<td>967,149</td>
</tr>
<tr>
<td>Sundanese</td>
<td>84,255</td>
<td>1566</td>
<td>128,507</td>
</tr>
<tr>
<td>Madurese</td>
<td>6,241</td>
<td>2323</td>
<td>16,003</td>
</tr>
<tr>
<td>Batavians</td>
<td>1,323</td>
<td>850</td>
<td>24,356</td>
</tr>
<tr>
<td>Total</td>
<td>612,378</td>
<td>1,136,015</td>
<td></td>
</tr>
</tbody>
</table>
Recruiting of Colonial Functionaries

With the great expansion of colonial exploitation in the late nineteenth and early twentieth centuries there was a corresponding increase in the demand for soldiers, police and low-level administrative staff recruited from among the indigenous population. In this recruiting the Dutch had a policy of concentrating on particular Outer Island ethnic groups, especially those who had been Christianized. Fisher (1964, p. 265) points out that the educational and medical work carried out by Christian missionaries was invariably superior to that provided by the colonial government, so that the ethnic groups influenced by missionaries were, from the government's viewpoint, far better equipped and trained to take up skilled and semi-skilled employment in the colonial service than were Javanese, Malays and other Muslim groups. Accordingly many of these Christians emigrated out of their home areas to various parts of the archipelago in which European investment and colonial activity were concentrated.

In particular, Menadonese (from North Sulawesi) have gone to Java as officials, clerks and accountants, and have provided a major component in the Netherlands Indies army in modern times, while Ambonese (from Maluku), besides serving in the army, have found employment as teachers and hospital attendants all over the country, and many Bataks have gone as clerks and overseers to the Cultuurgebied (Plantations in Northeast Sumatra) and as domestic servants to Batavia (Fisher 1964, p. 265).

Although the numbers of people involved in this type of migration were by no means as large as, for example, the contract coolie movements, they had a significant impact in the homelands of the groups involved. In 1930, for example, only 87.5 per cent of ethnic Minahassans from north Sulawesi were living in the Minahassa heartland (Jones 1977, p. 35). Some 5.5 per cent of them were living in Java, where they formed a significant minority group in colonial cities such as Batavia, Surabaya and Bandung.

Migration to Urban Areas

The last thirty years of the nineteenth century saw a major change in Indonesia's urban system. In bringing their exploitation of Indonesian resources to new heights of efficiency the Dutch created a system of colonial cities and towns which functioned as key devices in expediting the production and delivery of raw materials and the subjugation of the local population. The three main elements in this urban development were, firstly, the large entrepôt city of Batavia which was the linchpin of the system - the point of contact between the colony and the home country. Secondly, there were a number of secondary ports, such as Surabaya, Semarang, Macassar and Banjarmasin, which were smaller entrepôt cities. Thirdly, the Dutch created a hierarchical network of smaller centres which were the intermediaries through which the entrepôts' hinterlands were controlled and divested of their export crops.
Table 9
Indonesia: Population and population growth in major cities 1855-1930

Sources: Volkstelling 1933-36; Milone 1966; Ranneft 1916

<table>
<thead>
<tr>
<th>City</th>
<th>Island</th>
<th>1855</th>
<th>1883</th>
<th>1895</th>
<th>1905</th>
<th>1920</th>
<th>1930</th>
<th>Average Annual Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1855-1905</td>
<td>1905-1930</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Batavia</td>
<td>Java</td>
<td>55,000</td>
<td>121,637</td>
<td>114,566</td>
<td>138,551</td>
<td>306,309</td>
<td>533,015</td>
<td>1.85</td>
</tr>
<tr>
<td>Surabaya</td>
<td>Java</td>
<td>88,527</td>
<td>121,637</td>
<td>124,529</td>
<td>150,198</td>
<td>192,190</td>
<td>341,675</td>
<td>2.14</td>
</tr>
<tr>
<td>Semarang</td>
<td>Java</td>
<td>n.a.</td>
<td>67,575</td>
<td>82,962</td>
<td>96,660</td>
<td>158,036</td>
<td>217,796</td>
<td>1.64</td>
</tr>
<tr>
<td>Bandung</td>
<td>Java</td>
<td>11,223*</td>
<td>-</td>
<td>46,326</td>
<td>47,400</td>
<td>94,800</td>
<td>166,815</td>
<td>2.92</td>
</tr>
<tr>
<td>Surakarta</td>
<td>Java</td>
<td>-</td>
<td>104,589</td>
<td>118,378</td>
<td>139,285</td>
<td>165,484</td>
<td>1.25</td>
<td>1.35</td>
</tr>
<tr>
<td>Yogyakarta</td>
<td>Java</td>
<td>43,000</td>
<td>-</td>
<td>58,299</td>
<td>79,569</td>
<td>103,711</td>
<td>136,649</td>
<td>1.23</td>
</tr>
<tr>
<td>Palembang</td>
<td>Sumatra</td>
<td>-</td>
<td>-</td>
<td>61,000</td>
<td>73,726</td>
<td>108,145</td>
<td>-</td>
<td>2.30</td>
</tr>
<tr>
<td>Malang</td>
<td>Java</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30,000</td>
<td>42,981</td>
<td>86,646</td>
<td>-</td>
</tr>
<tr>
<td>Macassar</td>
<td>Celebes</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>26,000</td>
<td>56,718</td>
<td>84,855</td>
<td>-</td>
</tr>
<tr>
<td>Medan</td>
<td>Sumatra</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>45,248</td>
<td>76,584</td>
<td>-</td>
</tr>
<tr>
<td>Pekalongan</td>
<td>Java</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>47,852</td>
<td>65,982</td>
<td>-</td>
</tr>
<tr>
<td>Banjarmasin</td>
<td>Borneo</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>46,993</td>
<td>65,698</td>
<td>-</td>
</tr>
</tbody>
</table>

*1846 figure
The expansion of Dutch colonialism assured the supremacy of the coastal cities which functioned as trans-shipping points for the agricultural products of their hinterlands. By 1905 Batavia's population had increased to 138,551 (Ranneft 1916, p. 84) representing an annual growth rate for the ninety years since 1815 of 0.74 per cent. This may seem a modest rate by contemporary standards, but in the light of Batavia's proverbial unhealthiness (Castles 1967, p. 156) and high mortality rates (Haan 1935, pp. 685, 702) this figure indicates that substantial replenishment of the population occurred from the outside. Indeed, Java's coastal cities had previously been small and ephemeral centres and the scale of the nineteenth century growth was a new phenomenon. Table 9 shows the population growth recorded by the twelve largest cities in Indonesia during the latter colonial years and indicates that the period immediately preceding the 1930 census was one of particularly rapid growth, with all major centres except the ancient capitals of Surakarta and Yogyakarta recording growth rates twice as large as those experienced by the population as a whole. A number of important points arise from Table 9, but the following seem especially significant:

(a) Unlike many other colonies the urban hierarchy of the Netherlands East Indies was not dominated by a single primate port city. Indeed Batavia, the colonial capital, had a smaller population than the port of Surabaya until the early years of this century. The reasons for a 'more balanced' urban system are almost certainly due to the fact that Indonesia's large size and archipelago nature meant that with the limited transport and communication technology available to them the colonial Dutch were forced to operate through several scattered entrepôt centres. Hence, while Batavia was the colonial capital, the hinterland from which it collected raw materials for export was largely restricted to West Java; Surabaya dominated the eastern part of Java, Semarang, Central Java, and later Medan, North Sumatra etc. In this context, however, it is interesting to note that with growing sophistication in transport and communication the capital's hinterland was greatly extended in both the latter colonial and independence years and that the Indonesian urban system has shown a consistent tendency to move away from the more balanced picture evident on the left hand side of Table 9 toward a primate city size distribution in which Jakarta dominates the urban system. This is shown clearly in Table 10 which shows the primacy index for Indonesia between 1890 and 1970.

(b) A second feature of the pattern of urban growth is the predominance of Java. It was not until the 1920s that an Outer Island city exceeded 100,000 in population and even then there were six Javan cities with much larger populations. The dominance of Javan cities was partly attributable to the concentration of colonial activity in Java.
It is noticeable in Table 9 that the fastest growing cities were those who owed their growth, and in some cases even their origin (e.g. Bandung), to the colonial system. The ancient indigenous cities of Surakarta and Yogyakarta recorded the lowest rates of growth of all the major cities.

Table 10

<table>
<thead>
<tr>
<th>Year</th>
<th>Index</th>
<th>Year</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1890</td>
<td>0.39</td>
<td>1955</td>
<td>0.87</td>
</tr>
<tr>
<td>1905</td>
<td>0.59</td>
<td>1961</td>
<td>1.17</td>
</tr>
<tr>
<td>1920</td>
<td>0.69</td>
<td>1971</td>
<td>1.34</td>
</tr>
<tr>
<td>1930</td>
<td>0.73</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* i.e. population of the largest city (Jakarta) is divided by the combined population of the three next largest centres (Surabaya, Semarang and Bandung)

There is no doubt that migration played a key role in the growth of urban centres described above. Apart from the fact that a significant proportion of urban dwellers were immigrants from overseas, in-migrants made up a majority among the indigenous urban population. In all provinces urban areas constituted major destinations for in-migrants. In West Java, for example, major towns and cities contained only 7.6 per cent of the total provincial population but 28.4 per cent of all indigenous in-migrants. In the major cities of Batavia, Bandung and Surabaya more than a half of all indigenous residents were born outside of those cities. However, even in the entrepôt cities, the bulk of indigenous migrants were drawn from the province in which the city was located. In Batavia, for example, 80 per cent of those migrants were born in the province of West Java, 11.8 per cent in Central Java, 2.9 per cent in East Java and 5.9 per cent in the Outer Islands. The dominant migrant groups from the Outer Islands in Batavia were Minangkabau from West Sumatra (3,924 persons), who are well known for their propensity to migrate, and those from the areas used for recruiting colonial functionaries (Menado 1,945 persons; Moluccas 879 persons). It was not until the eighteenth century that Indonesians became a majority in Batavia and their representation increased during the 1800s to 71 per cent in 1905 and 83 per cent in 1930. Following the reduction in slavery, many Sundanese from the immediate hinterland of Batavia and Banten migrated to the city to take up work in such occupations as household domestics (Milone 1966, p. 229). Much of the Sundanese migration to Batavia was initiated by mandur (labour recruiters/foremen) who often brought whole villages of labourers to the capital, the group usually specializing in a particular type of activity (Milone 1966, p. 236). Most indigenous people in Batavia, however, were poor, and lived in the older sections of the city or in overcrowded kampung which were more
rural than urban in character. The latter were encouraged by an influential element among the Dutch who

felt that Indonesians should be discouraged from migrating to the city, for it was an unnatural way of life for them. If once there, however, they should be left to continue the style of life that they had in the village (Milone 1966, p. 555).

Several smaller towns developed during the nineteenth century at places selected by the Dutch as administrative centres, points for collecting raw materials, military garrisons and hill stations. These third and fourth order urban centres in the colonial urban hierarchy gained most of their migrants at the expense of adjoining regions. Hence nearly two-thirds of the indigenous newcomers in the city of Cirebon (West Java) were natives of adjoining Kuningan and Cirebon regencies.

Migration was equally important in the growth of cities in the Outer Islands during the early years of this century. In Medan, located on Sumatra's east coast and a service centre for plantations in that region, 59.6 per cent of the indigenous population were born outside of the city, while even higher proportions were recorded in smaller, more specialized colonial urban centres such as the coffee and pepper exporting city of Telukbetung (62.1 per cent) and the coal mining town of Sawahlunto (79.9 per cent).

In passing, it should be mentioned that the major colonial cities which developed in the nineteenth and early twentieth century took on a distinctive form and structure still evident in the contemporary nature of those cities. Milone (1966, p. 149) shows that the cities bore the stamp of the clear status ranking which emerged during the nineteenth century and which had a racial-economic basis and was supported by legal distinctions. At the apex of the status pyramid were the Europeans, followed by Eurasians, Indonesian Christians, Chinese, Arabs and Islamic Indonesians. In Batavia, for example, by 1905 the proportion of the city's population which the Europeans made up had increased to 9.3 per cent (compared to 4.3 per cent in 1815), largely as a result of the modification of laws regulating the alienation of land in 1870 (Cobban 1970, p. 2). The old coastal town was rejected by Europeans earlier in the century and they established their homes and administration buildings some 2 kilometres inland at Weltevreden, which took on a dispersed, garden-town character (Milone 1966, p. 320) still evident today. The Chinese population in Batavia were restricted in the areas where they could settle. Most lived in the Glodok area, which was the camp to which they were exclusively restricted in the mid-eighteenth century, in shop houses in Weltevreden, and near the markets of Tanah Abang, Pasar Senen and Pasar Baru (Milone 1966, p. 210).

After 1900, the large urban areas like Batavia began to take on many of the features that characterize them today. Most of the indigenous in-migrants to the cities lived in ever-worsening housing, health and sanitation conditions, crowded into rural-like autonomous enclaves of native settlement that stood out in their general air of backwardness from the air of light and propriety which prevailed in the European section of cities (Cobban 1970, p. 228).
Particular urban *kampung* were favoured for settlement by persons from particular home areas. Hence in-migrants from Tangerang and Banten were strongly concentrated in the older sections of the city, whereas those from Priangan tended to settle in the Weltevreden area (Volkstelling 1933, I, p. 29). This of course follows in the tradition of the development of 'quarters' of particular ethnic groups in Indonesian cities which pre-dated European contact.

Another important feature of early twentieth-century migration to Batavia still evident is the tendency for persons from a particular region or village to take up the same occupation. In fact 1930 census officials found the phenomenon so widespread that they make mention of it in their report (Volkstelling 1933, I, p. 29). Some of these regional specializations of migrant occupations are given in Table 11.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Region of Origin of Migrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harbour Workers</td>
<td>Banten, Tangerang, Parung Panjang (Bogor)</td>
</tr>
<tr>
<td>Female Servants</td>
<td>Bogor, Tangerang</td>
</tr>
<tr>
<td>Butchers/Meat Vendors</td>
<td>Pandeglang</td>
</tr>
<tr>
<td>Market Gardeners</td>
<td>Ciampea (Bogor)</td>
</tr>
<tr>
<td>Bread Vendors</td>
<td>Peuteuj (Bogor)</td>
</tr>
<tr>
<td>Agricultural Produce</td>
<td></td>
</tr>
<tr>
<td>Sellers</td>
<td>Citajam, Bojonggede, Sawangan (Bogor)</td>
</tr>
<tr>
<td>Laundrymen</td>
<td>Bogor</td>
</tr>
</tbody>
</table>

It is clear that a substantial growth of the urban population occurred in the latter colonial years. Between 1920 and 1930 the urban population of the Netherlands East Indies grew from 2,881,576 to 4,034,149, and the proportion of the total population living in urban areas increased from 5.8 per cent to 6.7 per cent. Although the rural-urban migration which occurred was significant, it could in no way be described as the 'great shaking loose of migrants from the countryside' posited by Zelinsky (1971, p. 236) as characterizing the second stage of the 'mobility transition'. A contemporary writer of the latter colonial period (Ranneft 1929, p. 80) published an interesting discussion of why there was not a great exodus to the towns in Java, as had occurred earlier in Europe. He recognized that the limited urban growth reflected the important connection between job opportunities and rural to urban migration. The aim of the Dutch was to perpetuate Java as a 'country of various "subsidiary industries"'. The unprocessed and semi-processed raw materials extracted from the country supported secondary industry in the Netherlands - not in Indonesia. Cities in Indonesia were subsidiary, forwarding centres in which tertiary activities supporting this function increased, but most colonial employment
creation was in rural areas through plantation development and later (under the Ethical System) by expansion of the irrigated sawah area. In addition, as Fisher (1964, p. 296) has pointed out,

Dutch factory owners in Holland had no desire to create new rivals for the Indonesian market and until the 1930s Western style industry remained virtually limited to the initial processing of locally produced raw materials and the provision of maintenance facilities for railways, motor vehicles, shipping and the machinery used by mines and estates.

Clearly, large scale industrialization (a vital prerequisite if massive urbanization is to take place) could not occur in the Netherlands East Indies under colonial rule. In fact, existing handicraft industry declined under the impact of Western imports. Profits extracted from the agricultural sector were not available to be invested in indigenous industrialization because they were repatriated to the home country.

International Migration

International migration occurred on a significant scale during Indonesia's colonial period and it was a major factor shaping the nation's social and economic development. Emigration of indigenous Indonesians occurred, but on a very small scale. A small number of Java-born persons moved out of Indonesia during the last century of colonial rule, mostly under 'contract-coolie' recruitment programmes to obtain cheap labour for plantations. In 1930, for example, there were 89,735 Java-born persons (Bahrin 1967, p. 280) and 170,000 ethnic Javanese (Volkstelling 1936, VIII, p. 45) in Malaya, 31,000 emigrants in the Dutch colony of Surinam and 6,000 in New Caledonia (Volkstelling 1933, VIII, p. 45). Smaller numbers moved to Siam (3,000 Java-born persons in 1920), British North Borneo (5,237 in 1922) and, to a lesser extent, Sarawak, Cochin China and Queensland, Australia (Scheltema 1926, p. 874). On an Indonesia-wide scale there was also significant, largely spontaneous, movement of Minangkabau, Batak, Bugis, Banjarese and Bawean migrants to Malaya from other islands of Indonesia. The impact of emigration in most parts of Indonesia, however, was small during the colonial period.

The major international migration influence in West Java, and much of Southeast Asia, during the colonial period, however, was immigration. This involved not only the influx of a European ruling colonial elite but larger numbers of Chinese and, to a much lesser extent, Indians and Arabs. The immigration of Chinese which was permitted (and at times encouraged) during the colonial period had a major effect on population mobility. They were given separate, formal status within the colonial system. As mentioned earlier, Europeans and 'foreign Asiatics' were also given separate status in the 1930 census. There was no information published relating to the internal migration of these two groups except place of birth (if born overseas) or the place of birth of their father (if born in the Netherlands East Indies).
The scale of European immigration is, of course, closely tied to the level and type of colonial exploitation. Table 12 shows that in 1860 Europeans made up only 0.28 per cent of the total Netherlands East Indies' population, but this probably overstates the European presence in that the figure for the indigenous population almost certainly is an under-estimate.

### Table 12

**Indonesia: Increase of indigenous and non-indigenous population, 1860-1930**

<table>
<thead>
<tr>
<th>Year</th>
<th>Indigenous</th>
<th>Europeans</th>
<th>Chinese</th>
<th>Other Asians</th>
</tr>
</thead>
<tbody>
<tr>
<td>1860</td>
<td>15,409,944</td>
<td>43,876</td>
<td>221,438</td>
<td>8,909</td>
</tr>
<tr>
<td>1900</td>
<td>34,666,659</td>
<td>91,142</td>
<td>537,316</td>
<td>27,399</td>
</tr>
<tr>
<td>1930</td>
<td>59,138,067</td>
<td>240,417</td>
<td>1,233,214</td>
<td>115,535</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Average annual rate of increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1860-1900</td>
<td>2.05</td>
</tr>
<tr>
<td>1900-1920</td>
<td>1.78</td>
</tr>
</tbody>
</table>

The European population increased at nearly twice the rate of the indigenous population in the early part of this century, in line with the stepping up of colonial activity which followed the opening up of the colony to private enterprise. This not only resulted in an increase in the proportion which Europeans made up of the total population (from 0.25 per cent in 1900 to 0.4 per cent in 1930), but created a European community which was more diverse and settled. In 1880 a majority of the European community regarded their residence in the Netherlands East Indies as temporary; there were only around 460 European females for every 1000 males and of the 41,000 males more than 20,000 were in the KNIL (Royal Netherlands East Indies Army). Table 13 shows that by 1930 more than a half of all Europeans were in fact born in the colony. While a number of such persons would be children of temporary settlers, this figure does point to the development of a significant permanently domiciled European population, as does the fact that there were 884 European females for every 1000 males in 1930. The occupations of working Europeans also showed a greater diversity in 1930, with only one-quarter employed in 'some administrative branch of the government or of the army, navy and police' and another quarter in commerce and transport, one-fifth in production of raw materials, agriculture or mining, and most of the remainder in education, provision of medical services, etc.
Table 13

Indonesia: Country of birth of European population, 1930

*Source*: Volkstelling 1933-36, VI

<table>
<thead>
<tr>
<th>Country</th>
<th>Residents of Java</th>
<th>Residents of Outer Islands</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands East Indies</td>
<td>142,551</td>
<td>27,295</td>
<td>169,846</td>
</tr>
<tr>
<td>Netherlands</td>
<td>37,985</td>
<td>12,900</td>
<td>50,885</td>
</tr>
<tr>
<td>Germany</td>
<td>3,386</td>
<td>1,909</td>
<td>5,295</td>
</tr>
<tr>
<td>Great Britain</td>
<td>609</td>
<td>536</td>
<td>1,145</td>
</tr>
<tr>
<td>Japan</td>
<td>2,998</td>
<td>2,627</td>
<td>5,625</td>
</tr>
<tr>
<td>Other</td>
<td>5,042</td>
<td>2,324</td>
<td>7,396</td>
</tr>
<tr>
<td>Total</td>
<td>192,571</td>
<td>47,591</td>
<td>240,162</td>
</tr>
</tbody>
</table>

The distribution of Europeans throughout Indonesia during the colonial period, of course, corresponded closely to the location of colonial activities. Hence Table 14 shows an 'over-representation' of Europeans (compared to the indigenous population) in Java (especially West Java) in which was located Batavia and major plantation areas. The 'under-representation' in the Outer Islands is least marked in Sumatra, due to plantation development in regions such as the East Coast (where 11,079 Europeans were enumerated). Similarly, Table 15 shows a strong concentration of Europeans in large cities (and, to a lesser extent, towns) compared to the indigenous population, especially in Java.

Table 14

Indonesia: Percentage distribution of indigenous and non-indigenous population between major areas, 1930

*Source*: Volkstelling 1936, VIII

<table>
<thead>
<tr>
<th>Region</th>
<th>Indigenous</th>
<th>Europeans</th>
<th>Chinese</th>
<th>Other Asians</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Java</td>
<td>18.7</td>
<td>33.6</td>
<td>21.1</td>
<td>15.0</td>
</tr>
<tr>
<td>Other Java</td>
<td>50.5</td>
<td>46.5</td>
<td>26.2</td>
<td>30.2</td>
</tr>
<tr>
<td>Java</td>
<td>69.2</td>
<td>80.1</td>
<td>47.2</td>
<td>45.2</td>
</tr>
<tr>
<td>Sumatra</td>
<td>13.1</td>
<td>11.9</td>
<td>36.4</td>
<td>28.2</td>
</tr>
<tr>
<td>Other Outer Islands</td>
<td>17.8</td>
<td>8.1</td>
<td>16.4</td>
<td>26.6</td>
</tr>
<tr>
<td>Outer Islands</td>
<td>30.9</td>
<td>19.9</td>
<td>52.8</td>
<td>54.8</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Turning to non-European foreigners, the immigration of Chinese during the colonial period had a critical impact in Indonesia, as it did in the other colonized countries of Southeast Asia. Table 12 shows that the Chinese population increased at a substantially faster rate than the indigenous population and by 1930 they comprised more than 2 per cent of the total population of the Netherlands East Indies. The colonial system tended to channel the Chinese and other non-indigenous Asian groups into employment as foremen and white collar workers in Western industrial enterprises (Skinner 1963, p. 98), small-scale and medium-scale internal retail trade, and provision of internal credit facilities and community services (Vries and Cohen 1938, p. 269) and service industry (Aten 1952-53, pp. 19-27). Consequently the non-indigenous Asian segment of the population was strongly concentrated in urban areas, as Table 15 shows.

Table 15

Indonesia: Percentage distribution of indigenous and non-indigenous population between rural and urban areas, 1930

Source: Volkstelling 1936, VIII

<table>
<thead>
<tr>
<th></th>
<th>Indigenous</th>
<th>European</th>
<th>Chinese</th>
<th>Other Asian</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NETHERLANDS EAST INDIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large cities</td>
<td>3.7</td>
<td>63.7</td>
<td>27.5</td>
<td>36.2</td>
</tr>
<tr>
<td>Towns</td>
<td>2.7</td>
<td>11.8</td>
<td>16.6</td>
<td>21.0</td>
</tr>
<tr>
<td>Rural areas</td>
<td>93.7</td>
<td>24.5</td>
<td>55.9</td>
<td>42.8</td>
</tr>
<tr>
<td><strong>JAVA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban</td>
<td>7.4</td>
<td>79.9</td>
<td>58.7</td>
<td>40.8</td>
</tr>
<tr>
<td>Rural</td>
<td>92.6</td>
<td>20.1</td>
<td>41.3</td>
<td>59.2</td>
</tr>
<tr>
<td><strong>OUTER ISLANDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban</td>
<td>4.0</td>
<td>58.1</td>
<td>31.0</td>
<td>41.4</td>
</tr>
<tr>
<td>Rural</td>
<td>96.0</td>
<td>41.9</td>
<td>69.0</td>
<td>58.6</td>
</tr>
</tbody>
</table>

The fact that the Chinese tended to 'take up commercial positions intermediate between the Dutch colonialists and the indigenous population' and 'build up a comprehensive commercial and financial network extending from the major ports to rural markets' (Skinner 1963, p. 98) is reflected in their concentration in the smaller towns (Table 15) and rural areas when compared to the Dutch. The larger proportion of Chinese in the rural areas of the Outer Islands when compared to Java reflects the significant number of Chinese directly imported by Europeans as labourers on plantations and in mines in the Outer Islands, a practice which persisted until the 1930s. In Sumatra's East Coast residency in 1930, for example, 12 per cent of the population was Chinese, while on the tin mining islands of Bangka and Belitung 45 per cent of the population was Chinese. In 1860,
67.5 per cent of the Netherlands East Indies' Chinese population lived in Java, but with the increasing exploitation of the Outer Islands by the Dutch this balance progressively changed so that by 1930 Java-Madura accounted for only 47.2 per cent of the Chinese population. The large scale of Chinese settlement in the Outer Islands in the early twentieth century meant that there was a major difference between their Chinese population and that of Java; Fisher (1964, pp. 267-8) points out that, although 79 per cent of the Chinese population were locally-born, the great majority of those in Java were of several generations standing in the country, whereas those in the Outer Territories were mostly either immigrants or the children of immigrants. He points out that many more of the Outer Island Chinese were temporary migrants than those in Java. This difference was reflected in the 1930 census figures relating to the economic positions of the two Chinese populations, with three-quarters of those in Java being employed in commerce, transport and industry and half of those in the outer Islands working in agriculture, mostly as wage labourers.

Chinese, Arab and Indian traders had settled in Indonesia long before European penetration, but the large scale and impact of the mass immigrations of the nineteenth and early twentieth centuries were attributable directly to Dutch colonial policy and practice. The social, political and economic impacts of this migration have, of course, been enormous. Among other effects it almost certainly greatly reduced employment opportunities for indigenous groups in the cities of the Netherland East Indies and had a dampening effect on the development of the indigenous merchant class, and hence was an additional factor which prevented the 'massive movement from countryside to cities old and new' predicted in Zelinsky's Mobility Transition Model (1971, p. 230).

Agricultural Colonization

It has been pointed out earlier that an important form of population mobility during the pre-colonial period was that out of areas in which pressure of population on agricultural resources was considerable and which involved the setting up of agriculture-based colonies in what were formerly lightly settled areas. These types of movement continued during the colonial years - especially the migration of Central Javanese to West and East Java. In the early twentieth century, however, the Dutch colonial administration began to assume a role of actively intervening in this form of migration. The turn of the century saw the inauguration by the colonial administration of the so-called 'Ethical Policy' in response to the growing tide of misgivings

... expressed about the extent to which Indonesian society, especially in Java, had disintegrated as a result of the unscrupulous methods of western exploitation (Fisher 1964, p. 271).

The major aim of this policy was to arrest the deterioration in living standards of the indigenous population which had accompanied the mounting pressure of population on resources in Java. One strategy arising from this policy was a large-scale programme of upgrading the existing irrigation systems in Java and the use of highly developed Dutch hydraulic technology to open up new areas for irrigation. One such region was the Javan coastal
plains where the flat topography and huge seasonal variation in the discharge of rivers such as the Citarum necessitated irrigation works on a very large scale and required materials and equipment not available to the highly skilled Javanese irrigators. The Dutch initiated a series of projects to construct 'scientifically conceived irrigation systems' (Meulen 1940) in the coastal plains of Java. In West Java, for example, 235,100 hectares were irrigated by systems associated with the Cijuung, Cisadane, Citarum and Cimanuk rivers. Meulen (1940, p. 151) indicates the increase in production which this facilitated when he quotes the example of one West Java district in which formerly a successful rice crop produced a yield of 1,400 kilograms per hectare and a total crop failure occurred every four or five years, while, after completion of the irrigation works, the yield was 3090 kilograms per hectare and the fear of crop failure was completely removed. As a result, there was a substantial movement of persons (with the active assistance of the colonial government) from more crowded parts of Central Java into the West Javan areas of Krawang, Pamanukan, Subang and, especially, the Kandanghaur regions.

Partly due to this migration, between 1905 and 1930 the proportion of Java's population living in West Java increased from 24.2 per cent to 27.3 per cent. Figure 3 shows that the major sources of in-migrants were in Central Java, from which there was a net gain of 114,712 persons compared to 6,173 persons from East Java. Unlike other in-migrants from outside the province, those from Central Java settled predominantly in rural regions, with only one-quarter moving to the three largest cities. The most important contributing areas were those adjoining West Java, and the two major streams of migration generated from them duplicated smaller seventeenth-century flows. The first comprised out-migrants from the north coastal areas of Tegal-Pekalongan, who settled in the newly irrigated Kandanghaur and east Krawang regions, thus extending Javanese settlement further east from Cirebon and Indramayu. The second flow was from Banjumas-Kedu to the eastern Priangan region, particularly the Banjar border districts in which 40 per cent of the population were migrants from Central and East Java. A smaller, but nonetheless significant, flow moved to the plantations of Sukabumi-Cianjur. The importance of family migration in these flows from Central Java is reflected in the comparatively balanced sex ratio of 1205 among in-migrants. Although the gradient of movement was clearly a westward one, there were flows of population, albeit much smaller, in the opposite direction.

Improved water supply and control projects were not the only colonial initiatives which encouraged and directed agricultural colonization. In East Java, for example, there had been substantial migration from Central Java and the northern parts of the province to the more sparsely settled areas in the residency of Besuki in the far eastern extremity of the island (Figure 3) since the early 1800s. However, this gathered pace in the early twentieth century, so that by the 1930 census migrants made up a substantial proportion of the residents in the most remote regencies such as Banjuwangi (47.2 per cent), Jember (37.5 per cent) and Lumajang (26.9 per cent). In Banjuwangi and Jember alone there were a total of 29,249 persons born in Central Java, 22,597 born in Yogyakarta-Surakarta, and 122,352 born in Madura (the island to the north of East Java; see Figure 3). The large recent in-movement was associated with the extension of the railway to Banyuwangi in 1901 and the fact that migrants originally attracted to temporary work offered in the many plantations in the region
Figure 3. West Java Residencies: Lifetime migration flows to and from Residencies in other parts of Java, 1930 - Flows of more than 1,000 lifetime migrants only. (Source: Volkstelling 1936, VIII)
decided to settle permanently in the region because 'they could find more ground in these thinly populated regions than in their thickly populated birth districts' (Volkstelling 1933, III, p. 101).

The major region of origin for migrants from Central Java was the heavily populated residency of Kedu, which at the 1930 census recorded the heaviest rate of lifetime out-migration with the number of people born within its boundaries but living outside them at the census equivalent to 15.9 per cent (333,951 persons) of the population living in the residency at that time. While considering East Java, mention should be made of the massive migrations out of the island of Madura. Migration of the Madurese (a distinct ethnic group) out of their environmentally harsh and thickly settled home island to the northern coast and eastern extremity of the East Javan mainland was of long standing, although it gathered momentum early this century, for the reasons given earlier. The overall scale of their movement can be appreciated by the facts not only that 257,511 persons living on the East Javan mainland were born in Madura (13 per cent of the total 1930 population of Madura) but also that only 45 per cent of all ethnic Madurese in East Java in 1930 lived in Madura. Thus there were more than two million Madurese in mainland East Java who were born on the mainland and were second, third, fourth etc. generation offspring of migrants from Madura. In the entire residency of Besuki some two-thirds of the 1930 population were Madurese.

The ethical policy emphasis upon 'education, irrigation and emigration' as remedies for Java's situation resulted also in the first attempts to establish agriculture-based colonies of Javans in the Outer Islands in 1905. However, as was mentioned earlier, the colonial precursor of the Transmigration Scheme did not move significant numbers of colonists until the 1930s, when the worldwide depression and associated fall in demand for plantation products and labour drastically reduced the number of contract coolies moving from Java to the Outer Islands, so that the colonial administration was forced to try other avenues to relieve population pressure in Java.

Temporary Migrations

Discussions of population mobility are frequently confined to more permanent types of movement. However, it is clear from the literature that colonialism in Indonesia also had a significant impact on circular or temporary types of population movement. Some mention has been made of the temporary migration associated with much of the labour used on plantations in both Java and the Outer Islands, but this was only one of several important circular population movements in colonial Indonesia. The very meagre migration literature which was written during the colonial period reflects the importance of non-permanent forms of mobility. Scheltema (1926, pp. 872-3) and Ranneft (1916), for example, produced a typology of population movement (Table 16) the most striking feature of which is its emphasis upon circular movements.
Table 16
Ranneft's (1916) and Scheltema's (1926, pp. 872-3) classification of population mobility in Java during the Colonial Period

<table>
<thead>
<tr>
<th>Type of movement</th>
<th>Scheltema's example</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Local movements</td>
<td>Movements to a neighbouring village (e.g. marriage migration).</td>
</tr>
<tr>
<td>(ii) Temporary movements</td>
<td>Movements to an area to construct railway or irrigation works or to go on haj (pilgrimage to Mecca).</td>
</tr>
<tr>
<td>(iii) Periodic movements</td>
<td>Movements caused by seasonal demands for labour such as the Bantamese (people from the Northwestern section of West Java) moving to Lampung (Southern Sumatra) to pick pepper.</td>
</tr>
<tr>
<td>(iv) Semi-permanent moves</td>
<td>People who earn their living in one place while their family stays at another, e.g. clerks and servants working in the city while their family stays in their home village.</td>
</tr>
<tr>
<td>(v) Permanent movement</td>
<td>a. Within Java</td>
</tr>
<tr>
<td></td>
<td>b. To other Indonesian islands</td>
</tr>
<tr>
<td></td>
<td>c. To overseas destinations</td>
</tr>
</tbody>
</table>

Although most of the 1930 census data refer to permanent migration, it is clear that the colonial census takers were aware of the existence of significant temporary movements. Enumerators in Java were instructed to determine each person's domicile (Volkstelling 1933, I, p. 93). All persons regarded as temporarily present at their place of enumeration were counted not within that district but within their district of domicile or usual residence. Hence men working at a sugar factory or town who intended to return (even if several months in the future) to the village where they had left their family were considered as having their domicile in that village. The census report further states that when difficult cases were encountered, as happened frequently in large towns, the criterion of a 'fixed domicile' was a minimum period of six months spent in the place of enumeration or intended to be spent there.

No details were published regarding the persons 'temporarily present' apart from the percentages of the total population of each province who were so categorized. These figures, presented in Table 17, show that nearly half of all temporarily present persons in Java were enumerated in West Java, which accounted for only 27.32 per cent of the island's total population.
Table 17
Java-Madura Provinces, 1930: Persons temporarily present

Source: Volkstelling 1933, III, p. 32

<table>
<thead>
<tr>
<th>Province</th>
<th>Temporarily present</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Java</td>
<td>0.76</td>
<td>83,360</td>
</tr>
<tr>
<td>Central Java</td>
<td>0.21</td>
<td>23,297</td>
</tr>
<tr>
<td>Yogyakarta</td>
<td>0.18</td>
<td>2,806</td>
</tr>
<tr>
<td>Surakarta</td>
<td>0.24</td>
<td>6,156</td>
</tr>
<tr>
<td>East Java</td>
<td>0.38</td>
<td>57,212</td>
</tr>
<tr>
<td>Java-Madura</td>
<td>0.42</td>
<td>172,831</td>
</tr>
</tbody>
</table>

However, within West Java there were also many plantations and a higher degree of urbanization than in other provinces, and it was the cities and plantations that offered most temporary employment opportunities. Moreover, the census figures grossly understate both the extent and influence of temporary migration. Firstly, because the vast bulk of migrants were bread-winners, their movement will have had an effect on their families remaining in the village, both in terms of the migrant's earnings at his destination and in terms of the knowledge and information he gains at that place. More importantly, a census taken at one point in time can only tell us something about that one time, and, because the rates of temporary migration vary considerably with different seasons and conditions in villages, census figures will not include large numbers of temporary migrants who are absent from the village at other times of the year but happen to be in the village on census night. Moreover, the 1930 census takers reported that substantial numbers of people returned to their home village expressly to be enumerated in the census,

During census-taking from several sides was received the information that a number of persons - either on order of their village headman, or from their own will - returned to their villages in order to be enumerated there; very probably a large percentage of these persons would have belonged to the group of persons temporarily present, if they had not returned home. It may be possible as well that they had two domiciles; it seems that for instance servants from Buitenzorg in Batavia or coolies from Bantam in Priok (sic) or workmen from Garoet (sic) in the service of tea estates in Bandoen, Tjianjoer and Soekabumi (sic) sometimes own small houses in their own birth district or elsewhere (Volkstelling 1933, I, p. 93).
Figure 4. West Java: Number of temporary migrants in Regencies 1930.
(Source: Volkstelling 1933, I)
Figure 4 shows the numbers of temporary residents in each of West Java's regencies at the time of the 1930 census. The dark sections of the map represent areas with a comparatively large percentage of their populations at the date of enumeration being made up of temporary residents. There was a concentration of temporary migrants in urban areas, with the three municipalities of Batavia (10,119), Meester Cornelis (1649) and Bandung (4287) accounting for one-fifth of all such migrants. This reflects the availability of temporary employment, particularly in the unskilled labour and petty trading fields in the city. Other areas with large numbers of temporary migrants were agricultural areas which suffered seasonal periods of labour deficit. Hence in Krawang the construction of new irrigation works created a temporary labour demand. The introduction of double-cropping of sawah, which this permitted, also created heavy demands for labour in harvesting in that region. Since it was not harvest season at the time of the 1930 census (October), the figures do not reflect the very large numbers who did, and still do, flock to the Krawang region to participate in the harvest each year. The other major regions of temporary in-migration were the plantation areas of the south, where estate managers relied heavily on migrants in periods of peak labour demand. Hence, in the southern Garut districts of Pameungpeuk and Bungbulang, 6 per cent of the population was 'temporarily resident'.

Much temporary migration was a means of earning subsidiary income. In the longest settled sawah area in West Java, northern Banten, the growing pressure of population on limited agricultural resources had forced many to seek alternative employment, particularly during the dry season (which is longer than in any other part of West Java). There was a long tradition of interaction with southern Sumatra and Batavia - both regions of relative labour shortage - and it was to these places that some Bantenese migrated during the agricultural slack season. At the turn of the century there were at least 2000 workers moving annually to Batavia and 3000 to Lampung (Kartodirdjo 1966, p. 33).

In addition, there were more ubiquitous types of temporary migration, such as visits to friends and relatives who had migrated and that of journeying hawkers who moved around West Java selling their wares. The latter included vendors of basketware from Tasikmalaya, small-fish hawkers from Trogong (Garut) and furniture sellers from Kebayoran (Volkstelling 1933, I, p. 33). Another important group in this category were women out-migrants returning to their birthplace to give birth. This is clearly reflected in Table 18, which shows that females predominated among temporary migrants who were born in the district where they were found at the time of the census, whereas there were nearly twice as many males as females among temporary migrants born outside of the district in which they were enumerated.

In East Java, although the overall number of persons enumerated as 'temporarily present' was small, it was clear that the pattern tended to follow that of West Java, with the plantations and cities like Surabaya attracting the largest numbers of temporary migrants. A major source of such migrants (as with permanent migrants) was the island of Madura, with more than 17,000 people whose permanent residence was in Madura being recorded as temporarily present on the mainland - some 7000 of them in the tobacco plantation areas of Jember.
... the major part of these Madurese have been established in these districts for centuries but in addition to the residents every year for 3, 4 or 5 months after the harvest there comes a swarm of Madurese from Madura to Java where they work on estates (Volkstelling 1933, III, p. 101).

Table 18
West Java 1930: Sex ratio of temporarily present persons according to their birthplace

<table>
<thead>
<tr>
<th>Temporary migrants' birthplaces</th>
<th>Sex ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Born in place of enumeration</td>
<td>985</td>
</tr>
<tr>
<td>Born elsewhere</td>
<td>1,773</td>
</tr>
</tbody>
</table>

Unfortunately no data at all was collected regarding temporary migrants in the Outer Islands population at the 1930 census. Clearly, however, much of the massive movement to plantations in northeast and south Sumatra and the oilfields of Borneo was on a temporary basis, as Broek (1940, p. 195) points out.

Thus the establishment of estates in the Outer Provinces led to considerable migration. It is true that most labourers return home after the expiration of their contracts, but a number of them acquire small holdings and remain as part-time or seasonal estate workers.

In addition to the temporary migration of estate workers, coalminers and oilfield workers, it is clear that some of the ethnic groups of the Outer Islands engaged in circulation on a substantial scale during the colonial period. Much of the migration of the peripatetic Minangkabau people, for example, involved a return to their west Sumatran homeland (Nairn 1979). During the colonial period there was also an expansion of the circular trading migrations of the Bugis of south Sulawesi, as Lineton (1975, p. 18) has explained.

Bugis traders fitted into the interstices in European trade, collecting small quantities of goods from numerous insignificant and barely accessible ports... Bugis trading emporia grew up on several islands of the archipelago...from which Bugis praus made yearly voyages to Bali, Batavia and Singapore in the West and New Guinea, the Moluccas and Manila to the east and north.

In this context the out-migration of Bawean people from their tiny island off the coast of Java to Singapore should also be mentioned. This movement began in the nineteenth century but gathered major momentum in the latter colonial years such that it is probable that there are now more Baweans in Singapore than in Bawean. Vredenbregt (1964) has shown that although the post-war migration has been essentially permanent in nature much of that undertaken during the colonial period was circular.
The improvements in transport during the colonial period also encouraged a great expansion of non-economic circulation. Writing in 1916, Ranneft observed that there was a tremendous increase in 'sociological travelling' such as visiting distant places, visiting relatives, going on pilgrimages etc., which he considered not to be of economic significance but important because of the broadening of outlook which such travel caused.

Ranneft (1916), in describing some of the types of temporary migrations characteristic of the early years of this century in Java, stresses the significance of circular labour migration to cities, such as that from Banten to Batavia, Demak to Semarang, and Gresik and Sidarjo to Surabaya. He suggests that one of the effects of this type of mobility was to prevent Java following Europe in developing a large urban proletariat, this being due to the fact that although the temporary migration was caused largely by the penetration of capitalism, temporary workers, by retaining such strong links with their villages of origin, remained largely 'traditional men'.

Other Migrations

So far we have concentrated on migrations which were influenced by colonial policy and practice in a direct way. However, it is clear from the 1930 census that there were also movements which were largely continuations of the indigenous patterns referred to at the beginning of this paper and in which the direct influence of European colonialism was minor. This applies especially to the movements of the highly mobile ethnic groups of the Outer Islands. For example, 10.4 per cent of persons born in south and east Kalimantan were living outside of their district of birth. This was due mainly to the out-migration of Banjarese people from south Kalimantan to the east coast of Borneo and Jambi on the east coast of Sumatra. Similarly, the migration of the Bugis from south Sulawesi, mentioned earlier, continued during the nineteenth and twentieth centuries. However, around the turn of the century Lineton (1975, p. 20) has shown that the character of Bugis migration changed from essentially trading migration to people migrating to establish farms or small holdings at their destination. This change was probably indirectly influenced by the increasing European capitalist penetration of the region, firstly because the Dutch imposed restrictions on Bugis trade and secondly because the Bugis took advantage of rising world market demand for tropical agricultural products to grow coconuts for copra in their migrant settlements in East Borneo, Johore in southern Malaya, and Pontianak in West Borneo (Lineton 1975, p. 21). Accordingly, at the 1930 census 8.6 per cent of people born in south Sulawesi lived outside of their district of birth. Bugis and Banjarese migrants also settled in British Malaya, their numbers being estimated in 1930 at 20,000 Banjarese and 4900 Bugis.

There was also evidence in the 1930 census of substantial out-migration of Batak groups from their upland homelands in Tapanuli (especially the Toba areas) toward the north eastern coastal areas of Sumatra. Some 12.6 per cent of persons born in Tapanuli lived outside of their subdivision of birth in 1930. Their homeland was a difficult agricultural environment in which the pressure of population on agricultural resources was considerable, so that many Batak were attracted to the fertile lightly settled coastal plains. Another major region of out-migration in Sumatra
was the province of West Sumatra where 8.1 per cent of persons born in the province were living outside of their subdivision of birth in 1930. This, of course, is a reflection of the out-migration of Minangkabau people from their homeland and is analysed in some detail by Nairn (1979).

CONCLUSION

This paper has attempted to present a summary of the major types of population movement which occurred in Indonesia during the colonial period, especially the final decades of Dutch rule when colonial exploitation reached its height. It is readily apparent that the domination by a European power and the penetration of capitalistic production oriented to world trade which colonial rule involved reshaped the society and economy of Indonesia and in so doing brought about major changes in the pattern of migration. An observer writing during the height of the colonial period suggests that most migration decisions taken by indigenous Indonesians at this time were strongly influenced by external forces (Ranneft 1916), presaging the argument of many students of contemporary Third World migration (e.g. Amin 1974) writing more than half a century later. Although there were inevitable variations in the level and nature of the impact of colonialism due to differences in both the colonial and the colonized country, the basic elements of domination, exploitation, focusing of the economy to world trade etc. are common to most colonial situations. The types of mobility which this paper has attempted to identify as characterizing Indonesia's colonial period have a close causal connection with these basic elements of colonialism, so it is probable that these colonial mobility 'types' are likely to be found in many colonial contexts.

Many of the regional differences in level of investment and exploitation which developed during the colonial period because of colonial policy and practice have been maintained, and in some cases strengthened, in Indonesia during the independence period. The bulk of existing migration theory points to the close relationship between interregional social and economic inequalities on the one hand and internal migration on the other, with the gradient of migration tending to be away from deprived areas and toward favoured areas. Clearly many of the patterns and types of migration which evolved during Indonesia's colonial period have been maintained since independence, due to the unequal distribution of resources, investment, factors of production, services etc. which has its roots in the colonial past. Accordingly it is suggested here that an examination of colonial migration patterns is useful because it assists in obtaining a full understanding of contemporary migration patterns, which in many cases are a reflection of social and economic forces which obtained during the colonial period.

NOTES

1 These administrative units are little used now but are intermediate between the present day kabupaten (regency) and kecamatan (sub-district).

2 The first governor sent ships to kidnap Chinese but there were many free migrants also.
3 In some cases through bringing in Central Javanese peasants to teach local people how to cultivate sawah (Danasmomita 1974, pp. 4-5).

4 There were of course other movements from Java to Sumatra, such as that of people from West Java to South Sumatra to pepper and spice plantations, which were not part of the contract coolie scheme.

5 This includes of course in-migrants, together with children born to them in the Outer Islands.

6 In Surabaya 88.4 per cent of in-migrants were born in some other part of East Java.

7 The number of estate labourers in the Outer Islands fell from 479,000 in 1930 to 232,000 in 1934 (Broek 1940).

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The Arafura and Timor Seas comprise one of the clearest geo-political divides in history. To the south, the continent of Australia was occupied, when the historical record begins in the seventeenth century, by the Aborigines. To the north, the cultural situation was more complex, but, to mention only two features often accorded some significance, pottery and domesticated food animals had been widespread for several millennia. Similarly, the colonial experience of each side of the divide has been distinctive: while Australia was claimed entirely by the British, the archipelago south of the equator came eventually to be held by the Portuguese and Dutch to the exclusion of other European powers. Today, these seas cover the boundary between two nation-states. Before looking at the relatively minor ways in which this boundary has been crossed, it is worth emphasizing the obviousness of the divide.

Consider the reactions of a French expedition in 1801:

Scarce ly two days had elapsed since our departure from the arid shores of New Holland and already the high mountains of Timor revealed themselves to us...All the back slopes of these mountains were covered with thick growth; all the gullies were marked by dark vegetation, above which one could see standing out everywhere the elegant tops of the coconut palms, the betel-nut palms and the macaw-trees, happy signs of the tropics...We dropped anchor in Semau Strait opposite a pretty bay on the island of Semau. It would be difficult, perhaps, to find anywhere else a more gracious and picturesque spot than that we then enjoyed: surrounded by land on all sides, we were as on a beautiful lake. A great variety of fish, decked in the richest colours, swarmed happily in the depths of these peaceful waters. On every side, wherever we cared to gaze, the sight of enormous fecundity presented itself with ever more charm and interest. What a contrast with the shores of the northwest of New Holland, so close, so monotonous and so sterile! (after Freycinet 1807, pp. 141-2).

The particular elements that make up this contrast and their relative importance are questions for a geographer, but among them are the poor soils of northern Australia, its lack of high relief, the long dry season, the presence of termites and other pests, and the lack of easily exploitable plant and animal resources, except trepang to a limited degree. The case of trepang, described in more detail below, is interesting: it shows that where other elements were irrelevant, the divide was crossed.
In a very general way, the fertility and population density of the islands in the archipelago decline as one moves eastwards from Java, (Mohr 1945a, 1945b), but while northern Australia is, as it were, at the end of the chain, the degree of difference between it and, say, Timor, or perhaps even the Aru Islands and Irian Jaya, marks it off decisively. It is not just at the end of a continuum. Even such dry and apparently inhospitable islands as Roti and Savu, directly across the Timor Sea, produce vastly more food than any comparable area of northern Australia has so far been able to do.

The story of agricultural and pastoral development in the Australian tropics, other than on the east coast of Queensland, has been a long and unhappy one, though there has never been a lack of enthusiasm. Over a century ago the Government Resident of the Northern Territory gazed over the plains of the Adelaide River, east of Darwin:

Without exception this is the finest land I have seen and I have no hesitation in saying that it is capable of supporting a large population. So far as the eye could discern in any direction the country was really magnificent.

It seems a great misfortune that all this valuable area should be lying idle. No doubt the time will come when people will exclaim "How is it that such fertile spots were not occupied before?" However it sometimes takes a long while to realize such advantages and the first settlers necessarily have some hard times to contend with. Yet if a few capitalists would only embark in such an undertaking as stocking one part and commencing cultivation on another, of course with the aid of Asiatic labor, I think the results would be encouraging and remunerative (SAA 790/1875/443).

The practical reality was less alluring. Less than three months later the same Government Resident had to explain the need to import hay into the Northern Territory:

There is no Government land within ten miles from [Darwin] fit for [a] cultivation paddock unless great expense is incurred in clearing and fencing...I consider bush hay rubbish and as we have not had rain for six months there is no grass whatever (SAA 790/1875/467).

This divide is not so sharp at its eastern extremity in Torres Strait, yet even here the distinction between New Guinea and Australia remains a real one. For discussion of the divide in this area from several points of view, see Walker 1972.

The alternating monsoons that blow across the Arafura Sea bring rain from the northwest in December, January and February and cooler dry winds from the desert during the middle of the year. The northwest monsoon also brings down to the Australian coast all manner of flotsam and jetsam from the archipelago, including any vessel in difficulty. Since the late nineteenth century, at least, when governments busied themselves keeping systematic records of the area, there has been a steady 'rain' of castaways. As a typical example, a trading prau sailing from Banda to Seram in 1902 was blown away and wrecked near Cape Wilberforce in northeastern Arnhem Land. Only one man, an Arab from Banda, survived a massacre by Aborigines and was eventually rescued (SAA 790/1902/220; SAA 1374/11779).
Other papers in this seminar series are concerned more specifically with the prehistoric connections between the archipelago and Australia, but since these accidental voyages continue in all periods it is appropriate to comment briefly here. The original settlers of Australia in the Pleistocene must have been castaways on a shore far to the north of the present coast (though I think we should be careful of attempting too graphic a reconstruction). No doubt many of the later arrivals, having survived the perils of the sea, succumbed, like the fellow crewmen of the Arab from Banda, to the various dangers of the land, but some may have been responsible for changes in Aboriginal cultures as those developed over the millennia. Features of some antiquity possibly to be explained in this way are the small tool tradition of stone working and the odd distribution pattern of Aboriginal languages, but I know of no convincing demonstration of these matters. The appearance of the dingo in Australia is presumably to be explained by its transport by man at some date later than first settlement, though we cannot know whether or not that transport was deliberate.

There are three general points to make about the idea of a 'rain' of castaways on the Australian coast. First, it is important not to be misled by the metaphor of 'rain' and by the orientation of maps. The voyage from Timor southwards is not downhill, nor do the islands of the archipelago hang over Australia. The voyage is facilitated only by the weather system, and that works in both directions. Secondly, influence from overseas is not a necessary explanation - and perhaps even a rather improbable explanation - for culture change in Australia, and to expect it involves playing down the potential for indigenous development. It is a point with relevance beyond prehistory. Thirdly, there is the simple, but negative, point that no Indonesian-type culture and economy did get established permanently on the north coast of Australia whether as a result of castaways or by any other means. It must be remembered that the coast was widely known, but unclaimed by any power, European or Asian, from the mid-seventeenth till the late eighteenth century, and effectively open for a further hundred years.

When all this has been said, however, there are some features of Australian Aboriginal cultures which show undoubted similarities with features of cultures to the north. Some of these similarities can be easily accounted for. In the Torres Strait area, specific traits from the south coast of New Guinea have clearly been introduced to the people of Cape York Peninsula. McCarthy (1940) lists the elements of material culture apparently transferred and there is supporting evidence from physical anthropology. Yet while the evidence used by Macintosh and Larnach (1973) suggests a decreasing cline of influence as one moves south, Kirk (1973), on other evidence, suggests a more complex pattern. None of this is very surprising, given the ease of the sea crossing and what is known from many ethnographic accounts of the area.

Similarly, those seeking trepang and other maritime products along the Arnhem Land and Kimberley coasts over the last three centuries or so have introduced many new ideas from the Indonesian archipelago, especially from South Sulawesi. As described in more detail below, the history of such visits is reasonably well understood and there is no serious difficulty in accounting for the contact.
Some similarities between New Guinea cultures and those in northern Australia well to the west of Torres Strait can be less confidently explained. In particular, the antiquity of possible contact is difficult to estimate and there is the problem of distinguishing the effects of contact both from a common substratum at about 12,000 years ago, before the rise of the Arafura Sea, and from the effect of independent invention. Again, McCarthy (1940) lists some possible common traits in the field of material culture. Casey and Massola (1957) believe that the grave posts of Melville and Bathurst Islands derive from Papuan models, while van Baal (1963) has drawn attention to similarities in the cult of the bullroarer in Australia and southern New Guinea. Van der Leeden, following van Baal, believes that the 'striking degree of cultural cohesion and emphasis on collective categories' of Marind culture 'might even suggest a historical connection with Aboriginal Australia' and draws particular attention to the fact that both the Marind-Anim and the Nunggubuyu 'own quite radical patrilineal ideologies' (Van der Leeden 1975, pp. 150, 162). Berndt (1948) has recorded Aboriginal accounts in northeastern Arnhem Land of contacts with what seems to be the Torres Strait area, though I believe that this topic requires further examination (Macknight 1976, p. 152, n. 6). Steinberg and Kirk (1970) have some most interesting data on a possible genetic admixture of New Guineans in the northern part of the Northern Territory. This could amount to 30 per cent.

The first deliberate and documented links between the Indonesian archipelago and the Australian continent form the opening chapter in Australian history. These contacts by the vessels of the Dutch United East India Company (VOC) arose from two causes. A great curiosity possessed the earliest Dutchmen in the East, in larger part perhaps because of the all-important search for commercial advantage, but also in part engendered by a spirit of excitement and enthusiasm at their great daring. The voyage of the Duyfken in 1605-06, under its captain Willem Jansz and supercargo Jan Lodewycksz van Rooossengin, was a deliberate act of exploration, and though the result at the time seemed meagre - a distant stretch of unpromising coast inhabited by aggressive savages - it is now rightly celebrated as the first known discovery by Europeans of this continent. Over the next century and a half other VOC vessels visited both the west, the north and part of the south coast of Australia to check or extend previous geographical and commercial knowledge, but the verdict on the later voyages was the same as that for the first, that 'no good was to be done there'. (The basic source on Dutch contacts with Australia is still Heeres 1899, but see also Sharp 1963, Schilder 1976 and, for a useful, up-to-date summary, Sigmond and Zuidervaan 1979.)

The second cause of VOC contact with Australia was the adoption by the company in 1616 of sailing instructions which commanded skippers to follow a new route from the Cape of Good Hope to Java. This had been pioneered by Hendrik Brouwer in 1610. It involved sailing south from the Cape into the constant westerlies and then eastwards for 'a thousand mijlen' before turning north to Sunda Strait. Even before the new instructions had been officially put into practice, the inevitable happened and the Eendracht, under Dirk Hartog, sighted the dangerous lee shore of Western Australia. The danger thus revealed required careful charting and, all too shortly, shipwrecks called for rescue and salvage voyages from Batavia.
VOC contacts with Australia are an interesting, if relatively minor, theme in the history of the company. The subject has produced a considerable literature, the most recent of which has been enriched by the brilliant work of the marine archaeologists on several wreck sites (e.g. see Green 1977b). Yet little followed directly from the numerous Dutch sightings and landings along almost two-thirds of the Australian coast over a period of a century and a half. A few Aborigines were captured and taken to Dutch settlements, but we do not know what happened to them and there is no record of any returning. There are several interesting descriptions of Aborigines in Australia, and some not very perceptive comments on the country. It must be remembered that these were seamen, and if the technology available for maritime discovery was poor, it was worse for any sustained penetration of the land. Those compelled to stay in the land, like the survivors from the *Vergulde Draeck* in 1656, those from the *Zuytdorp* in 1712, or various others marooned as punishment, who may have had more useful things to say about the land, are lost voices and we know nothing of their fate.

The other early Europeans in Australian waters were brought by reasons comparable with those that brought the Dutch. Torres, the Spaniard who blundered through the strait that now bears his name only a few months after the *Duyfken* had sailed across its western entrance, was searching for fabulous islands, but ended up at Manila. The Englishmen on the *Trial*, wrecked off the Pilbara coast in 1622, were in competition with the Dutch for the trade of the archipelago, but the survivors ended up in Batavia like those from later Dutch wrecks (Green 1977a). Dampier on his first visit to the Australian coast in 1688 also had his eye all too firmly on the riches of island Southeast Asia, though one may allow him some more scientific curiosity on his second visit in 1699 (Dampier 1906, II, pp. 457-8).

The most significant result of these early European voyages for the concerns of this paper, and the credit is almost wholly due to the Dutch, was the mapping of both the major part of the Australian coast and of most of the Indonesian archipelago to a tolerable standard of accuracy. This knowledge was not restricted to Europeans, for, to give only two examples, the Jesuits made it available in Peking and we know that a globe with these discoveries was presented to Karaeng Pattingalloaang in Macassar (Keuning 1935).

It is not clear whether this new geographical knowledge was in any way responsible for the beginning of planned visits by people from the archipelago to the Australian coast. The precise date and circumstances of the first of these voyages is uncertain, though I have maintained elsewhere that the last quarter of the seventeenth century is the most probable period for their commencement (Macknight 1976, p. 97). What is clear is that in the second half of the eighteenth century, and throughout the nineteenth century, regular fleets with perhaps 2000 men on board were working along the north and northwest coasts. The reason for coming was essentially commercial and based on the collection and preparation of trepang (bêche-de-mer or sea cucumber) for sale. It was worth sailing to Australia because of the abundance of trepang and the favourable circumstances for working it. This was particularly so around the coast of Arnhem Land and down into the Gulf of Carpentaria, and this area seems to have been much more intensively exploited than the Kimberley coast.
The industry depended on the market for trepang in Macassar, almost in the centre of the archipelago. For most of the nineteenth century, at least, the trepang from Australia made up by far the largest part of the Macassar market, and a considerable proportion, perhaps up to a quarter or even a third, of the total import into China. The gross value of the industry was substantial and it seems that its financiers in Macassar were both prosperous and socially prominent. Formal written contracts regulated the responsibilities and returns for the various parties concerned with each voyage and some of the captains, at least, were literate.

The sophistication of those involved in the direction of the industry is very striking, and it seems that they saw themselves as operating in a distant and barbarous area. Pobasso, the captain whom Flinders and Brown met in 1803, clearly recognized the Englishmen as fellow representatives of civilization and cautioned them to beware of the natives (Flinders 1814, II, pp. 231-2). Even the crews of the trepanging praus, who can hardly have been better than labourers in any other distant, dangerous and arduous occupation, could only expect payment for their services back in the home port.

In the eighteenth and nineteenth centuries, trepang was the chief product of voyages from the archipelago to Australia and Macassarese made up the majority of those coming. Yet, even the trepanging praus from Macassar seem to have had a few men on board who were not Macassarese, and certainly they all picked up any other saleable commodity that was available - tortoise-shell, pearl-shell, timber and so on. A few quite different groups also came, such as Bajau looking chiefly for tortoise-shell, and perhaps some groups from Kupang visited the Kimberley coast, but they were no less constrained by the need to return home to realize their profit (I.M. Crawford 1968, 1969). All these groups must be seen essentially as extracting resources, which happened to be within the reach of their vessels, and exporting these to wider markets. There was no significant development of resources or creation of a market within Australia. No permanent settlement was established in Australia and even the effects on Aboriginal cultures, though diverse and extensive, were not profound (Macknight 1972).

The simple economic facts were not grasped by those who, in the early nineteenth century, sought to link northern Australia and eastern Indonesia in a commercial area. These attempts took their origin from the reports of those re-surveying the Dutch charts of the Australian coast. Virtually all the British navigators who followed Cook in these seas, whether Captain Bligh or Will Bryant in distress, or well-fitted out expeditions such as those of the Beagle, visited Kupang in Timor and frequently other islands in the eastern parts of the archipelago.

The importance of the Dutch presence in the archipelago for the British settlement of Australia is little recognized (Hoffman 1979). The voyages of Phillip Parker King between 1818 and 1822, which included two visits to Kupang and several meetings with trepangers in north Australia, provided glowing reports of the area and, as a result, British commercial interests successfully pushed for the establishment of a settlement.
Fort Dundas on Melville Island lasted, miserably, from 1824 to 1829, and Fort Wellington at Raffles Bay on the Cobourg Peninsula endured, only a little less miserably, from 1827 to 1829. If there had been any doubt about the failure of these settlements this was effectively removed by the experience of the settlement at Victoria in Port Essington from 1838 to 1849. Although it is possible to argue that this later settlement did fulfill some of its purposes, it clearly demonstrated that there was no easily developed potential for either trade or agriculture in the area. All three settlements had contact with and received useful supplies from the islands to the north, so that the excuse of ignorance cannot be advanced. Indeed, it should be remembered that within comparatively recent memory Britain had held virtually all the major European settlements in the archipelago, including Kupang, for a short time and, even if the Anglo-Dutch treaty of 1824 ruled out further direct British control in the Dutch area, British commercial interests continued to flourish in the western archipelago for the rest of the century. (For accounts of these settlements in northern Australia see Howard 1931-2, Allen 1972 and Spillett 1972.)

One result of the situation created by the 1824 treaty, which has perhaps become clearer in retrospect than it was at the time, has been the assumption that British claims to the whole of the Australian continent would be respected by other European powers. It was during the first half of the nineteenth century that the political division across the Arafura Sea, which has lasted up to the present, became a reality.

In the decade from 1860 there was a series of attempts by Europeans from the south to found settlements in tropical Australia, in the main for pastoral expansion. By and large, pastoralism in tropical Australia has not been successful, and some of the early attempts were catastrophes. Nor has the history of agriculture, except on the east coast, been any brighter. The only substantial profits in the area have come from mining developments - gold, iron, silver, lead, zinc, copper, manganese, aluminium and uranium. The pattern has endured now for over a century. It has not been a welcome pattern and the chorus of hope for development in a wild variety of schemes has lasted with undiminished vigour from one generation to another. So far, the area has escaped any land settlement fiasco on a really serious scale, but the potential for disaster remains considerable. The suggested settlers have ranged from Japanese (Sissons 1977) to Russians. (For a particular example of the gap between vision and reality, see Neal 1977. More generally, see Bauer 1959, 1964 and Macknight 1969. The North Australia Research Unit of the Australian National University is currently conducting a study of the history of agriculture in northern Australia.)

In a very general sense the history of the eastern archipelago over the last century has not been dissimilar, though throughout this region there has always been a steady basis of subsistence food production. (For particular accounts in the Timor area, see Fox 1977, Metzner 1977 and Ormeling 1955.) Relative to Java and Sumatra it has remained an economic backwater with a poorly developed modern sector. Although non-mining exports, such as coffee from Timor, have been more various and successful than in northern Australia, there have also been failures, and the total value of production has been insignificant when compared with that of one or two large mining enterprises that have come into operation in recent times.
As central governments have become established, both the eastern archipelago and northern Australia have found themselves remote and isolated, and forced to look to those central governments for any substantial funds. Given the economic and political forces drawing the attention of those in the archipelago westwards, and those in Australia to the south, as well as all the underlying differences of geography, history and culture, the relative lack of contact across the Arafura and Timor Seas in the last hundred years is hardly surprising. There has, of course, been a little such contact.

The cable link of 1871, which joined Australia to the rest of the world and had been one of the dreams of those founding Darwin, was a tangible expression of contact. It went, however, not to the closest islands, but directly to the eastern point of Java. The need for its continued existence ensured some future for Europeans in northern Australia, though one may also note that the Overland Telegraph provided the mechanism for keeping them firmly under the control of southern governments.

Much of the relatively minor trade across the boundary should be seen as the overlapping supply spheres of the major centres. The collection of trepang in Australia for the Macassar market falls easily under this description. In a similar fashion, a few praus from east of Madura still collect maritime products from reefs and shoals in the Timor Sea, but take them back to the major market of Macassar for sale (I.M. Crawford 1969). Conversely, Australian pearlers were in contact with the archipelago from the 1870s on and early this century Queensland interests held rights in the Aru Islands (Mercer, in press). In the early days of Darwin there was some trading with Timor in the same way as for the earlier British settlements, and by the 1880s there was the hope of supplying cattle and horses from northern Australia to Batavia. There they would have competed with animals from Sumba and Timor. In the event, northern Australia was not able to develop this market significantly, in part because of Dutch restrictions on cattle from areas affected with the tick (Duncan 1967, pp. 86-102). This is ironic, since the tick appears to have originally reached Australia with cattle from Batavia. In the 1960s and early 1970s the supply needs of Portuguese Timor provided an air link, there was some tourism there from northern Australia, and perhaps more by young Australians from the south passing through cheaply to Java, some temperate foodstuffs were imported from Australia, but the total traffic was not great.

It is important to recognize that very little of this contact has been between the areas closest to each other. Trade between, say, Darwin and Singapore, Manila, Hong Kong or even parts of Java is hardly the outcome of mere propinquity, as a careful look at the map will show. The concept of overlapping supply spheres is useful in that it serves to explain how, even when a significant proportion of trade and other contact from the eastern parts of the archipelago or from northern Australia has crossed the boundary, it has gone to the major centres on the other side and not to adjacent areas. In those major centres it has been of slight importance.
With diligence, it is possible to compile a long list of contacts of one sort or another ranging from the recruitment of sailors in Surabaya for the Northern Territory government steamer in the nineteenth century, to the use of Darwin as a base for oil-drilling rigs in Indonesian waters in recent times, but one sees repeatedly how the real springs of action remain in distant centres to west and south, and, until very recent times, those distant centres were relatively little concerned with each other. In the 1930s, for example, Australian exports to the Netherlands East Indies were of slight significance and consisted almost entirely of temperate foodstuffs for European consumption (J.G. Crawford 1935), while Australian interests played no apparent role in Dutch and British concern at Japanese intentions in the archipelago (Tarling 1978). Even into the 1960s, overall Australian relations with Indonesia were comparatively limited, and from northern Australia quite insignificant (Arndt 1968).

The Japanese bombing of many towns in northern Australia from aircraft carriers in the Timor Sea and from bases in the archipelago was a spectacular reminder of geographical proximity. The same point was made in reverse by Australian military activity in Timor and, of course, in New Guinea and eventually in many eastern parts of the archipelago. It can be argued that the events of 1942-43 fundamentally changed Australians' attitude to Southeast Asia as a whole, but one might question the depth of understanding on both sides about the real nature of the points of contact in northern Australia and eastern Indonesia.

The power of decisions made far away is most tellingly shown in the recent history of East Timor. The revolution in Portugal produced a local crisis, in which both Jakarta and Canberra could not fail to involve themselves. The level of ignorance and wishful thinking among the actors on the local scene in respect of the concerns and intentions of the central governments involved was perhaps matched by that of the central governments in respect of the local situation, and the result has been a particularly bitter tragedy.

This paper began with the assertion that the political boundary between Indonesia and Australia reflects a marked geographical and historical division. That division is hardly likely to disappear. Despite the variety of contacts across the divide, with which the rest of this paper has been concerned, none of these contacts from the area of the divide has been of continuing significance to either side and all other circumstances have tended to draw attention and interest in the opposite directions. Australia and Indonesia may be neighbours, but only their back fences adjoin and both live, for the most part, at the other end of their blocks. Contact is more likely to be the neighbourly phone call than chatting over the back fence. To put the point without metaphor, it is very much easier to get from Jakarta to Sydney than from Darwin to Kupang, and that will be a continuing feature of Australia's Indonesian connection and Indonesia's Australian connection.
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CULTURAL TRADITIONS AND RELIGIOUS IDENTITIES
THE EARLY INDIANIZED STATES OF INDONESIA:

RELIGION AND SOCIAL CONTROL

I. Proudfoot

The peoples of the early Indianized kingdoms of Indonesia inhabited a world governed by supernatural forces in the same fundamental sense that ours is governed by laws of nature. Their religious culture is thus analogous to our scientific culture: what we would regard as the religious sphere provided a technology (Poerbatjaraka 1926, ch. I) and a teleology (Singhal 1957, 1958, 1962; Soebadio 1971).

The limited evidence we have for the maritime Malay kingdom of Srīwijaya (seventh to thirteenth centuries) (Coedes 1930, pp. 29-80; Chhabra 1965, pp. 26-34) and for the earliest kingdoms of west and central Java (fifth to tenth centuries) (Sarkar 1971-72; de Casparis 1950, 1956, 1961) supports this understanding. But a satisfactory elaboration of its implications is only feasible for the better-documented east Javanese kingdoms of Kahuripan, Kediri, Singhasari and Majapahit, which together span a period of five centuries from the eleventh to the fifteenth.

For this classical period, the interplay between political ideology and religious conceptions has attracted substantial attention in the works of Berg (1965; also Zoetmulder 1965; de Casparis 1961, pp. 160-3) and Schrieke (1959), among others (Drewes 1925; Moertono 1968; van Naerssen and de Jongh 1977; de Casparis 1958). The approach has generally been to take political institutions or activities as the point of departure, and to elucidate or rationalize them by means of religious conceptions. This has tended to create the impression that a panoply of useful religious beliefs was part of a ruler's stock-in-trade. And indeed there is ample evidence of conscious deployment, if not manipulation, of religious symbolism (e.g. Krom 1931, p. 244; Pigeaud 1960-63, Nāgarakṛtāgama 68; van Lohuizen-de Leeuw 1956, pp. 383-94). Yet one may suspect that this perspective arises in part also from the formative state of the historiography of early Indonesia, in which effort must still be spent settling a basic diplomatic and narrative framework. It is therefore worthwhile exploring the practicability of an alternative emphasis, and to attempt to describe the interplay of politics and religion taking the religious view as the point of departure.

An obstacle to doing so is uncertainty about the sources from which we may validly extrapolate relevant religious conceptions. Much of the old Javanese homiletic and dogmatic literature, for instance, has the form of commentary on Sanskrit verses gleaned from Indian sources (Pigeaud 1967, pp. 71, 73. This formal characteristic of presentation highlights a substantial issue: whether the Indic-derived religion, and the values it embodied, were integrally part of Javanese civilization; or whether, perhaps, such texts convey an essentially court-centred religious variant which made no deep impression in the Javanese world beyond the aristocracy and intelligentsia. Such exclusivity is not the impression created by certain symptomatic details: the Javanese commentary on regulations for a
religious order (Wratisåsana) which states that if a monk becomes thirsty while travelling he may take twenty cucumbers, or one large one, from a wayside field, except that if a guard is on hand the monk may ask for succour but must accept without ill-grace whatever he is given (Sharada Rani 1961, st. 10); or the statement in the Calon Arang that a saivala-brahmacäri is one who becomes a monk after having been shamed by losing a dispute with his wife or failing his master by losing a fight (Poerbatjara 1926, ch. IX). Thus while it may be true, as Zoetmulder says, that 'the further one moves socially and geographically from the court, the more purely Indonesian elements have a chance to preserve themselves' (Zoetmulder 1968, p. 312), and while we have barely-documented references to folk doctors and a variety of rural spiritual practitioners (Pigeaud 1924, p. 38; 1960-63, vol. iv, pp. 479-93), we have no reason to suppose that the folk traditions were isolated or even discrete from the Indic-derived tradition of the dominant classes. Suggestive, rather, of a spectrum of attitudes is the portrayal of the priest Bharaçah in the thoroughly Javanese Calon Arang as a master spiritual strategist and technician (Poerbatjara 1926, ch. XI, and passim). This image contrasts with the detached scholastic ideal of Sanskrit texts like the Wratisåsana.

Yet Bharaçah is clearly recognizable as a priest who has achieved his great powers through mastery of sacred tests. We may take it that the Calon Arang is presenting a more popular reflex of the figure of the spiritual adept.

In the last analysis, however, it is not important to know whether the doctrines propounded in the Sanskrit texts of the dominant classes were appreciated in their finer details by the peasantry. It is enough that these doctrines should have been generally recognized as valid in principle, and that they should have been espoused by those in socially influential positions. Again, the Calon Arang relevantly reminds us that the study of sacred texts was believed to confer power upon the adept which was to a degree independent of their content (Poerbatjara 1926, ch. V; Pott 1966, ch. 5; Zoetmulder 1968, pp. 303-6).

CONTEXT OF POLITICAL LIFE

The social order is portrayed ideally as comprising a series of hierarchically-ordered hereditary classes on the Indian model: brähmana, kṣatriya, wesya, bhuḍra, and the outcaste cándala. In fact the distinction between the last three categories is presented by the Javanese commentaries as functional rather than status-based: thus, wesya includes all agriculturalists, from landowners to landless agricultural labourers (Sharada Rani 1957, st. 27; cf. Pigeaud 1960-63, Nâgarakrtâgama 81.2-81.4). Consequently, we should not infer that Javanese society was modelled on the four-class system; but still implicit is the conception that every member of society derives his status and occupation from the family into which he was born and that it was his duty to remain firm in the course thus set for him. Deviation from hereditary occupation would be punished by degradation in this life and rebirth as an animal in the next incarnation (Sharada Rani 1957, st. 30). Such a conception of the social order may be broadly consonant with conditions in an agricultural society not marked by much vertical mobility. It certainly reinforces the high-status positions of the hereditary ruling class and religious establishment (ibid, st. 8). The political implications of this model are never far
below the surface: so, for instance, allocation of birth status by the Lord (bhatṭāra) is considered analogous to appointment to an office by the king (ibid, st. 30).

Yet even the homiletic texts are aware that this hierarchical duty-bound social order is an idealized model. It is qualified in two significant ways. Firstly, the social order is transcended by the higher principle of virtue which is not contingent upon social rank. Thus 'one may extract ambrosia from poison' by recognizing that a person of low birth may generate merit through extraordinary personal qualities (Poerbatjaraka 1933, ch. XIII, 7; Sharada Rani 1957, st. 25, also 24, 26). Indeed one may even accept scriptural instruction from an exceptional individual of low birth (Sharada Rani 1957, st. 26, but cf. st. 68). Although expressed as riders to the predominantly organic conception of society, such sentiments are telling concessions to social fluidity. Secondly, it is recognized that, deplorably, contemporary society does not measure up to the ideal. This state of affairs is rationalized as being characteristic of the kali era, the last of the series of four eras through which the universe inevitably declines (Poerbatjaraka 1933, ch. IV, 13-15; Sharada Rani 1957, st. 65-6; Drewes 1925, pp. 160-4; Schrieke 1959, pp. 88-95). In the kali era life is mean and brutish, man's life span is short, medicines lose their potency, religion is abandoned, the classes are confused (Poerbatjaraka 1933, ch. IV, 7-12; Sharada Rani 1957, st. 68). The confusion of classes betokens a breakdown of social relations: might is right; brahmans are slain; religious practices are neglected (Sharada Rani 1957, st. 78). Under such conditions the role of the ruler becomes of primary importance. With the decay of the natural order, religion can be preserved only by imposing order through force. This only the ruler can achieve by judicious but unsparing application of physical deterrence (danda) (ibid, st. 57). Thus, in the kali era, the social order which is ideally maintained by moral force must depend upon the ruler's exertions (Pigeaud 1960-63, Nagarakrtagama 1.5.2-4). By implication, then, the ruler is the pivot of an ordered universe (Moorto 1969; von Heine-Geldern 1956); all who participate in the life of this realm, including religious practitioners, are dependent upon his protection.

Two variations on this theme should be noted. One has the disorders of the realm arising from disruptive spiritual forces which must be overcome by more powerful benign influences which are able to preserve the kingdom from disintegration (Poerbatjaraka 1926, ch. II-VIII). In this view the court is a spiritual citadel in which resides the power to keep the kingdom in order. It is not so much the ruler's exercise of physical deterrence (danda) but his capacity for mobilizing the kingdom's spiritual resources which assures peace.

A second variation is the idea that these times of social and political turmoil indicate that doomsday has arrived: that the world has passed into pralaya, the final destruction which ends the kali era. The world is awaiting the intervention of an incarnation of the god Viṣṇu to restore the conditions of the first, golden era of a new cycle (Schrieke 1959, p. 85). This may be something of a conceit on the part of rulers who, as Schrieke puts it, were regarded as incarnations of Viṣṇu ex officio (ibid, p. 10, also pp. 76-7). Certainly when the last paramount ruler of Keṣari manifested himself as Bhaṭṭāra Guru, the supreme deity, his court brahmans refused to worship him (Brandes 1920, ch. I, fol. 13).
Thus it is possible to pick out different emphases in images of the social order; but all the views discussed share some fundamental presuppositions: (1) that the natural condition of the world, either from its origins (Pigeaud 1924, ch. II) or at least in the present era, is one of disorder; (2) that for human society to flourish, moral order must be established; (3) that the achievement of this moral order is possible through the instrumentality of political authority.

Thus, maintenance of the world order may depend upon a concentration of supreme and unchallenged power in the ruler of a worldly realm. The ambiguity of this position exercised the minds of religious scholars who wished to define the relationship between the ruler and his brahmans. On the one hand they are his subjects, while he is the supreme temporal authority and mainstay of the moral order. Therefore they should praise him and pay tribute to his noble intentions (Sharada Rani 1957, st. 37). Indeed, the media of court propaganda (literary works, epigraphy, architecture) may depict the ruler as the incarnation of a god (Pigeaud 1960-63, Nāgaraṅkṛtāgama 1.5.1, 51.6.2; Supomo 1972, p. 287) — but divinity is a debased currency in the Indian, and Javanese, worldview (Mabbett 1969, pp. 202-23; cf. Pigeaud 1960-63, Nāgaraṅkṛtāgama 1.7.1-2; van Lohuizen-de Leeuw 1956, pp. 390-2; Sharada Rani 1957, st. 47): priests may be similarly regarded (Krom 1931, p. 341). On the other hand, as custodians of the values the king must serve, religious practitioners should be given the highest esteem (Raghu Vira 1962, st. 136; implicitly Sharada Rani 1957, st. 71). The ideal hierarchy of status is spelt out thus:

...Before your master you should make the sembah so that the hands touch the chin; before the prince, so that the hands touch the point of the nose; before a teacher, so that they touch the forehead; and before the guru who has consecrated you, so that they touch the crown of the head (Poerbatjarakara 1933, ch. X, 1-2; also Pigeaud 1960-63, Rajapatićandala 17a).

Rulers are exhorted to honour religious scholars, but at court no religious figure could outrank the king (Poerbatjarakara 1926, ch. IX, also ch. VIII; cf. 1933, ch. IV, 8).

The ambiguity surrounding the status of the actors does not carry over to the principles they represent. The subsidiary place of a political regime is evident from its merely local (Poerbatjarakara 1933, ch. VIII, 5) and impermanent (ibid, ch. III, 1; Sharada Rani 1957, st. 18) character. It is recognized that there may be times when there is no ruler (Brandes 1920, ch. XVI, fol. 32; Sharada Rani 1957, st. 78). This may not be a normal or desirable state (Poerbatjarakara 1933, ch. V, 4), but absence of political authority is conceivable. Absence of the moral ideal is not.

Nevertheless, by virtue of holding supreme political authority, the ruler has a crucial role to play in the spiritual life and well-being of his domain. He should prepare himself for this function by undertaking pupillage with those of advanced spiritual understanding who can instruct him both in the principles of political affairs and in the mysteries of life (Hooykaas 1956, pp. 34-47; Poerbatjarakara 1926, ch. IX). In this way he can develop the faculty of discrimination (Hooykaas 1956, ch. XI, 29 ff; cf. Sharada Rani 1957, st. 42). Similarly he should patronize religious
scholars and seek their counsel. He can see to the underpinning of the moral order in his realm by protecting and regulating religious institutions (Pigeaud 1960-63, Sarwadharma; Nāgarakṛta-gama 79.1.3-79.3.4; Schrieke 1959, pp. 16-25) and by sponsoring shrines and temples (Poerbatjara 1933, ch. IV, 6; e.g. Pigeaud 1960-63, Nāgarakṛta-gama 68.5.2-4; Chatterji 1967, Calcutta Stone, st. 32-34). By doing so, he will be strengthening his own authority (Poerbatjara 1926, ch. IX). Indeed, with these activities in mind, the concentration of political power is itself morally useful.

The amassing and disbursement of wealth is a worthy aim for the ruler (Poerbatjara 1933, ch. II, 3; also Sharada Rani 1957, st. 74). Heroism in battle (Poerbatjara 1933, ch. IV, 2) and loyal service to the ruler (ibid, ch. XV, 10) are virtues rewarded in the next life. The energetic pursuit of power is valued (ibid, ch. II, 2). Virtue brings victory (Hooykaas 1956, ch. XVI, 19-21); victory brings order.

As royal aggrandizement is ultimately only the means to an end, it should be pursued as far as possible without following policies which contradict the end. The need for military strength, for instance, may override almost any moral consideration, but the slaying of priests is absolutely a measure of last resort (Poerbatjara 1933, ch. XV, 8-9). The ruler's uniquely significant function does not absolve him from obedience to high moral principles: so, he should not kill wantonly (Pigeaud 1960-63, Nāgarakṛta-gama 55.1.4, but cf. 54.3.4). Such acts may be consciously eschewed. More insidious is a danger inherent in the very exercise of power: arbitrariness. The objection to this is not simply that arbitrary behaviour may ultimately undermine the authority of the ruler (Hooykaas 1956, ch. XI, 29 ff.), although capricious actions by members of the royal family are considered highly dangerous (Poerbatjara 1933, ch. XIII, 2-3). Rather the objection runs deeper, for arbitrary acts are incompatible with the principle of order underlying the whole conception of moral society. To avoid unpredictability the ruler should be moderate in his application of punishments, but more importantly he should administer justice in accordance with authoritative lawbooks (ibid, ch. XV, 3; Sharada Rani 1957, st. 37) and by appointing judges who are learned in the scriptures (Sharada Rani 1957, st. 20, 37). The significance of the last point is that such a judge will 'love to follow the teachings of the essence of dharma (duty/moral order/virtue)' (ibid, st. 20), basing his determinations on universal principles of morality rather than giving rein to political interest, venality, or nepotism.

His mind does not take sides with others, even though [they] be his relatives, sons, father [or] mother. Even if his son be of a wicked mind, he does not approve of it (idem; also Pigeaud 1960-63, Nāgarakṛta-gama 73.1.3).

Impersonal impartiality is a value which cuts across the grain of a polity structured significantly in terms of kinship ties (Pigeaud 1960-63, Nāgarakṛta-gama, ch. I, V, IX; Schrieke 1959, pp. 25-65). Concern over this value indicates an underlying tension between the exigencies of the struggle for political success and the demands of an ordered society in which men are secure in the peaceful conduct of their appropriate duties.
SANCTIONS AND INCENTIVES

From these last observations it appears that political expediency may incline a ruler to pursue policies harmful to the establishment of dharma. Alternatively, personal shortcomings in the ruler or his entourage (cf. Poerbatjaraka 1933, ch. III, l; XV, 4-6; Sharada Rani 1957, st. 40, 42) may prevent his realizing that policies directed toward the consolidation of dharma are self-evidently advantageous to his rule in the long view. It is therefore appropriate to explore the sanctions applicable to deviant policy and the positive influences favouring 'rational' policy.

The hierarchically-ordered society in which status and function are determined by birth is inextricably linked to the concept of karma, the notion that merit accrued or dissipated in a previous existence predetermines the individual's fate in this existence. The inequity of fortunes in this present life is fully recognized, but cannot be thought unjust or unnatural because it merely reflects the virtue or otherwise of the individual's previous existence. By the same token, evil aristocrats and virtuous commoners will receive retribution and reward in the world hereafter and in their next rebirth (Sharada Rani 1957, st. 35). The ruler, as an individual, is as much subject to this natural law as any other creature. He owes his position to the virtue of his past karma and faces future reward for his work in this life. But there is no aspect of social accountability in this conception: the ruler is working out his individual fate. Rather, in its social ramifications the conception serves to justify inequalities: 'some carry the palanquin; others are carried sitting inside' (Raghu Vira 1962, st. 363; Poerbatjaraka 1933, ch. XIII, 11). Nor will a king who neglects his moral duties find the status conferred on him at birth eroded: adjustments are held over for the hereafter (Sharada Rani 1957, st. 41). The principle of karma thus rather reinforces the ruler's position than places any special constraint upon his behaviour.

However, the possibility of influence is not restricted to the effects of moral constraint upon the ruler as a single soul. It lies also in the moral and spiritual climate established by those who embody and articulate the dominant social philosophy and expressed through the institutions or activities by which they can make their stance felt. For this perspective it is noteworthy that the religious communities constitute an alternative network of relationships spanning society across the semi-autarkic rural districts. From what we have said above, one might picture a political regime bound with ties of kinship, dyadic loyalties and force being complemented by a religious regime built upon communal identification or loyalty to teachers (Pigeaud 1924, ch. III-VII) and identification with a world-view rooted in universalistic truths - in contrast to the particularistic concerns of politics. The two modalities of trans-local allegiance are, however, not so easily distinguishable. Political ideology, drawing upon convictions about the nature of political power and its manifestations, certainly trespasses into the realm of fundamental conceptions about the natural and social order. Such convictions include belief in bakti (particularized spiritual force), in the relationship between the living and dead ancestors, and about the natural forms of political organization (Schrieke 1959, pp. 7-25, 70-95; Moertono 1968, pp. 52-82; Stutterheim 1931; Berg 1953; Rassers 1959). On the other side,
religious networks depend also upon loyalties to teachers, which have a political flavour. Furthermore, simply by virtue of the fact that both clusters of institutions transcend local horizons, their interests and operations will frequently intersect. What we must therefore assess are the ways in which — or the circumstances in which — these regimes are mutually reinforcing or contradictory.

Relevant to consideration of this question is the degree to which religious personnel were incorporated into the administrative and power structure of the kingdom. The superiors (dārmatādhyaṅka) of the two major schools of religious adherence, Saiwa and Buddhist, were assigned quarters at the capital which placed them outside the intimate circle of the ruler's household and kin-group but on a par with the most senior ministers of state (Pigeaud 1960-63, Nāgarakṛtāgama 12.1.2-3, 12.5.1-2; cf. vol. IV, p. 27; also 17.1.4). In formal audiences the attendance of these religious superiors, doctors of law, and other ecclesiastics was required; they took up position just below the dais on which the ruler and his senior ministers were seated and had free access to his presence (Ibid., Nāgarakṛtāgama 10.3; Nawanatya 4a-4b).

Functionally, as we noted earlier, scholars with a deep knowledge of the sacred writings were, ideally, the ruler's advisers. The ruler's personal chaplain (purohitā) had the opportunity to play a particularly supportive role (Poerbatjarka 1933, ch. XV, 1-2; Krom 1931, p. 330). Court-attached religious scholars also constituted a judiciary which heard suits nominally laid before the ruler. They issued records of judgements in the ruler's name (Pigeaud 1960-63, Praniiti Kapa-Kapa 5-6, Nāgarakṛtāgama 10.3.3, Jaya Song 3 ro 4 - 4 ro 3; vol. IV, pp. 21-2, 372). The pattern of the capital in which a judicial authority existed alongside an executive authority seems to have been repeated at provincial centres as well (Ibid., Nāgarakṛtāgama 25.2). There is no suggestion that the judicial authority acted as a brake on administrative excesses, but even the institutionalization of a judicial function implies at least nominal deference to a set of priorities other than those of immediate political advantage (Ibid, Jaya Song, 5 ro 5 - 6 ro 3).

Religious personnel filled other roles in the political structure of the kingdom as well. In the heyday of the east Javanese kingdom relations between Java and its overseas dependencies were put in the hands of ecclesiastical officers (bhujangga) (Ibid, Nāgarakṛtāgama 15.3.2-16.4.4, 83.4, 41.5.4). The reason for the employment of religious personnel is that they were capable of exerting influence in regions where the Javanese military writ did not effectively run (Ibid, Nāgarakṛtāgama 16.4.4; also Krom 1931, pp. 335-6). Presumably by drawing on their prestige as religious, these courtiers were able to impress their co-religionists and local chiefs with the centrality of the function of the ruler of east Java in consolidating the Śiwa doctrine (Pigeaud 1960-63, Nāgarakṛtāgama 16.1.4). What this means we may understand in terms of our earlier discussion of the ruler as the enforcer and preserver of the moral order of the kālī era: it was certainly the quality of order which impressed regional observers of the east Javanese court (Ras 1968, pp. 328-31). Thus court-despatched ecclesiastical embassies were a means of reinforcing the Javanese sphere of influence by other than political or military means.

A similar complementarity of religious and secular is suggested by a manual of court organization which describes the offices of the two most senior
courtiers (Pigeaud 1960-63, Nawanatya 36-46). The apatiḥ, or prime minister, is expected to be a man of education and discernment, whose main concerns are internal security and military affairs. The dhyaṅka is the senior ecclesiastical official, whose concerns are the enhancement of the dignity of the ruler, cultivation of the arts, and the laying out of general policy guidelines. Thus in the cases of the envoys and the dhyaṅka we see religious personnel extending or strengthening the purely political reach of government by tapping spiritual resources.

The religious were also incorporated into the administrative and power structure of the kingdom by virtue of kinship ties - through intermarriage with the royal families (e.g. Brandes 1920, ch. I, fol. 9) - and their material interests. In a polity where power was measured in terms of manpower and land, the major religious communities were holders of both (Pigeaud 1960-63, Rājapatīguṇḍala 15a-b; Sarwadharma, passim; Nāgarakṛtāgama, ch. XIII). The Saiwa superior was vested with control over artisans' settlements (ibid, Nawanatya 4b; cf. Sarwadharma 4 vo 6-7); and a range of different kinds of land tenure was vested in corporate religious bodies, the details of which are not always clear (ibid, Nāgarakṛtāgama 75.2.1-79.1.2, 80.3.1; Rājapatīguṇḍala 15a-b; Sarwadharma 5 vo 6 - 5 vo 1). Although land might be assigned specifically to local religious foundations (dharma) or communities (maṇḍala), the hierarchical organization of the principal religious groupings meant that the court-appointed superiors of each religious community had a position analogous to the temporal land-lords of the court (ibid, Nāgarakṛtāgama 17.8.3-4, 18.7; note Kuturan in Poerbatjaraka 1926, ch. X-XI). Generally, however, the political clout of ecclesiastical magnates will have been weakened by the geographic dispersal of their domains - the basis of assignment being functional rather than territorial. Religious domains appear to have been especially favoured in receiving royal protection and exemption from royal imposts (ibid, Rājapatīguṇḍala 13a; Sarwadharma 4 vo 1-4). The quid pro quo was a requirement that priests attached to exempted domains should conduct worship and ceremonies to the end that the ruler's authority should be stable and obeyed throughout Java (ibid, Rājapatīguṇḍala 16a; Nāgarakṛtāgama 82.1.1-2, 82.3.4).

Religious personnel and institutions were thus incorporated into the structure of the kingdom with advisory, executive, and political roles. They therefore had a material as well as a philosophical interest in favouring a strong government which would preserve a suitable environment for the flourishing of religion - and of the religious communities themselves. Moreover, although succession to ecclesiastical offices probably tended to be hereditary (e.g. ibid, Nāgarakṛtāgama 17.8.3), highly-placed religious practitioners were dependent upon the ruler's favour for confirmation of their appointments or advancement at court. The ruler for his part had an interest in buying over the loyalty of religious communities by confirming their prerogatives as land-holders (see above; also ibid, Nāgarakṛtāgama 79.1.3, and references to a register (cura) of religious domains, passim) and by conferring upon them legitimacy as representatives of the religious community. To the latter end, the court might exercise its temporal authority to regulate the religious orders, induction into the priesthood, and the conduct of religious practitioners (ibid, Rājapatīguṇḍala 13b, etc; Nāgarakṛtāgama 79.2.3-4, 81.1). It might seek also to suppress religious figures who were not members of one of the 'recognized' religious streams (ibid, Rājapatīguṇḍala 14a, 15b; Nāgarakṛtāgama 79.1.3-4, 80.4.1). Such mavericks
were a threat to the prestige of legitimate religious practitioners, and, because their loyalties were unsecured, to the peace and good order of the realm (Drewes 1925, p. 151; Schrieke 1959, p. 79). Thus we may comprehend a political dimension in the beliefs that lax adherence to the vows of religious orders made the ruler and the world impure and caused many deaths (Pigeaud 1960-63, Rājapatiṅgala 14b-15a); and that the appearance of false brahmans is a symptom of declining conditions in the kālī era (Poerbatjaraṅka 1933, ch. IV, 9; Drewes 1925, p. 151).

Yet the fear of a proliferation of 'false' brahmans indicates that there is not a complete identity of interests between the ruler and the religious figures of his realm. Some religious communities and individual practitioners escaped or resisted incorporation into the state structure (Pigeaud 1960-63, vol. IV, p. 485). Consequently the spheres of political authority and religious life were never coterminous: there will always have been independent custodians (Supomo 1972, pp. 294-5) of the religious values upon which, in part, even the court-appointed ecclesiastics relied for their legitimacy.

There is therefore room for dissent, and suasion for court brahmans to withdraw support from a ruler whose conduct is inimical to the preservation of the moral order (Sharada Rani 1957, st. 42, 40; cf. 1961, st. 15). On an individual basis, one might withdraw into the forest: that is, leave the political sphere (Pigeaud 1960-63, Nāgarakṛtāgama 35.3.3-4 with 40.3.3; cf. Poerbatjaraṅka 1933, ch. IV, 8). Alternatively, court brahmans might make a new political commitment by transferring their support to a political challenger and ultimately performing the anointment rites (abhīṣeka) for him (cf. Hooykaas 1956, Nītipraya, fol. 34-37). The outstanding case of such a transfer of legitimation is that involving Angrok, the parvenu founder of the dynastic line which later ruled Majapahit at its apogee. The Pararaton or Book of Kings tells us that Angrok, who was predestined to become paramount ruler (prabhū) by portents surrounding his early life, and by being chosen by a council of the gods, was adopted by Loh Gawe, allegedly the first Indian brahmans to reside in the eastern districts of the kingdom, who had come to Java after having received a vision of Angrok as Viṣṇu incarnate (Brandes 1920, ch. I, fol. 9-10). While Loh Gawe undoubtedly provided Angrok with a prestigious claim to legitimacy in terms of the dominant religious world-view, it was not until the reigning king became alienated from his court religious officers (bhujangga) and they transferred the weight of institutional religion to Angrok that the turning point in his political rise was reached (ibid, ch. I, fol. 13). Angrok was anointed as paramount ruler by the Śaiwa and Buddhist ecclesiastics of the old court. In the Pararaton his victory thereafter literally goes without saying. Thereupon order reigned (ibid, ch. I, fol. 14; cf. Pigeaud 1960-63, Nāgarakṛtāgama 40.4). A similar intervention by leading brahmans was a key factor in the rise to power of Erlangga, the establiser of the east Javanese realm (Chatterji 1967, Calcutta Stone, st. 15).

The withdrawal of religious personnel from the court is more than a propaganda loss. In a world governed by spiritual forces it is a bleeding away of the spiritual technology at the ruler's disposal. He is dependent upon the spiritual techniques of his priests for assuring the security of his realm (Pigeaud 1960-63, Rājapatiṅgala 16a), for the averting of natural disasters (Poerbatjaraṅka 1926, ch. IV), for the promotion of
fertility (Pigaud 1960-63, Nāgarakṛtāgama 83.3.4), for the maintenance of his dynastic cult (ibid, Nāgarakṛtāgama 64.3.2-64.4.4). Without a concentration of spiritual powers at the capital, disturbances will plague the kingdom (Schrieke 1959, pp. 16-25, 102-5). These are the symptoms of faltering authority. The withholding or transfer of support is thus the religious practitioner's ultimate sanction. But for the moral reasons and the reasons of self-interest which we have discussed, it must be the strategy of last recourse (ibid, pp. 79, 329 n. 17).

CONCLUSION

The dominant conception of the context of social life predisposed at least the leaders of east Javanese classical society to value: (1) ordered, tranquil conditions; (2) an hereditary social hierarchy; (3) strong political authority.

At first glance these are characteristic values of an entrenched, conservative elite. Such an assessment is somewhat misleading however, for the values do not aim to preserve the status quo. In classical times east Java saw a few relatively brief periods of peace under a single paramount ruler; perceived as more typical of this geo-politically fragmented area were interregional hostilities and warfare (Berg 1953; Rassers 1959; Robson 1971). These are, after all, the normal conditions of the kali era (Pigaud 1960-63, Nāgarakṛtāgama 43, 44.1). In this period of Java's history, then, pursuit of an organic, encompassing moral order may have represented a progressive aspiration.

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The 'Malay' world of Southeast Asia represents one of the most remarkable extensions of the domain of Islam. It is remarkable in the size of the Muslim community, approximately 150 million, it represents, and offers a salutary lesson to historians of Islam in that it occurred during a period (thirteenth to eighteenth centuries) when, according to conventional wisdom, Islam was in decline.

This extension was a long process - over 500 years - and in its own way is still continuing. It occurred through a variety of modalities.

The distribution of Islam in the two modern states of Malaysia and Indonesia, setting the territories they encompass apart from the predominantly Buddhist regions of continental Southeast Asia, appears at first sight a tidy arrangement. It is only in a study of the racial mix of Islam in these two states (particularly in Malaysia) and of the very different levels of intensity with which the peoples of various ethnic regions in what is now Indonesia perceive themselves to be Muslims, that it becomes evident that this superficial neatness of distribution and the homogenized figures processed by the statisticians conceal a baffling complexity that it will take many decades of research to unravel.

The contemporary nomenclature of the region and its nation-states is, in fact, a deadly enemy to a clear understanding of the processes of its past: a standing invitation to misleading anachronisms.

When the term 'Southeast Asia' first became popular, it was felt that it served to rediscover an area of the world which, if not lost, had at least been overshadowed by the Indian subcontinent on one hand and China on the other. Certainly it met a need. But it brought with it the same danger implicit also in the use of the term 'Asia'. It suggested both a fundamental homogeneity in the region itself, and sufficient elements in common between the various extraterritorial influences which generated a response there, to make possible a broad series of useful generalizations. Perhaps for the immediate future it might be wiser to limit such generalizations to the facts of geography. For even the common experience of colonialism in the region has been various and complex. The types of colonial rule of Britain, France and Holland differed widely as a result of the national differences between the three powers; and the impact of their rule, and the kind of rule that they imposed on different regions, ranged considerably. In the former Dutch empire, the contrast between the administrative terms 'Java' and 'the outer islands' is significant and revealing.

Thus the Muslim communities in the territories that are now called Indonesia are heirs to a variety of modalities by which Islam achieved a presence at particular points in Southeast Asia, in some of which it remained simply a presence, in others of which it disappeared, and in yet others of which it developed as opportunities of time and place allowed.
Time honoured generalizations and one-line theories represent one of the major obstacles to gaining a clear picture of the processes by which Islam established itself in the region. To set out the elements of the situation from earliest times, it is necessary, I believe, to approach the region with a total scepticism towards the names by which it is currently known: to go behind the names of modern nation-states such as Indonesia and Malaysia, to abandon for a while the term 'Southeast Asia' itself, and to consider simply the geographical facts of the region that goes by that name.

It is necessary, at this stage, simply to be aware that we are considering an area of the world lying between the great land masses of South Asia and China, with a particular physical shape and a distinctive network of ecologies. Areas capable of sustaining large populations are limited. There is severe internal fragmentation, but a wide range of focal points which can serve as harbours, as places for the exchange and transhipment of goods between China and the West.

It was at such focal points that the first Islamic trading settlements were established. The ethnic composition of these settlements — whether 'Malay' or Javanese — and the relative distribution of foreign (South or West Asian) or regional membership of their communities is not at this stage of primary importance. The two crucial facts are that they appeared, and that they were unstable. They rarely endured more than a century, no matter what the range of their imperium. Once they lost their authority, internal or external, they disappeared. Their heritage, cultural, architectural, and economic, was lost. Any new port city that replaced them represented a fresh beginning. Nowhere did a continuing tradition develop: nowhere was there a place that developed a history, a heritage, a tradition that could identify and stand for the region: a counterpart to London, Paris, Cairo, Damascus, Teheran, or Peking, and all that the names of such cities imply. In their place there is a mosaic of starts, stops and fragmented development. Even monuments such as the Borobodur and Angkor Wat were mislaid for centuries: how much more easily disappeared, then, the warehouses and other wooden structures of abandoned ports.

It is virtually impossible to over-emphasize the discrete, idiosyncratic and diverse character of the port cities of the region which were the foci of Islamic settlements. And the corollary of this diversity is that there is no single big-bang theory which can account for the spread of Islam, no bold generalization such as 'Java was converted from Malacca' that can provide a key to the problem. Instead we must look for a variety of starting points in Islam, and numerous modalities for its diffusion, and above all realize that we are studying a process that waxed and waned, that took its strength from an irregular pattern of pulses over centuries.

Once this is recognized, many problems felt to be important are reduced to a reasonable perspective: for, with such variety, there is no need to look for a single answer, no need to go through the often fruitless exercise of reconciling or choosing between differing viewpoints or explanations, each of which may have some element of truth, and which appear mutually exclusive only because they relate to different factors which may be present even in the same situation.
It is abundantly clear that in each of the early urban, usually maritime, settlements where Islam became established, there is a different story to tell. There are clear differences between Islam in Phanrang (central coast of Vietnam) and Loran (on the north coast of East Java) in the eleventh century, and subsequently in Patani, Pasai, Malacca, Aceh, Banten, Padang and the Minangkabau region, the north coast ports of Java, the Celebes, and the Central Javanese kingdom of Mataram.

Each centre has its own story to tell. In many important respects, as we shall see later, the role and character of the Javanesse port cities were analogous to those of Sumatra and the Malay Peninsula: internationally oriented and facing out to sea, but with a different cultural mix, and backing onto those stubbornly structured agrarian societies which supported the wet rice cultivation of central and east Java. They await exploration. But, whatever form or school of Islam was established in these port cities, the Dutch presence at Batavia from 1620 onwards and the Company imposition of monopolies restricted their economic base, and shifted the balance of power back to the interior, thereby having an important influence on the subsequent character of Islamization in this part of the archipelago.

At each point, different agencies and types of response are involved. In some cases the role of Sufi preachers has its place. At the other extreme there is the gradual acceptance of Islam by peoples to whom Muslims represented a superior culture but among whom they did not set up politically significant centres of trade. One may take as an example the coastal peoples of Borneo who, little by little, imitated the social practices and habits of the traders who came to them regularly, in abstaining from pork, in picking up the Arabic phrases of the confession of faith, in learning the ritual prayers, and in beginning to dress in a way appropriate to Muslim ideas of modesty.

But this is not the whole story. A dimension of Islam that must always be stressed is that of membership of a community: of a community in which the rule of law is of paramount importance.

Muslim law covers every aspect of life - ritual, personal, family, criminal, commercial. And it may well be that one of the bases of Islamization in Southeast Asia from as early as the thirteenth century was the stability and business confidence that Muslim commercial law engendered among members of the Muslim trading community and those with whom they traded. This is true of the Muslim world as a whole. Levzion, writing of West Africa, remarks that trade across ethnic and cultural boundaries is most conveniently conducted among people who share a common faith and a lingua franca:

A non-Muslim Hausa who desires to expand his trade beyond certain limits must convert in order to be admitted to the credit system. A trader's credit is higher if he exhibits orthodoxy and strictly observes the percepts of Islam (Levzion, forthcoming, p. 3).
There is evidence that the Sufi movement contributed to the fecundation and enrichment of Islam in the region. This should not be underestimated. The Sufis provided a missionary impulse, and the network of Sufi orders served as an institutional basis for this impulse. It does not follow, however, that everywhere they taught the mysticism of Ibn 'Arabi, or even that every Sufi tradition either accepted, or even understood in the same way, the Ibn 'Arabi tradition. And the Sufis more than anyone were conscious of the need to moderate what they taught to the level of understanding of the people they were teaching. Moreover, there is no doubt that the dignity, simplicity and spiritual power of Islam as a religion makes its own impact well before it reveals the perspectives of its mystical dimensions.

Thus the sheer diversity and extent of the region renders impossible the formulation of any single theory of Islamization, or pattern of Islamic life, or any periodization common to the region as a whole. It is to be doubted whether such generalizations are desirable, particularly when we are handicapped by the problem that not every area of the region, and in fact, not even every era of each part of it, are equally well known, rendering the dangers of distortion of emphases, anachronisms and faulty extrapolation even more threatening.

Given this variety and the distances involved, it is to be expected that the pulse of Islamic life in the region would be irregular, and differ from point to point, depending as much on factors in West and South Asia as on local conditions. In some areas there was stagnation or decline at the same time as other areas were receiving pulses of movement communicated from the heartlands of Islam.

The movement and the vitality, the continuing ideological role of Islam as a spiritual force, modulating values, demanding certain forms of social organization, giving shape to a particular vision of the world and history, depends on the existence of religious schools to mediate these pulses. Such pulses are one of the keys to the construction of a narrative account of Islam in the region, but the material available to document them is so fragmentary that perhaps the best we can hope for is tantalizing vignettes of Islamic history.

Portuguese records from the fifteenth century are an important source of knowledge. However, they present a picture of Islam as an economic or political rival and offer little information about Islam with a religious face, representing the extension of a world community, its teachers concerned with moral values, religious learning and the desire for God.

To discover this dimension it is necessary to turn from the political and the economic faces of Islam, those encountered by its political and economic enemies, towards the intellectual and spiritual products of Muslim life and civilization.

To do this, one must seek the lines of the intellectual tradition exemplified in the study and pursuit of Muslim learning in this region, and attempt to see their distribution among the various focal points of Islam in the Malay world. Unless this is done it is not possible to isolate the criss-crossing networks of lines of tradition and lines of authority which maintain the pulse of Islamic belief and social life.
One source for knowledge of the study of these disciplines is the catalogues of Arabic MSS. in the Museum of the Batavia Society of Arts and Sciences. The supplementary catalogue to these collections by van Ronkel - itself more a catalogue of catalogues rather than a catalogue - gives some idea of the variety and extent of the Society's (now the Jakarta Museum's) holdings. Van Ronkel remarks:

The significance of the Batavia collection is due to the fact that it contains a number of Muhammadan documents brought together from the whole of the archipelago, from Acheh to Madura and from Banten to Celebes, and that its composition and numerous annotations give a truthful notion of the Arabic scholarship aimed at by the average Indonesian Muslim student (van Ronkel 1913, p. 111).

One might query the words 'average' and 'Indonesian'. Neither is particularly precise. Moreover, whatever the sum total of knowledge that these holdings represent, they were not, as a collection, available everywhere in the archipelago. The catalogue makes it abundantly clear, however, that there were religious specialists in many of the numerous ethnic groups of the island archipelago to whom Arabic was as much a language of intellectual discourse as Dutch became to later generations.

It should not be overlooked, however, that these materials, too, are fragmentary. The survival of MSS. through the ravages of wars and a tropical climate is a capricious thing. It is necessary to set them into order according to discipline - whether the art of Koranic recitation, grammar, jurisprudence, divinity, mysticism - and provenance; only then is it possible to see what kind of picture may be constructed from them. Then they must be related to the wider world of Islam.

At the same time, it is necessary to be aware that when a particular work was being copied or compiled, the copyist or author lived in a specific kind of community, that his state was under a particular ruler, that a particular kind of economic system was dominant in his society, and that it belonged to a particular network of relationships with the outside world; that the authors lived in a world amid a network of tensions - social, political and ideological.

A study of this kind is not easy, and only rarely is of compelling interest. In itself it does not contribute notably to the sum total of Islamic learning. Nevertheless, to treat it adequately requires as thorough a mastery of Arabic and the Islamic disciplines as is necessary to conduct research in areas where scholarship is better established and signposted, vaster, and, from the stand-point of their literary traditions, more challenging.

Nevertheless, however obscure the origins of Islam in the archipelago may be, we are on firm ground in asserting that its beginnings were in urban environments. It is equally safe to say that religious schools are an essential component in any Muslim city, and that throughout the traditional Muslim world there was a nexus between the ulama and the bourgeoisie. And that there is at least one clue to the relationships between foreign traders and the indigenous people in von Grunebaum's remark that in Islam, migration to the town is considered meritorious because it is in the urban milieu that one can fully practise the Muslim way of life.
It is these schools which provide the indispensable support to the study of Islam with a religious face. And the only secure basis for a study of its intellectual history is to be gained from a patient seeking out of such institutions and an attempt to trace their evolution and the writings that can be associated with them.

In giving this primacy to such educational institutions, it must be stressed that there is no room for the maverick in traditional Islam: a religious teacher has no status in his own right. He represents the impress made upon him by the school in which he was trained and the mystical brotherhood to which he belonged. His authenticity, and the guarantee of his competence as a member of that school, is provided by the line of transmission he can produce, depending on the authority of his teacher, that of the teacher of his teacher, and so on. The Arabic biographical dictionaries in fact provide us with complex clusters of lines of transmission, vertical and horizontal, with the associations of each individual in the line with his colleagues, and occasionally with their teachers.

In the Malay world, the paucity of materials renders such a search difficult. The effort must be made, however, for even if the evidence uncovered is fragmentary, it provides at least a partial picture of the various networks which articulated the Muslim communities in the region, and thus presents a clearer picture of the inward life of Islam in Southeast Asia.

Unfortunately, the scarcity of materials is not the only problem. Legal treatises, basic works on the Creed and the like, are often set out in such a neutral, scholastic style that it is not always possible from the study of such texts to perceive the ethical, moral and spiritual values of a community as they are lived; and even legal codes are not always a direct guide to the actual application of legal principles to specific situations, the relation between textbook norm and actual practice being often indirect. It must always be remembered, therefore, that we have to do both with systems of values and the institutions which give expression to and transmit those values and give shape to a community by legal judgements; and likewise, that these basic texts were mediated to societies different in many ways (climatically, socially, ecologically, linguistically) from those in which they were written.

Despite the importance attributed by the Portuguese to the Malacca Sultanate (1400-1511) in the Islamization of the region - and let it be stressed that the fundamental argument of this paper is that single source and unique modalities of Islamization are a priori suspect - the first Islamic city-state in the archipelago to appear in the full light of history is Aceh. It reached its apogee in the first half of the seventeenth century during the reign of Iskandar Muda (1603-36).

He is presented as the ruler of an Islamic community: Islamic teachers have a role in the court and government administration, and deal with foreign visitors; a series of religious teachers from South Asia and the Islamic heartlands brings books for explication and commentary; Acehnese themselves make the pilgrimage to Mecca, and study in the intellectual centres of Islam, in the Hijaz and the Yemen; a continuous correspondence is maintained between Aceh and Arabia on religious matters;
the state pursues a vigorous foreign policy. The Acehnese court is in close contact with the Mogul court, and, in fact, imitated the administration and rituals of the Mogul court; it sends emissaries to Istanbul, and has relations with the states of east Africa facing it across the Indian Ocean.

Not surprisingly, this is a period in which for the first time we learn of major ٔعظامٔ by name, who played a role in the life of the court, whose works we can read, and whose disputations we can follow.

A major seventeenth century ٔعالمٔ who made his mark at the Acehnese court was Shams al-Din. Sultan Iskandar Muda was his patron, and he served the court, perhaps as foreign minister, until his death in 1630. He may indeed have been the 'Archbishop' with whom the English sea captain, James Lancaster, negotiated in 1603 (van Nieuwenhuijze 1945, pp. 17-18). He is one of the earliest Acehnese exponents of Islam. He belonged to the mystical tradition of ابن عربي, and two of his Arabic works have been published. In one of them, ٔجعرح al-ٔحقٔ, written between 1610 and 1620, is one of the earliest citations from the great mystical poet, ابن al-Farid (d.1235), known in the archipelago that can be identified. His patron, Sultan Iskandar Muda, died in 1636. His successor, Iskandar Thani (1636-42) gave patronage to a peripatetic ٔعالمٔ from India, a Gujarati known as al-ٔأٔرئ, who arrived in Aceh in 1637. Al-ٔأٔرئ attacked the good name of Shams al-Din and his pupils, had his books burnt and his followers persecuted.

This is conventionally explained as an orthodox reaction against 'pantheistic heterodoxy'. More probably it is an expression of rivalry between one school and another; between a peripatetic but very gifted ٔعالمٔ who gained himself a place at court, who, to ensure that his position at court was not challenged, denounced his predecessor and his disciples as unbelievers. The technique is known in all parts of the world where favours are to be won and privilege needs to be maintained.

In the event, al-ٔأٔرئ's efforts were not successful in the long run, and Takeshi Ito (1978) has shown that al-ٔأٔرئ was displaced at the court in 1644 by a Minangkabau member of the school of Shams al-Din who obviously survived the purge.

There is, however, another and more important aspect to the story. Reports of the dispute were carried to the Hijaz by students from Sumatra as early as 1640; it prompted one of the great Medinan scholars of his age, أخarih al-ٔكراني (1615-90) to write a major work, setting out the principles of mysticism in a way that he hoped would put an end to such in-fighting once and for all.

Aٔخarih had a special relationship with one of these Sumatran students, ٔأٔبدر al-ٔأٔعفٔ of Singkel, an Acehnese who arrived in the Holy Land about 1640. He studied there until 1660 and then returned to Aceh. He gained the patronage of the سلطانة سفیٔهٔ al-Din (1642-75) about five years after the death of al-ٔأٔرئ, and remained teaching religion in his homeland until his death in 1690.

ٔأٔبدر al-ٔأٔعفٔ added an autobiographical codicil to one of his works, providing some information about his life in Arabia. He gives his spiritual genealogy and a list of the people with whom and the places where he studied. While the information is brief, an imaginative reading between the lines can add a human dimension to the rather bare narrative. We gain from it a glimpse of ٔأٔبدر al-ٔأٔعفٔ the man travelling between Yemen,
the Hijaz and Qatar, his studies ranging from the 'exterior' disciplines of grammar, Koranic recitation, and jurisprudence to the interior discipline of mysticism. We should consider briefly the hardship of such travel for a man from a very different region of the world, and the character of accommodation in such places as Fawza, Zabid, Mokha and Bayt al-Faqih, a place which Freya Stark in 1942 described as a crumbled edifice of learning.

The information is not copious, but for our part of the world it is invaluable. But in addition, CAbd al-Ra'uf was a prolific writer. Many of his works are extant, and some, including a full rendering of the Koran in Malay, in the guise of a Malay translation of al-Baydawi's celebrated Tafsir Anwar al-Tanzil (CAbd al-Ra'uf 1951), have been published. This work on the Koran, which represents the first full rendering of the Koran in Malay, is still readily available in Singapore. His name is still fragrant in Aceh today, and a university is named after him.

CAbd al-Ra'uf's death circa 1690 coincided with a decline in the commercial and political power of Aceh, and likewise its reputation abroad as a centre of Islamic learning, at least in the sense that after the seventeenth century there are not associated with it names of the intellectual stature of Shams al-Din or CAbd al-Ra'uf.

In making a statement of this kind, however, there is a danger that one's judgements are shaped by lack of knowledge, simply because the constellation of circumstances, which brought Aceh into prominence and attracted such interest in its history in the seventeenth century, changed. And, with less general knowledge of the region, our knowledge of more specialized features of its cultural life is limited. Thus, for all the confidence with which Aceh is put forward as an example of an Islamic city-state, there is inevitably an arbitrary character in the combination of circumstances that render it possible or attractive for attention to linger on it.

There is, in fact, an arbitrary element in any survey of this kind; indeed, if attention can linger affectionately on a particular region, it is either because events there represent a genuine climax and happen to be known, or because an individual succeeded in placing the impress of his personality and learning upon his contemporaries, and in passing something of his formation and way of thinking on to succeeding generations of his pupils.

Although most of the centres of Islamization were maritime, there is one important exception: the inland kingdom of Minangkabau in Central Sumatra, accessible, with difficulty, by road from Padang on the west coast, or by river from the east. It was rich in gold, and it attracted, from the eleventh century and earlier, Tamils, Gujaratis and Javanese, and, from the sixteenth century, Portuguese and Acehnese. This gold was a resource which created a vigorous economic life involving the region in a variety of trading systems which included the Portuguese, the Dutch, various Indian ethnic groups, as well as the Acehnese and peoples from other parts of the archipelago (Dobbin 1977).

From the sixteenth century this economic activity carried pulses of Islamic influence from Aceh and Johore, India, East Africa and the Middle East: it served both to mediate the new religion and to generate the wealth that could support religious schools, the pilgrimage, and years of study in the Yemen, the Hijaz, Egypt, Syria, Iraq or Turkey.
Evidence for this pulse of Islamization is to be found in one of the older Arabic MSS. in the Jakarta Museum. It is a copy of the introduction to a commentary on ibn al-Farid's great poem *Ta'liyyatu 'l-Kubra* by Sa'īd b. Muh B. Ahmad al-Farghani Sa'īd al-Dīn (d. 699/1299) made by a Minangkabau at Medina named Muhammad Jamal al-Dīn b. Shihāb al-Dīn al-Sumpudanawī al-Shattārī (van Ronkel 1913, p. 161, MS. no. 277). al-Sumpudanawī is probably derived from the place name Sumpu(r)danau, an inland staging post on the main trading route from the west coast of Sumatra to the high plateau that was both the seat of the royal family and the heart of the gold country. The early date is important, but so also is the content. It reveals the owner's concern with the mystical poetry of the ibn al-Farid and his association with the ibn 'Arabi tradition of mysticism.

This, it will be recalled, is not the earliest evidence in the archipelago of a detailed knowledge of ibn al-Farid. Reference has already been made to the lines of his poetry quoted by the Acehnese Shamsu'l-Dīn (d. 1630) in his Arabic work *Jawhar al-haqa'iq*. Nor is this the earliest evidence of Sumatrans in Medina. Al-Hamawi (d. 1711), in his biographical dictionary *Fawa'id al-irtihāl*, refers to Jawi attending classes given by the great Naqshbandi scholar Ibrahim al-Kurānī already mentioned, in 1675, expounding one of his works in which he too quotes from ibn al-Farid. It is an intriguing thought that this Minangkabau Jamal al-Dīn might have been one of Ibrahim's students in 1675, ten years earlier, and that his book now in the Jakarta Museum derives from this long period of study.

It would be helpful, if it were possible, to learn more of Jamal al-Dīn. Unfortunately it is a common name. Nevertheless, in an article written in 1919 van Ronkel refers to a Jamal al-Dīn, author of a Naqshbandī-oriented text book of *fiqh* (jurisprudence) which he attributes to the seventeenth century (van Ronkel 1919). In this text, Jamal al-Dīn, who identifies himself as of the island of Perca (i.e. Sumatra), after some general comments on the sorry state of the world, and the desperate need for a book in Malay on *fiqh* such as the one he is writing, provides an autobiographical fragment. It is tempting to identify him with the Jamal al-Dīn of the Jakarta Library manuscript. Although such an identification would be attractive, the evidence that van Ronkel adduces even to locate him in the seventeenth century is insufficient. Nevertheless, the story he has to tell may justly be regarded as representative of the story of many Jawi pilgrims and aspirant scholars.

Jamāl al-Dīn tells, for example, how, after completing the requirements of the *hajj* and the farewell circumambulation of the Ka'bah, he went to Jeddah and embarked on a boat. The boat stopped at Jizān on the Yemenite coast. He disembarked, performed the *Magrib* (evening) prayer, and discovered the boat had left without him. Stranded and alone, he lost his way. He wandered in burning heat, suffering from hunger and thirst for three days until he met two men with three camels who took him to Barāfī in the Yemen.

He set out on his travels again, meeting people at various villages. Again he got lost and eventually found his way to Bayt al-Faṣāḥ. There he lived in comfortable circumstances for a while studying *fiqh*. (Curiously, van Ronkel renders the Malay *membaca* as teach!). In due course he moved on, and studied the Koran for two months at Zabid. From there he went to Saifrus Iban 'Alwan ... and thence to Haidan, where he studied poetry; then he went to Aidrus, i.e. Aden and from there to Nu'mān.
He intended to go to Basrah, but unsettled conditions forced him to give up the plan and he went to Egypt instead. From there he travelled to the land of Akbar (sic) and eventually reached Aceh and preached Islam to such good effect that pirates accepted him as their teacher, and others entered the Naqshbandi tarika.

He regularly travelled between the city and its surrounding villages, and, if he had free time, he devoted himself to agriculture. Time and again he returned to the islands to which the pirates had withdrawn. From the sea to the mountains, all obeyed him. He regularly went to Aceh to have audience with the Sultan Jamal al-'?Im (sic) a descendant of Muhammad; time and again he visited the graves of his ancestors; he also visited Pasai, and entered the Batak lands. There he was filled with longing for the friends he had known in Mecca. He moved to Natal (on the West Sumatran coast) and found himself in the middle of a battle. Then he went to Periaman where he stayed for a year, but then he grew homesick and retired to Limapuluh Kota, a bustling commercial district.

This is all the autobiographical information that he supplies. Not all of the places that he mentions can be identified, but three of them are those visited by CAbd al-Ra'uf in his studies in the Yemen, i.e. Bayt al-Faqih, Zabid and CAdan.

Typologically, the text has the ring of truth: it gives us an account of a man studying in the Holy Land, a member of the Naqshbandi confraternity returning to his native Sumatra, first settling in Aceh, preaching through the villages, effectively teaching religion to pirates and drawing them into civilized society. It reflects troubled times, the gun battle at Natal for example, and shows him finally settling in a busy commercial district in his homeland, cultivating his garden, and setting up a school to teach religion.

Unfortunately, material of this kind is rare. It is characteristic of the problems of this field of study that Abd al-Ra'uf's autobiographical notes occur unexpectedly at the end of a long work, and those of Jamal al-Din at the beginning of one. Thus the body of MSS. not yet thoroughly explored may provide further information.

Jamal al-Din was a Minangkabau, and if van Ronkel's dating is correct, he returned to his Central Sumatran homeland to cultivate his garden at a time when the gold reserves in the Sumatran highlands were nearing exhaustion, and, with the increasing effectiveness of the Dutch monopoly, the role of the region in international trade declined. This resulted in return to a subsistence economy, and a decline in the quality of religious life.

In making this observation, it is relevant to bear in mind Levtzion's comments on the West African situation:

> not only did peasants who had become traders turn to Islam, but the reverse is also true. Documented cases exist of traders who experienced de-Islamization after they had settled down among peasants and became isolated from other Muslim communities (Levtzion 1971, p. 33).

At this period and in this region, we do not have such precise documentation. It is not disputed however, that there was a decline in the character of Islam in the first part of the eighteenth century.
From the mid-eighteenth century on, however, a new series of economic impulses made their effects felt. They included the opening of the free port of Penang in 1786, and the development of a coffee industry from 1789. These, and other activities which resulted in a wider scope for a more individualistic work ethic, and the influx of Spanish dollars into the country, made possible a more intense contact with the Islamic heartlands, and led in the 1790s to a religious revival later to be known as the Paderi movement.

This renewed pulse of Islam was also a response to a decline in internal security along the trade routes, and the breakdown of a legal system adequate for older conditions but not for the new, leaving the way open for the security and business confidence that could be provided by Islamic Law which, with its clear guidelines, broad range of applicability, concern with contracts, and easily enforced sanctions, was more appropriate than the local adat. Because of its universality and its relevance to the individual, it also offered a viable alternative system according to which the individual could live.

This revival dominates the history of Minangkabau in the first part of the nineteenth century, and led to the so-called Paderi War. Despite this revival, however, no significant names in the history of local Muslim thought appear to stand out during this period, either in Aceh or in West Sumatra. It should be noted in this and similar cases, however, that one cannot stress too strongly the dangers of arguing ex silento.

Two figures of importance, however, appear in eighteenth-century South Sumatra, who wrote under the patronage of Sultan Mahmud Badr al-Dīn of Palembang. One is Muhammad ibn Ahmad Kemas, who lived between 1719 and 1763. His works are not well known, and perhaps have only a local interest. It appears, however, that he was an Arabic scholar of some ability and, on the instructions of his ruler, translated Arabic works into Malay.

A more important figure is Kemas Fakhruddin, who is known for one work, Kitāb Mukhtásar, and who lived at Palembang in the second half of the eighteenth century. His work, a compendium, is eclectic. It is a mystical work based on the Risāla fī 'l-Taqwīd (Treatise on the Divine Unity) by Wallī Raslān al-Dimishqī (d. 540/1146), who even today is revered as a saint in Damascus, and two commentaries on this work: Fath al-Rahmān of Zakariyyā' al-Ansārī (d. circa 1520) and Khawār al-Rawān by Ābū al-Chānī b. Isma‘īl al-Nābulusī (d. 1731), an engaging character who issued a fatwā permitting smoking, and who remarked that academics were like cattle in stalls who barged against each other for no particular reason.

Two names, one in each half of the eighteenth century, are hardly enough evidence in themselves on which to argue the existence of an important Palembang school. They represent, nevertheless, a starting point in relation to which other material associated with Palembang can be discussed. In any case, such names are not important in their own right: they only serve as indicators that at a certain place and a certain time, under the patronage of a particular ruler, a local tradition of Islamic learning was in existence: autonomous, and with its own character.
There is, however, yet another eighteenth century name from Palembang of much more than local importance, ʿAbd al-Samad. He spent most of his working life in Mecca. He is best known for his rendering of al-Ghazâlî's *Lubbâb Ihyāʿ 'ulûm al-Dîn* into Malay - the closest approach to a full version of al-Ghazâlî's great work in Malay. More important, we have some knowledge of his teacher in Mecca, Muhammad al-Sâmmân, and know that he wrote a book in Malay on logic and principles of religion based on a lecture given at Mecca by Ahmad al-Dâmûrî in 1178/1764. He rendered other works of al-Ghazâlî in Malay between that year and 1778, and also wrote various works in Arabic, including *nasīḥat al-Muslimûn*, on the Holy War which inspired the author of an Acehnese poem popular in Aceh in the struggle against the Dutch in the last quarter of the nineteenth century (Encyclopaedia of Islam 1960).

ʿAbd al-Samad is characteristic of the religious teachers from the Malay works (some of whom, such as ʿAbd al-Râʿûf, returned home, while others preferred to die in the Holy Land) in his deep concern for his co-religionists back in Sumatra. At his request, Sâdîq al-Mâdâni b. ʿUmâr Khân wrote for him a commentary on the *gâsîda al-Nafkhâ al-Qudâyiyya* by his teacher al-Sâmmân, a commentary intended for his fellow Muslims in Palembang. A copy of this work with a note indicating that it was made at his request is preserved in the Jakarta Central Museum. Another example of his concern for his fellow Jawi is shown by two letters he sent to a ruler in Java recommending for appointment to religious posts two Jawi students of his in Mecca (Drewes 1976, pp. 267-9).

His rendering of the *Ihyāʿ* is his most important achievement however; begun in Mecca in 1193/1779 and finished in Taʾif in 1203/1788. The rendering is free, abridged in some places but enlarged and supplemented in others. Among the additions is a list of Sufi works, many in Arabic but a few in Malay, arranged for elementary, intermediate and advanced students. Such a list is important because it gives some indication of ʿAbd al-Samad's activities as a teacher, and of the formation that he gave to those Jawi students who studied under him in Mecca.

This continuing story of the relations between the heartlands of Islam and this periphery of the Muslim world during this period is illustrated in a particularly vivid first hand account given by Abdullah in his autobiography (Hill 1970). Writing of his eleventh year, thus around 1807, he tells of what happened when his Malay Koran teacher died and a successor had to be found. Let him tell the story in his own words:

> It was at this moment that Arab Shaikh from the Yemen, Muʿallim Muḥyīʿ-Dīn, domiciled in Aceh came to Malacca, and astounded everyone by his skill in reciting the Qurʾān. The elders of the community asked him to stay. He agreed to do so if an adequate fee were available, for he said 'I have a family in Aceh ... I have come to provide for their needs'. Forty or fifty students each agreed to pay him $5 a year. He rejected everything that Abdullah had previously learnt, and made him begin his studies again from the beginning. Apparently, he was an effective teacher, ensuring that his students understood the basic principles of recitation. After his year in Malacca, he returned to Aceh laden with presents in addition to his fee, and the people of Malacca became famous for their Qurʾān recitation.
Shortly after he had left, another Shaikh arrived from the Yemen [whether directly or indirectly Abdullah does not say] his name was ibn Alawi from Bafakih (Bayt al-Faqih)? He knew Malay, and had an extraordinary knowledge of Arabic. He was however in poor circumstances. Once again the elders made an arrangement for him to stay for a year in Malacca, and for every student to pay $5 for the year. Fifty or sixty students signed up. He first lectured on the Umm al-Barāḥin, then on various other works of fiqh, with special reference to the ritual prayer and other branches of knowledge. After teaching for a year, he continued on his travels, and sailed for Java, and then settled in the district of Sumenap as a friend and teacher to the Sultan (Hill 1970, pp. 54-6).

Various points are to be noted: Abdullah's matter of fact narrative is a useful corrective to the mythical stories of the arrival of a religious teacher presented in works such as the Malay Annals; the eagerness of the community to benefit from his learning; the co-operation to provide for him an adequate fee; the length of time for which he contracted to stay among them; Abdullah's remark that the local teachers did not dare open their mouths in front of him; his mastery of Malay; the use of manuscripts in Malay as text books; and, in this case, the teacher eventually becoming friend and guide to the Sultan. Unfortunately the only book mentioned, Umm al-Barāḥin, is a well-known and elementary work, easily memorized. What we do not know of course, is the character and content of the Shaikh's explication of it.

The value of Abdullah's account is in its plain, down-to-earth character and the picture it gives of the peripatetic, professional religious teacher whose status is enhanced by Arab blood, and who, while not necessarily self-seeking, is able, like al-Ranirî centuries earlier, to gain royal patronage.

Abdullah's accounts do not add up to much more than vignettes, but the type of teacher that he establishes is clear enough. Indeed, it is clear that teachers of this kind were numerous, particularly in the port towns, and that they represented links in the various networks which sustained the pulse of Islamic life in the region. It should also be noted that this was about the period that the Paderi movement began to resort to violence in West Sumatra - a movement that does not seem to have a counterpart in the Malay Peninsula - perhaps because Malacca belonged to a different network from Batu Sangkar in Central Sumatra.

Various other regions come into focus as centres of Islamic education, likewise with their representatives in the Hijaz who formed little communities, served their fellow ethnics, and maintained the pulse of Islamic learning in their homeland. Among them is Patani on the northeast coast of the Malay Peninsula, which comes to the fore in the nineteenth century.
Once again, very little is known of the Islamic history of the state and its educational institutions, but out of the catalogues of MSS. one name to appear is that of Daud ibn 'Abd Allah ibn Idris. He, too, spent most of his working life in Mecca. His dates are known from his writings - some printed, some in MSS. In 1809 he compiled a treatise on marriage based on well-known Shafi‘ite law books (Winstead 1961, p. 126).

His writings do not add up to much more than a number of elementary text books. Such information in itself is hardly of earth-shaking importance. Yet the role of such books in maintaining the pulse of religious teaching is crucial to the life of Islam in these remote regions. Patani was represented in Mecca by other scholars of the same type. There were, of course, numerous other centres, among them Penyengat on the island of Riau. When it became a centre in its own right is not clear, but it was probably associated with the establishment of Bugis authority over the kingdom of Johore.

So far no reference has been made to religious institutions on the island of Java. To do this, it is necessary to turn to the oldest Islamic port city in West Java, Banten, which, since 1524 has remained a centre of Islamic learning, experiencing the same rhythms of movement and stagnation which are characteristic of the pulse of Islam in the Malay world. In the mid-nineteenth century it produced one of the most remarkable Jawi scholars to establish himself in the Middle East: al-Nawawi al-Jawi al-Bantani al-Tanari, popularly known as al-Nawawi. He was born towards the end of the first half of the nineteenth century at the village of Tanara in West Java, settled in Mecca and died there, perhaps at the end of the nineteenth century. He was a prolific writer, and a brief article in an Acehnese magazine, Sinar Darussalam lists forty-one of his works, ranging from very brief ones to a substantial two-volume commentary on the Koran published in Egypt in 1305/1887 (Zafry Zamzam Bjm 1973, p. 60). In fact, the majority of his works were published in Egypt, although a few appeared in Mecca. They deal with jurisprudence, grammar, mysticism and divinity. The great majority of them are explanations of and annotations on the works of other authors. The article describes his work as simple, mostly for the benefit of elementary and intermediate students. He was important, however, because of his skill in clarifying the meaning of obscure Arabic words, and in explaining the subtleties and difficulties of the religious poems on which he wrote commentaries so that they could be correctly understood. And, like all the Jawi we have referred to settled in Mecca, he retained a concern for his co-religionists far away.

al-Nawawi's ability was recognized in Cairo. The title page of his Tafsir styles him as Sayyid ʿulamāʾ al-Ḥijāz (Lord of the teachers of the Hijaz), a title bestowed because of his books, and his skill and learning shown in discussions with the Shaikhs of al-Azhār.

His works at first had a wide circulation only in the Arab world, particularly in those regions that followed the Shafi‘ite school of Law, and were better known there than in his homeland. After 1945 however, they were reprinted many times, not only in Egypt and Mecca but also at various places in Indonesia and Malaysia and Singapore - in Jakarta, Ceribon, Bandung, Surabaya, Penang and Kota Bharu. Today his name is still fragrant in Banten. The assessment of his work as suitable for elementary and intermediate grade students is largely true. Originality for its own sake is not a requirement for Muslim authors, particularly those whose concerns are predominately pastoral. The role of the ʿAlim is to make
the deposit of revealed truth and established practice clearer; and the structuring of his work reflects that distribution of emphases that his own situation informs him is desirable. A more detailed study of his works is necessary to make a judgement on this point.

Very little is known of al-Nawawi's life. His work becomes a special interest, however, when we recall that he was in the Middle East, and had a high reputation during the time of the great reformer, Muhammad ʿAbduh. Did al-Nawawi meet ʿAbduh, was he influenced by him, or was any part of ʿAbduh's thought or approach reflected in his commentary on the Koran?

This is not the place to discuss this issue at length. The questions, however, are important, for the impact of Muhammad ʿAbduh's ideas marks a new chapter in the history of Islam in our part of the world.

The issue is a complex one. Generalizations, usually by social scientists, concerning the spread of reformist ideas through the Manar group are commonplace. Yet, if we take religious studies seriously as an autonomous discipline, it is necessary to consider the modalities of the transmission of these ideas and to set up a framework within which it is possible to examine more closely those aspects of ʿAbduh's thought which were accepted at various points in Southeast Asia, and those which were neglected as irrelevant.

The essential starting point for any consideration of ʿAbduh's thought is the recognition that it is multi-faceted. His reformist ideas presented various faces, and each face was perceived differently by the various peoples who encountered it. It had a political aspect, relating to the rights and duties of governments and citizens; it had an educational aspect, deriving from ʿAbduh's concern with the Azhar, resulting from his experience of Western learning; it had a philosophical and historical aspect; and even its religious aspect was not single-stranded. It was rich, it was eclectic, and this complexity may easily be missed if the background to it is not understood. Like so much else in Islam, the surface appears simple; the background, the sources from which it derives, are extremely complex. And unless ʿAbduh's ideas are understood as the product of phenomenal learning and a wide range of interests and passionate concerns, they cannot be creative, neither in his native Egypt nor in the alien human and geographical ecology of Southeast Asia.

ʿAbduh's reformist package can be summarized briefly as the purification of Islam from corrupting influences and practices; the reformation of Muslim higher education; the reformulation of Islamic doctrine in the light of modern thought; and the defence of Islam. In developing the ideas and approaches that are summarized under the headings of this package, ʿAbduh was deeply aware of the disdain felt by Europeans towards Islam, and the sense of inferiority that fell upon Egyptian Muslims when they came face to face with Western technology and philosophy. He was concerned above all else to show that Islam was a religion more worthy than any other of the acceptance of an educated man, even a European educated man, and by so doing to deflect the new middle class of educated Egyptians away from its fascination with things European, back to the riches of its own tradition.

Since the danger in our region in this period did not primarily derive from a confrontation with the modern world, the eclectic richness of ʿAbduh's thought was often reduced to a puritanical, radical conservatism.
An environment in which the philosophic complexity of Ābduh’s thought might be fruitful simply did not exist. Thus, at this stage, there was no substantive difference between Ābduh’s reformism and earlier revivalist movements.

One of the earliest documented accounts of a meeting with a Jawi and Muhammad Ābduh leads us to yet another centre of Islamic learning, at Kota Bharu, in the north west Malay state of Kelantan (Roff 1974). In this state, fortunately, some secondary materials are available. From the late nineteenth century on they provide us with some idea of the tides of religious development in that state, and the formation, relationships and aspirations of some of the outstanding individuals who emerged. Such an individual was Muhammad Yusuf, locally known at To’ Kenali (b. 1866, d. 1933). He was born in a small village outside the capital of the state, Kota Bharu. Because his training was typical, it is worthwhile to give some account of his education. His first teachers were Kelantan Malays, Haji Ibrahim, and, more significantly, Haji Muhammad Ali b. Abd al-Rahman (b. circa 1837 at a Kelantan village, d. Mecca 1912). This teacher became well known because of a collection of ḥadīth that he published in Mecca in 1886 under the title al-Jawhar al-Maṣḥūb. He also studied from a peripatetic teacher, Haji Taib, known after his place of origin as Tuan Padang. In 1886, at the age of twenty, he went to Mecca, and in 1903 he went to Egypt with two Patani scholars to visit the Azhar and other educational institutions.

Whether he met Ābduh in person is not sure, but the basic ideas of Ābduh, as set out above, are evident in his activities after his return, particularly in the field of religious education. To' Kenali returned to Kelantan in 1908 after spending twenty-two years in the Middle East. (Ābd al-Ra’ūf, it will be recalled, almost two centuries earlier, had spent twenty years there.) He became famous as a teacher, and within a few years of his return was teaching in the principal mosque in Kota Bharu, had been appointed as assistant to the Mufti in Kelantan with responsibility for Islamic education in the State, and set up a network of schools. In 1915 he was one of those who advised the foundation of the Kelantan Council for Religion and Malay Custom, and he became an honorary editor of the fortnightly Pengasoh, which first appeared in 1918.

He introduced graded textbooks in religious knowledge, and over the years devised a system of graded instruction in Arabic grammar and etymology, which was published posthumously in 1945. The formation he gave his pupils may be seen from the tables of Arabic verb forms (Tasrīf al-Dār) published in 1358/1939 by his student, Shaikh ‘Uthmān Jalāl al-Dīn (b. 1867) who died in Mecca in 1952, and from the Arabic-Malay dictionaries published by another of his pupils, Shaykh Muhammad Idris al-Marbawi, who was born in Mecca of Malay parents in 1895 and returned to the Malay Peninsula in 1910. He is now living in retirement near the Azhar in Cairo.

The first of his Arabic-Malay dictionaries, the Qamus al-Marbawi, was published in Cairo in 1927 and is still readily available in Singapore (Muhammad Idris al-Marbawi 1350/1931).
Another well-known Kelantan teacher was Haji Wan Musa b. Haji Abd al-Samad (b. 1874) who was taken by his father to Mecca while still a child, with three of his brothers. Among his teachers in Mecca was the same man Ahmad al-Patani who was the teacher of To' Kenali and from whom he studied jurisprudence and scholastic theology. In addition to this, however, he was introduced to the Sufism of the School of ibn 'Arabi, and inducted by his father into the Shadhiliyya tariqa. In 1916, he began to show his independence of mind and individuality: he gave a legal ruling in an inheritance case against the Sultan and was forced to resign his position, and because of his continuous independent judgements was forced to leave the state and take refuge in Trengganu. One matter of principle on which he defied the Council concerned the use of funds collected from Zakat to build a central mosque. His view was that such funds should be used exclusively for the poor and needy in the state and that to use them to erect imposing buildings was an abuse of the whole principle of Zakat. With the death of Muhammad IV and the accession of Sultan Ismail he came back into favour. We are reminded of how centuries earlier, came into favour thanks to a change of ruler.

His teaching was either eclectic or full of contradictions, according to one's point of view. He encouraged the royal family to study abroad, thereby antagonising other ulama. One presumes that he saw in this a way to modernize the state. He introduced some of the reforms of Rashid Rida and 'Abduh, including the rejection of an oral formulation of the niyya (intention) before performing the daily ritual prayers. As in Sumatra, this issue became a shibboleth between the traditionalists and the reformers. One of his opponents, Tengku Mahmud Zahdi of Patani, later the Shaykh al-Islam of Selangor, published a pamphlet in Mecca in 1341/1922 condemning this view. Nevertheless, unlike the Manar group, he taught mysticism as practised by the tariqa, preserving the content but stressing the triple faculties of intellect, intuition and emotion in place of imitation and rote learning.

On the other hand, despite his fondness for the royal family and his espousal of aspects at least of ‘Abduh's teaching, he saw as a hero the Egyptian Mustafa Kamil who was populist, anti-royalist - at least anti- Abbas Hilmi - and founded the National Party in 1907 whereas ‘Abduh and his associates had dubbed Mustafa Kamil an empty demagogue. One of his last fatwa became a cause celebre throughout the whole of the Malay Peninsula, a ruling in 1937 concerning dogs: (i) that they might be kept as pets, (ii) that they were ritually clean, (iii) that contact with their saliva did not require ritual ablution.

It is personalities such as this, which 'break the mould', treat issues individually and not as part of a package, which are the essence of the vitality of a religious tradition, and, because of the contradictions that they introduce, open up the possibility of rethinking a great number of issues. This was part of the genius of Muhammad ‘Abduh; this was, albeit to a lesser degree, part of that of Wan Musa (who could also have met ‘Abduh). But whereas certain aspects of ‘Abduh's thought - his concern with rationalism and a graded system of education - coincided with particular elements in the growing rationalization and formalization of educational and bureaucratic institutions in areas under colonial rule, and had at least a superficial similarity with Western secular education (elements which ensured for them a universalistic appeal), the eclecticism and somewhat maverick character of Wan Musa made it difficult for him to exercise any lasting creative influence.
His son, al-Haji Nik Abdullah (b. 1900), was equally individualistic. He studied first from his father and To' Kenali, and then from a certain Abu Abdullah Sa'id Hasan Nur Hasan al-Khorasani (d. 1943), a graduate of the Deoband School founded near Delhi in 1867. This inspired him to attempt to create a counterpart to the Deoband School in Kelantan. In 1926 he went to Mecca and there fell under the influence of the well-known Ubaydullāh al-Sindī, also a graduate of the Deoband School, who inspired in him an enthusiasm for the writings of Shah Waliyullāh al-Dihlawī. He returned to Kelantan in 1934, and taught the major works of Shah Waliyullāh. He died in 1936. His brothers attempted to maintain the struggle, and in 1946 his younger brother, Nik Salleh, attempted to found a school called al-Islāh, devoted to the works of Shah Waliyullāh, but the institution never opened its doors. Waliyullāh was not acceptable to the religious elite in Kelantan at that time (Roff 1974, p. 167).

Often the lives of religious teachers appear set in a common mould. Superficially it appears that once you know one, you know them all. The Westerner is particularly vulnerable to this gap in understanding when coming to terms with the ʿulamaʿ. The issues and the emphases do not correspond with those that the formation of a Westerner predisposes him to recognize, and so much is expressed by nuance. In addition to this, an Arabic writer has at his disposal numerous devices to make what is bland impenetrable. It is a relief then to come across a personality such as Wan Musa, and his family, with its wide horizons, exemplified in the enthusiasm for Shah Waliyullāh - who, it will be recalled, incurred hostility for his translation of the Koran into Urdu - who studied ibn Khaldūn, the theosophy of ibn ʿArabi and ʿAbduh: all in all an exciting cocktail!

Wan Musa did not have the success of To' Kenali. But sometimes comparative failure can be as instructive as success. The career of the Wan Musa family shows clearly how a series of chance encounters led this particular family to a commitment to one stream in the Islamic tradition, that of the Deoband School. Members of the family were highly gifted, eclectic in the best sense of the word, and intellectually alert. Such movements as they espouse either succeed or fail. If they succeed, even if only to the limited degree of the Reformist Movement, they join the establishment. If they fail, they are relegated to footnotes. Nevertheless, they illustrate the processes, the tensions, the constellations of chance by which movements are generated. In the last resort, the family's concerns were too individual and, because of the intoxicating influence of Ubaydah, too far-reaching to be widely acceptable.

At a later stage it will be necessary to attempt an assessment of the character and depth of the work in Malay of authors such as these. Yet the level of their knowledge, the precision and depth of their understanding, are not necessarily to be gauged by their writings, which had a pastoral bias: this, with its emphasis on moral values and codes of behaviour, represents that aspect of their learning, that part of their aspirations, which could most readily be rendered into Malay and expressed in the formulations of adat (traditional custom) and the multitude of traditional sayings which encapsulate social wisdom and ideas of virtue.

Broad principles were easy to communicate, and in certain areas, where conditions were right, the new ideas could establish a bridgehead, particularly in social groups where there was mobility: contact with the
outside world, the competition of Western ideas, and the challenge of Western education, where individuals were not tied to the collectivist social norms of village life.

The communication and inculcation of the principles and reasoning on which those principles were based was a different matter. The wealth of learning, both traditional and Western, the tension, the sense of crisis, the passion to create a new synthesis, and the agonizing awareness of the difficulties involved and the issues at stake which tormented a personality such as 'Abduh, were not, could not be, communicated: and too often reformism became simply a rationalistic optimism.

This lecture has attempted, with a broad brush, to sketch the outlines of an approach to Islam in Southeast Asia; in particular, in areas which are now part of the parvenu structures called Indonesia and Malaysia. It attempts to avoid a narrative of Muslim triumphalism on the one hand, and of the secular abstraction of Islam as a vague, homogenous entity on the other. It avowedly-by-passes the equally neutralizing, homogenizing pressures, so endemic in nationalisms young and old, which simplify and reduce to two-dimensional cardboard structures an astonishingly complex and vital past. It leaves aside the concern for single-line answers to what are in fact invalid and misleading questions, such as where did Islam first come from and where did it first arrive: questions that have led Professor Drewes despairingly to suggest that a thorough knowledge of Tamil is indispensable for further progress (Drewes 1968, p. 459). Most important of all, however, it attempts to look away from Islam with the anthropological, political and economic faces so beloved of the social scientists, and to present it through its religious character: establishing its communities through its schools and teachers, its mysticism and its Law.

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It is a giant step from Southeast Asian prehistory to the world of Malay literature, and there is little evidence to help bridge the gap. The earliest record of the Malay language dates from south Sumatran inscriptions of the late seventh century, which are associated with the flourishing Buddhist trading kingdom of SrIvijaya. It is likely that Malay culture developed and blossomed during this time. Later Malay writings claim that Palembang, with its nearby mount Si Guntang, was the cradle of Malay custom and tradition. The word *Malayu* (Malay) itself derives from the name of the river which flowed near Si Guntang.

Migrations of Malay-speaking people from south Sumatra probably occurred during the twelfth, thirteenth and fourteenth centuries. They fanned out to north Sumatra, the islands in the Straits of Malacca, both coasts of the Peninsula and to southern Kalimantan. As well, there were small colonies of Malay traders throughout the archipelago and along the coast of Indochina. Both the Chinese and Europeans who traded in the area quickly recognized that the basic language of commerce was Malay.

Many of the Peninsula settlements waxed, waned and even disappeared, dependent as they were on the current trading network, but the state of Malacca and its successor, Johor, remained stable political centres from the fifteenth to the nineteenth centuries. Most Malays recognized Malacca and Johor as representatives of pure Malay culture (Matheson 1979, p. 370), a belief which endured until the twentieth century. Professor Wolters cites the following incident which occurred at Padang on Sumatra's west coast in 1907. As part of a commemoration to mark the tricentenary of Dutch presence in the area, the local nobles seized the opportunity of asserting their identity. They chose to exhibit a small replica of a 'Johore palace' (*astana Djohor*) as their symbol of defiance. The Johore kingdom was the last important example of a raja-dominated polity they could remember. Whether they knew it or not, they were invoking a tradition reaching back through Johore to Malacca and thus to SrIvijaya-Palembang, a span of time comprising more than twelve hundred years (Wolters 1970, p. 179).

The traditions of those twelve hundred years are preserved in Malay dynastic manuscripts, copies of which still exist. These dynastic histories were intended to be taken seriously, as works of edification and instruction. They provide records of the origins of the dynasty and recount the accomplishments of successive generations of rulers. They were also manuals of statecraft and repositories of sacred customs and traditional protocol. This literature contrasts with folk-literature, which was primarily for entertainment and made no claim to represent real life. The dynastic records of the court were written prose works, while popular literature was mainly in verse, with an oral chain of transmission.
The functional court documents, although focusing largely on the ruler and his immediate circle, do seem to provide an accurate picture of contemporary life, and are supported by European and Chinese descriptions from the same period.

Five Malay histories have been used here to try and piece together an impression of Malay life in the sixteenth, seventeenth and eighteenth centuries. Each text was composed at a recognized centre of Malay culture, and are as follows:

*Undang-Undang Melaka*: The Laws of Malacca (Liaw 1976)
*Sulalatu’s-Salatin or Sejarah Melayu*: Genealogy of the Sultans, or The History of the Malays (Brown 1970).
*Misa Melayu*: The Malay Hikayat (Chulan 1968).

The first three texts were products of the great Malay court of Malacca, and were more or less in their present form by about 1650. The *Hikayat Patani* was composed in the northern peninsular Malay kingdom of Patani (now part of southern Thailand). This text consists of six parts, the earliest dating from the late 1600s and the latest from about 1730. *Hikayat Banjar* was also written in stages, the early sections (which are used here) probably date from the mid-sixteenth century, and describe the establishment of a Malay-based court in southeast Kalimantan. The *Misa Melayu* is the most recent of the texts and dates from about 1780. It describes life at the court of Perak, a kingdom on the west coast of the Peninsula, whose rulers were directly descended from those of fifteenth century Malacca. Hereafter the texts will be referred to by their initials, UM, SM, HHT, HP, HB and MM.

All the texts pivot their narrative around the ruler, who is bestower of justice, protector of his people and upholder of tradition. Contemporary society deviates from established standards (custom) at its peril. The customs of the ancestors must be maintained, and SM contains several statements by Malays who declare that their behaviour will never shame the name of the ancestors (Brown 1970, pp. 157, 187-8). The fixed, traditional patterns are so sacred that only the Sultan can alter them. The texts show that changes are initiated by the Sultan, and may then be followed by the rest of the court. Acceptance of Islam is perhaps the most radical change to established custom which is described in the texts. Mass conversion is only accomplished after the ruler has shown the way by embracing the faith himself.

To emphasize that the ruler has a different position in society, he is set apart from 'ordinary' people in very special ways. The ruler and his family have distinctive material privileges which are absolutely forbidden to anyone outside that class. Most of the privileges distinguish royalty from non-royalty in an obvious visual way. The colour yellow and the wearing of gold are restricted to the ruler, as are certain styles of architecture, boats, clothing and jewellery (Brown 1970, pp. 44, 49; Liaw 1976, pp. 65, 67, 69, 173). Certain music was also for the ruler alone, most obviously the drum of sovereignty, which was only beaten at a coronation or in his presence. This particular custom is well documented in *SM*, which describes missions from several courts coming to Malacca to
request that their ruler be allowed to use the drum of sovereignty at his installation (Brown 1970, pp. 130, 146). The MM and HP describe the trumpet fanfare played when a ruler sets out from his palace (Chulan 1968, p. 67; Teeuw and Wyatt 1970, pp. 158, 215). There were also five words (listed in Liaw 1976, p. 67) which could not be used by anyone but the ruler unless he gave his permission. They are special words for 'command', 'I', 'wrath', 'royal favour', and 'royal gift'. The punishment for illegally uttering those words was death for a slave, or a beating for an ordinary citizen.

The ruler's palace was set apart from the town in its own walled compound (Brown 1970, p. 79; Teeuw and Wyatt 1970, p. 159; Ahmad 1975, pp. 68, 352, 426; Chulan 1968, pp. 65-6; Liaw 1976, p. 65). HHT and HP (Ahmad 1975, p. 352; Teeuw and Wyatt 1970, pp. 159, 172) specifically mention the gate to the royal compound. In the latter's case it was opened in the morning after the drum for the dawn prayer had been beaten, and closed at night. Besides the palace, within the royal compound were the audience hall, where the ruler sat when he made himself available to his court, a pavilion for relaxation and entertainment, a drum (or musical instruments) hall, a bathing place, a small royal mosque, and at the court of Nagara Dipa in Kalimantan, HB adds a treasury tower (Brown 1970, p. 79; Ahmad 1975, p. 60; Ras 1968, p. 237; Teeuw and Wyatt 1970, pp. 166, 174). The texts describe the palace itself in fairy-tale terms. It was seven-tiered with a copper and zinc-coated roof, topped by cupolas and carved flying crockets, as well as gilded spires. The walls had eaves and were inset with Chinese mirrors which flashed and sparkled in the sunlight (Brown 1970, p. 77; Chulan 1968, p. 93). The interior is described as being similarly lavish, to quote from HB:

The roof was lined with the finest scarlet cloth with a fringe of pearls and covered with spangles of gold. It was crowned by a luminous gem in a glass ball. The floor was laid with a carpet embroidered with gold. The ceiling was covered with tapestry and the walls with red and gold cindai [tie-dyed silk] (Ras 1968, p. 275).

The basic building materials were fine woods, and the texts recount how at least one palace in Malacca caught fire and burnt to the ground. As dwellings of the ruler, the palaces were also sacred places because of his presence. In describing preparation of a site for the establishment of a new court HHT uses the word suci (to cleanse, or purify), and when one of the Malaccan ruler's subjects committed an offence in the palace the ruler abandoned it and had a new one constructed (Ahmad 1975, p. 426; Brown 1970, p. 77).

The ruler made himself accessible to his court when he occupied his throne in the royal audience hall. The frequency with which audiences were held is not clear, though it was probably not daily since complaints from the people were usually taken to the Bendahara (Chief Minister) at his audience hall, and investigated by him (e.g. Brown 1970, p. 156). It was official state business, such as investitures of ministers or chiefs, reception of foreign missions, offerings of tribute (Brown 1970, p. 193) and ceremonies of homage (Chulan 1968, pp. 75, 77) which were conducted in the audience hall. A dead ruler's coffin lay in state there, and was only removed for burial after his successor's coronation (Teeuw and Wyatt 1970, p. 173; Chulan 1968, pp. 51-2).
The hall itself was tiered (Teeuw and Wyatt 1970, p. 174), with the ruler (and sometimes his consort) occupying the top level. Being physically close to the ruler was a great privilege, as was receiving anything directly from him. Usually this was done by specially appointed pages who conveyed not only the ruler's gifts but also relayed words to and from him (Brown 1970, pp. 45, 55). It seems that the ruler only spoke directly with his people when outside the audience hall. The status and rank of members of the court was indicated by their distance, both in height and space, from the ruler (Chulan 1968, p. 75) and the type of ceremonial dress they wore. The seating arrangements in the hall were fixed, and applied also to official banquets (Ahmad 1975, p. 89). Once a courtier's position was fixed in the audience hall it could only be altered by royal favour (Brown 1970, p. 48).

In descending levels from the ruler were the ministers, whom he was legally obliged to appoint for the smooth running of his realm and the security of his subjects (Liaw 1976, p. 63). They were, by decreasing rank, the Chief Minister (Bendahara), the Police Chief (Temenggung), the Treasurer (Penghulu Bendahari) and the Harbour Master (Syahbandar). Each minister had theoretically to meet six requirements. He must know the law, be able to investigate whether a subject was guilty or not, be able to solve disputes based on the taking of employment, hear both sides of a case, know how to conduct an investigation properly, and be humane (Liaw 1976, pp. 71-3).

The duties of each minister were as follows. The Chief Minister was senior minister and the ruler's executive officer, who saw to it that the sovereign's orders were carried out. He was a source of advice to the ruler, his closest confidant, and was often related to the ruler through the Malaccan custom whereby one of the ruler's wives was a daughter of the Bendahara. At various times in both Malacca and Patani the Chief Ministers were extremely powerful (Brown 1970, p. 127; Teeuw and Wyatt 1970, pp. 201ff.). The position was not necessarily hereditary, though it was always filled by one of the senior chiefs. The composition of official letters of state was an important function usually undertaken by the Chief Minister (Brown 1970, p. 60; Ahmad 1975, pp. 65, 97, 410). The Police Chief worked with the Chief Minister. He could hold enquiries in the audience hall (Brown 1970, p. 42) and was in charge of law and order in the realm (Brown 1970, p. 106). If the ruler left the state (for business, war, or pleasure), he entrusted the Chief Minister and Police Chief with the administration and protection of the kingdom (e.g. Ahmad 1975, pp. 281-2). The Treasurer controlled all the ruler's servants and clerks and those who collected revenues. He directed royal celebrations, overseeing the food and decorations, and invited the guests. According to the SM (Brown 1970, p. 48), he was also in charge of the Harbour Master, though the latter seems generally to have acted independently of the Treasurer. The Harbour Master had exclusive charge of the regulations concerning weights and measures, as well as harbour, shipping and market ordinances (Liaw 1976, p. 135).

After the principal ministers, senior war chiefs and other senior courtiers occupied the main body of the audience hall. Royal princes sat in a gallery to the ruler's left, with young warriors (anak cetaria) in a gallery on the ruler's right. Pages and young commanders holding
swords stood at the foot of the steps leading to the throne. Those who stood on the king's left were children of ministers who were eligible for the positions of Chief Minister, Treasurer, or Police Chief, while the leader of the heralds on the ruler's right was the young son of someone who could be appointed Commander-in-Chief (Laksamana) or have the title Seri Bija Diraja (Brown 1970, p. 45). Those without royal rank or privilege stood on the ground outside the audience hall. The full court thus consisted of the older and younger generations of four senior ministers, princes, junior ministers (or dignitaries) and warriors (cetera), and finally heralds, eunuchs and commanders (hulubalang) (Brown 1970, pp. 46, 106; Chulan 1968, p. 38).

Everyone attending the court had to be properly attired in sarong, jacket, headcloth, a shoulder sash and a kris. Those who came improperly dressed were excluded by the court sentry (Brown 1970, p. 44). On important occasions, and for the reception of foreign letters, those who might touch the royal regalia or the salver bearing the missive, had to wear a golden shoulder cloth (menyandang tetapan kekuutan) (Brown 1970, p. 45; Ahmad, 1975, p. 55; Chulan 1968, pp. 76, 88).

Courtiers received special court robes from the ruler when they were invested in an office or rewarded by him for a duty well performed. Foreign envoys received gifts of robes when they left a Malay court, as did Malay envoys themselves when they went on a mission (Brown 1970, p. 46). The robes were presented to the recipient on trays; the greater the honour, the more the trays. The recipient left the hall to don the clothes and returned to be invested with armlets, or, if more honoured, with a frontlet as well. The full complement of robes (granted only to a Chief Minister) was jacket, headcloth, shoulder sash, waistband and sarong. For a lower rank the waistband was omitted, the basic royal gift being jacket, sarong and headcloth (Brown 1970, p. 46; Chulan 1968, p. 85). At the time of their investiture the principal ministers each received in addition a complete set of betel equipment, the Chief Minister also receiving an ink flask and the Police Chief a decorated lance (Brown 1970, p. 127).

It seems the Malays had an eye for style, fashion, and good looks. It was the convention to describe royalty as being exceptionally handsome and graceful (Brown 1970, pp. 62, 125, 127). One of Malacca's Chief Ministers was said to have 1000 jackets, with twenty or thirty headcloths ready-tied and waiting on blocks to be worn. This Bendahara would change seven times a day before a full length mirror, and ask his wife to select a headcloth to match his outfit (Brown 1970, p. 128). The HB describes the formal dress of one of its princes as follows:

- a purple kain [sarong] adorned with gold, a sash of red and gold cindat [tie-dyed silk], trousers of green brocade set off with gold, and surengpati [a type of flower] ear-ornaments, and he used a fragrant flower-cosmetic (Ras 1968, p. 301).

Consider the splendid impression (and that was the motive) that a court arrayed in such attire must have presented.

Whenever the ruler left the palace a procession was formed, led by the lowest ranking courtiers, usually heralds of state, who bore the state insignia, standards, lances, spears and swords of state. There were drums,
kettledrums and trumpets, playing a tune appropriate to the occasion. The ruler was preceded by the sacred dynastic regalia. He could be borne in a litter, or might ride on an elephant, and following after him were the senior ministers (Brown 1970, p. 47; Teeuw and Wyatt 1970, p. 167; Chulan 1968, p. 76). The chiefs were shaded by fringed parasols, whose colours, ranging from yellow through purple or red to blue and green (Brown 1970, p. 46), reflected their status. It seems that every opportunity was taken to parade the kingdom's wealth and pomp before its subjects and foreign visitors.

Another method of establishing status through display was the munificence of gifts sent to foreign courts. Malacca sent gold dust and two female slaves to Pasai, with a later mission taking cockatoos and a golden cleaver (Brown 1970, pp. 92, 148), while a Patani official who was visiting Johor brought gold cloth and two lances (Teeuw and Wyatt 1970, p. 193). Gifts to distant courts were even more lavish. In HB a mission to the Chinese court took with it ten diamonds, forty pearls, forty emeralds, forty red corals, forty rubies, forty opals, forty loads of beeswax, forty bags of dammar, 1000 coils of rattan, 100 gallons of honey and ten orang-outans (Ras 1968, p. 255). This kind of mission was probably also a display for the speciality products of a kingdom, and functioned as a kind of 'trade promotion'. Animals seemed popular gifts, for HB also records that the kingdom sent civets and fighting cocks to Majapahit (Ras 1968, p. 305). In HHT Raden Inu of Java presented the Malay court at Bintan with hunting dogs, weapons, gamelan instruments and players, as well as seven scribes (Ahmad 1975, p. 52).

Having witnessed the splendour that the leading Malay courts could display, we might well ask how they managed it. What were the ruler's resources, and how much could he claim from his subjects and still remain a 'just' (adil) king? The texts provide examples of both the theoretical basis of the ruler's relationship with his people, and descriptions of how that relationship functioned in practice.

The theoretical basis of the Malay ruler-subject relationship, as stated in pre-Islamic terms, is recorded only in SM (Brown 1970, p. 16). There the archetype Malay sovereign makes a covenant with the archetype Malay subject (who was also the Chief Minister). The ruler wanted something from the subject (his daughter in marriage), but the subject would only co-operate after the following contract was agreed on. The subject agreed on behalf of himself and his heirs to be loyal to the ruler, so long as the subjects were well treated, and not shamed, reviled or disgraced. The ruler agreed, but in his turn asked the subject to promise never to be disloyal to his ruler, even though he be a tyrant. The subject agreed, and both parties finalized the contract by saying if one side broke their undertaking the other side could do likewise. Commenting on the agreement, the author of SM writes that if any ruler puts a subject to shame, it is a sign that Allah will destroy his kingdom.

Islam strengthened the image of the ruler as protector of his people. In Muslim theory the ruler is like the deputy of Allah, acting for Him in this world (Brown 1970, p. 111). But this privilege carries with it a heavy responsibility, for the Koran states that all rulers will be questioned by God as to the way they have treated their subjects (Brown 1970, p. 117; Liaw 1976, p. 163). However, the burden of responsibility need not be the ruler's alone, because he is expected to consult with those in authority under him, particularly his ministers (Brown 1970, p. 117; Chulan 1968, pp. 50-1).
For the ruler's subjects Islam has firm directions: 'Obey Allah and obey the Messenger and those of you who have command over you' (Liaw 1976, p. 165). And further, 'the subjects are like roots and the rulers are like trees. If there are no roots, the trees cannot stand and therefore I ask you for your co-operation, so that the roots and tree may stand firmly together.' (Liaw 1976, p. 165; Brown 1970, p. 117). Clearly, in theory, both pre-Muslim and Muslim, a symbiotic ruler-subject relationship is the ideal. The reward on this earth for a just and wise ruler is a prosperous and thriving kingdom, which in turn leads to further increases in his power (Brown 1970, p. 49; Ahmad 1975, p. 443; Chulan 1968, pp. 55, 106), and even his territory (Ras 1968, p. 241).

The reciprocity of the ruler-subject relationship is illustrated by the ceremony of gift offerings to the ruler. The subject presents goods to the ruler in return for recognition/confirmation of his status, or promotion of that status. The HHT gives an example of how the cycle may be started. When a ruler is establishing his court and kingdom he bestows rewards on those who help him. This makes an excellent impression and the ruler's fame begins to spread (Ahmad 1975, p. 19).

A description of the system working well, and apparently to everyone's benefit, is given in MM, where at a royal wedding chiefs present themselves to their ruler and offer him gifts. He rewards them with titles and robes of honour (Chulan 1968, pp. 41, 45). Each subject gives according to his capacity, and the gifts range from buffaloes and goats to poultry, tin and cash. The ruler might also confer a title, or invest a subject with an office, to strengthen his allegiance to the throne.

There was, however, more to the practical aspect of the ruler-subject relationship than the presentation of gifts in exchange for status recognition. Most of the ruler's wealth came from the feudal system of tribute, revenues which the ruler received from his chiefs as payment for the tenure of their domains (Ras 1968, p. 241). The revenues usually took the form of goods in kind or corvée labour. For Malacca chiefs the latter often involved supplying and maintaining the royal fleet (Ahmad 1975, p. 277), or construction of royal buildings (Brown 1970, p. 77; Chulan 1968, pp. 91ff.). In Patani special officers were employed to travel around and collect taxes (Teeuw and Wyatt 1970, p. 204), while in southwest Kalimantan rice flowed into the royal barns, the surplus going to senior royal officials (Ras 1968, p. 243).

Another source of royal revenue was trade. The texts are not forthcoming about the details, but both a Malaccan king (Brown 1970, p. 133) and a Patani queen engaged in trade for their own profit. The HP states that, rather than live off her revenues, this particular queen supported herself from the profits made by her own merchant and by selling the crops from her gardens (Teeuw and Wyatt 1970, p. 185).

Each of the kingdoms described in our texts was a trading centre, but trade is described only in generalities. According to SM, Malacca was very prosperous, even attracting the Franks from Goa (Brown 1970, p. 151). The HB lists the people who came to Kalimantan to trade: Chinese, Malays, Johorese, Acehnese, Malaccans, Minangkabaus, Patanis, Macassarese, Buginese, Sumbawanese, Balinese, Javanese from a variety of ports, plus southern Indians, Portuguese and Hollanders (Ras 1968, p. 263). But this is the extent of information on details of commerce. The UM, however, does
include a number of laws connected with trade, covering return of damaged or defective goods, supply of capital, credit, surety and bankruptcy, and prohibitions on trade in impure things like dogs, pigs and alcohol. It was also invalid to trade with the insane, the intoxicated, or children (Liaw 1976, pp. 135, 137, 141, 143-5).

Leaving the world of finance and revenues, let us examine what the texts tell us of religion. All the texts except MM begin before Islam was accepted by the ruler and his court. HHT gives no conversion story and although it is tacitly assumed that the ruler and Hang Tuah himself are Muslims, it is clear, through their practice of asceticism and other rites, that their Islam is not of the strictly orthodox kind. References to pre-Muslim practices are not given in SM, but HP and HB mention the worshipping of statues or images, which in the latter's case were carefully tended and perfumed with spikenard and flowers (Teeuw and Wyatt 1970, p. 152; Ras 1968, p. 263).

Where Islam is the official religion, references to it seem to fall into the following areas - the celebration of Muslim festivals, the presence of Muslim officials at the court and at marriages, and the use of Muslim funeral rites. Muslim scholars also work with the court and the community, attempting to teach theology and mysticism. Both SM and MM record the celebration of Muslim festivals by a ruler; the end of Ramadan and the raya haji ceremony respectively (Brown 1970, p. 48; Chulan 1968, pp. 75-7). The MM gives the most extensive description of Muslim funeral rites, which culminate in the 100-day ceremony of setting the grave stone (Chulan 1969, pp. 51-2, 99). The early sections of HB describe pre-Muslim burials, with funeral feasts and interment in a candi (shrine) (Ras 1968, pp. 269, 385, 397). These are replaced after Islamization by the usual Muslim rites, and burial in a cemetery (Ras 1968, p. 459).

The SM and HP (Teeuw and Wyatt 1970, p. 200) both mention the work of Muslim scholars in their respective kingdoms, teaching Arabic and theology. There are several instances in SM of the ruler pursuing religious studies (Brown 1970, pp. 92, 161, 162) and members of the court also followed suit (Brown 1970, p. 147). However, judging by the following description, the nobles of Malacca at least did not delve deeply into formal religion. The Chief Minister's grandson was for a Malay, a learned man; he had a smattering of Arabic grammar and syntax and canon law and some slight knowledge of doctrinal theology (Brown 1970, p. 112).

Because Islam embraced such a variety of ancillary disciplines (linguistics and grammar for Koranic exegesis, jurisprudence for Muslim law, and logic and evidence for the study of the transmission of Prophetic tradition) it is not surprising that Islam and literacy go hand in hand. The khatib (Koranic reader) seems to have had secular functions at the court. In SM and HHT he reads out letters from abroad, and in HHT is even consulted about the most propitious time to launch a successful attack (Brown 1970, pp. 62, 80; Ahmad 1975, pp. 226, 375). It is also worth noting that it was the first Muslim ruler of Malacca who codified Malay law (Liaw 1976, p. 65) and the impetus to record court history may well have stemmed from Islam.
During times of crisis Muslim rites were sometimes supplemented by others, as described in the MM. When a Perak ruler lay gravely ill members of the court not only made vows to the Prophet and saints to spare him and gave alms to the poor, they also invoked the help of the king's dead ancestors (Chulan 1968, p. 57). It is in the MM that we find another example of the relationship between the sacred and secular in eighteenth century Perak and the hierarchy of officials in each sphere. Before occupying his newly constructed seven-tiered palace, the Sultan of Perak orders that religious formulae be recited and passages from the Koran be read on each level of the building. This was done on descending floors, starting at the top by the sharifs and princes, by the ulama (religious scholars) and dignitaries, by the imam (prayer leader) and heralds, by the khatib (preacher) and war chiefs, by the bilal (muezzin) and local chief, by the lebat (mosque official) and lay wise men, and on the lowest level by visiting Arabs and wandering strangers (Chulan 1968, p. 95).

The legal system used by Malay courts has been preserved in a most interesting text, the Undang-Undang Melaka (Laws of Malacca), whose early sections date from the mid-fifteenth century. It combines both Islamic and pre-Islamic Malay law, distinguishing between hukum Allah (religious law) and hukum kanun (pre-Islamic law)10 (Liaw 1976, pp. 85, 89). The UM does not make it clear which law is to be applied to a particular case. The HB however does delineate the spheres of Muslim and secular law, using the criterion of whether the matter was a secular or religious one (Ras 1968, pp. 461-63). Earlier (Ras 1968, p. 441), the HB mentions an indigenous code, the Kutara, compiled by the Chief Minister of Banjarmasin, and in use 'up to the present'. So, although other codes must have existed, it is only the laws of Malacca which have been preserved. They are very comprehensive, covering business transactions, theft, homicide, land sales, workers' compensation, usury, weights and measures, sexual offences, laws of witness and admission of evidence, taking of oaths, commercial law, stealing of livestock, abuse, assault, and royal privileges. Under Muslim law the worst crimes are violating Allah's law, unlawful intercourse, and drinking alcohol. Under pre-Muslim law the most serious offences, which can only be pardoned by the ruler himself, are homicide, taking another man's wife and tyrannical behaviour (Liaw 1976, p. 73).

There is a close link between the ruler and the law. The UM states that:

Whosoever trespasses against what has been stated in these laws is guilty of high treason against His Majesty...
(Liaw 1976, p. 177).

Elsewhere it is stated that:

...the kanun law had been laid down to punish every criminal act, in the hope that the people will become aware (of the helplessness) of the weak and the orphaned in every big country, village, rural district and the remotest parts of the country (and will not act arbitrarily) in any of these matters (Liaw 1976, p. 93).
Two important sectors of Malay society, which are mentioned only in passing in most texts, do receive attention in the UM. They are slaves and women. There appear to have been three kinds of slaves: ordinary ones, debt slaves and royal slaves. Debt slaves could regain their freedom by settling their debts. Royal slaves were protected by the ruler, and any criminal could save his life by surrendering himself to the king as his slave (Liaw 1976, pp. 40-1). The code deals with sentencing laws for slaves in considerable detail (Liaw 1976, pp. 73ff). Though subject to the same legal proceedings as free men, slaves seemed only to have been fined half the normal penalty (Liaw 1976, p. 85). They engaged in a wide range of activities: selling, climbing trees, diving, and ploughing (Liaw 1976, pp. 89-91). They could be hired by people other than their owners, and be paid a wage, but this had to be given to their masters (Liaw 1976, p. 91).

With few exceptions, women are treated by the law as instruments for procreation. There are laws regarding seduction, rape, and marriage. In the case of sexual offences against a woman, it is her family or husband who receives compensation, not the woman (Liaw 1976, pp. 83, 85,89, 101). It is also spelt out that evidence from women is unacceptable regarding all aspects of commercial law (Liaw 1976, p. 153). Concern for the family unit is shown in the law which states that a debtor's wife and family should not be molested for a debt, the man alone should work it off (Liaw 1976, p. 169).

It is from this all-encompassing law code of the UM that we learn some details of Malay agriculture. Four types of cultivated rice land were recognized: fenced dry rice, unenclosed dry cultivation, wet rice, and irrigated rice fields (Liaw 1976, p. 111). Buffaloes were used for dragging wood and turning mills (Liaw 1976, p. 95). Further details on the type of produce grown comes from HB (Ras 1968, pp. 331, 415). Rice, sorghum, yams, taro, bananas, areca nuts, sugar and coconuts came from the interior, while the coastal areas produced salt, shrimp paste, tamarind, onions, garlic and spices. Watermelons, cucumbers and sago were also eaten. Oxen, goats and buffalo were domesticated for food (Liaw 1976, p. 95; Chulan 1968, p. 41), but the animals used for transport were elephants and horses. Elephants were particularly prized (Chulan 1968, pp. 38, 43, 97-8; Ahmad 1975, p. 213; Teeuw and Wyatt 1970, pp. 146, 170), and had their own special keepers. There was a whole art (or science) of elephant lore, and in HP the position of keeper of the royal elephant herd was hereditary and enfeoffed (Teeuw and Wyatt 1970, p. 203).

Elephants also feature in the texts as prized war beasts. The HP describes how one Patani minister kept an invading Thai army away from the city walls by making his elephant travel up and down behind the wall, trumpeting at intervals, and giving the impression of a herd (Teeuw and Wyatt 1970, p. 182). The texts are rich in accounts of battles and weapons employed but the subject is too vast to be taken up here. Data on population numbers usually emerge in descriptions of campaigns. The SM estimates the size of the Malaccan force sent to attack Pasai as 20,000 men, and the size of the enemy force as 120,000 (Brown 1970, p. 97). The HB notes that after a war in Banjarmasin the total number of able-bodied men, excluding those under age, was 30,000 (Ras 1968, pp. 441-3). In peace time the estimate for the population of city of Malacca (not its outer territories) is given as 90,000 (Brown 1970, p. 150). The HHT states that when Hang Jebat occupied the royal palace in Malacca it had a staff of 700 (Ahmad 1975, p. 324).
The texts are forthcoming about the ways Malays enjoyed themselves. When energetic they hunted buffalo, deer and jungle birds (Brown 1970, pp. 83, 155), using snares, nets and dogs (Teeuw and Wyatt 1970, pp. 146-7), they noosed elephants (Brown 1970, p. 137), or went fishing (Ras 1968, p. 263; Chulan 1968, p. 73). Skill in horsemanship was greatly admired (Ahmad 1975, pp. 247, 379) and the princes of Malacca took rides in the moonlight, stabling their treasured ponies inside the house (Brown 1970, p. 123; Ahmad 1975, p. 119). Malays also enjoyed kite-flying (Brown 1970, p. 124), football (Brown 1970, pp. 89, 107; Ahmad 1975, p. 186) and cock-fighting (Brown 1970, p. 180; Chulan 1968, p. 40), chess, cards and draughts (Liaw 1976, p. 167; Chulan 1968, p. 55). In the evenings they were entertained by wayang performances (Ras 1968, p. 315) and all kinds of dances (Chulan 1968, p. 40). There were also singers (Teeuw and Wyatt 1970, p. 186; Ahmad 1975, p. 189), and recitations of stories. MN records that the princes of Perak enjoyed Javanese romances and verse compositions (Chulan 1968, pp. 41, 55). Hang Tuah was renowned as a skilful narrator, and on several occasions (Ahmad 1975, pp. 195, 211, 212) he was called on to delight his audience with tales of the exploits of his own ruler or the emperor of Majapahit.

As in many other societies, the spoken and written word was very potent in the Malay world. People wanted to be known and to live on through the words that immortalized them. Language was used with special care in the official records, both court histories and letters to foreign rulers. The compilation of these was entrusted to the highest official of the realm, who would personally dictate the contents to his scribes.

The official court histories were as much a part of the regalia as the sword of state or the royal seal, without which the ruler was unable to govern. All the serious court manuscripts were kept by the ruler personally, and they could not be consulted without royal permission. Contact with a written tradition which recorded the sacred past was a dangerous undertaking and entailed certain ritual practices of reverence and protection (see e.g. Ahmad 1975, p. 208). It was believed that if the customs and traditions preserved in the texts were observed, life would continue smoothly. Stability, continuity, harmony and the status quo meant prosperity and success. Individuality, innovation and personal enterprise threatened established custom and were discouraged. 12

The centres of Malay culture were ports, points of constant contact with other powers, races and cultures. To survive, the Malay leaders had to be astute. Diplomacy in their relationship with the outside world was vital. It was also very important that the ruler and his court should look impressive and it was in the audience hall that the state's wealth and splendour were displayed. There, amid the splendid costumes, weapons, ornaments, parasols and to the sound of gongs, trumpets and drums, all official business was conducted and envoys received and entertained. The fame and reputation of a Malay state depended on the impression that foreigners received at the court and spread abroad. It is this picture of the sovereigns and their courts which the scribes were able to capture and preserve.
NOTES

1 Ras estimates that the majority of HB was compiled by 1663 (Ras 1968, p. 181).

2 Buyong Adil (1966, pp. 9-10) suggests that misa is derived from Javanese mesa, meaning hikayat or ceritera (romance, story) and in Javanese literature occurs as the title of various works. Javanese poetry and prose was popular in eighteenth-century Perak. See also Matheson 1979, p. 354, n. 12.

3 HP (Teeuw and Wyatt 1970, p. 202) rationalizes the reasons for a period of civil disorder by saying that the old rules and customs were continually changing: 'Each and every minister did what he liked, for there was no-one who re instituted the old traditions - on the contrary, these traditions disappeared more and more because the world had reached a time of damnation.'

4 It was quickly rebuilt (Brown 1970, p. 79). A palace could be constructed in forty days (Ahmad 1975, p. 352).

5 See for example Brown 1970, p. 105, where the Bendahara tells his followers they are especially favoured, because they are always with the ruler in his audience hall, whereas the followers of the Laksmana were not.

6 The status system described in HB differs from the other texts because it is based on the court of Majapahit (Ras 1968, p. 265). The numerous court officials and their functions are given on pp. 243-9.

7 Wolters (1970, pp. 167, 243), surmises that the Bendaharas of Malacca maintained the royal genealogical list, and in the seventeenth century one of the Johor Bendaharas oversaw the compilation of SM.

8 The state insignia of Patani included royal swords in heavy sheaths of gold, forty state spears, twenty each of gold and silver, twelve state drums and eight other drums (Teeuw and Wyatt, 1970, p. 211).

9 The MM records that a chief was invested as Lakesmana (Commander-in-Chief) to strengthen his allegiance and commitment to the ruler (Chulan 1968, p. 57).

10 The MM also distinguishes between pre-Islamic and Islamic law, and terms the former hukum istiadat negeri (Chulan 1968, p. 23).

11 On the following page the estimate has increased to 190,000 (Brown 1970, p. 151).

12 Hang Tuah certainly exhibited initiative and enterprise, but within the established tradition of loyalty to his sovereign.
REFERENCES


PANGÈSTU: ONE JAVANESE PATH TO UNION WITH GOD

Soewito Santoso

INTRODUCTORY NOTES

Since the time I first thought about the subject matter of this discourse, my heart has been filled with a certain uneasiness which is very difficult to define, as it seems to be very complex and complicated. I was a member of the Pangèstu in the 1950s and early 1960s, before I came to Australia, but since then I have only occasional communication with other members of the association. This might be a reason for my not having the right to speak on its behalf or as a member of the Pangèstu as an organization. So I ask your indulgence to speak just as an individual who once was an insider. This means that anything not in agreement with the view of the Pangèstu is my own responsibility and fault.

There are several matters which I feel need to be clarified first, before we discuss in depth the main topic of discourse. More explanation is needed of the title and also of various things relevant to the subject matter, namely the path to Union with God.

Pangèstu

The most prominent should be the introduction of Pangèstu. Pangèstu is an acronym which stands for Paguyuban Ngèstì Tunggal which broadly can be rendered to as 'An association [of people] striving for Unison with God'. It was founded in Surakarta, Central Java, in 1949, about seventeen years after a certain person called R. Sunarto Mertowardoyo felt he had received guidance from The True Master (Sang Guru Sejati) in his search for perfection of his inner-self (kaempurmaning kasukman). Two persons, Hardjoprakoso and Tri Hardono Sumodihardjo, felt the urge one day to visit R. Sunarto, whom they had never met or known before. After meeting R. Sunarto, both of them without any hesitation agreed to note down the words of Sang Guru Sejati, which were or would be passed through His disciple, R. Sunarto. All these words, which the members of the Pangèstu later regarded as revelations from God, were collected into seven books, later published together in one book called Sasangka Jati (The True Light or The Light of Truth) in the year 1954. With only two assistants, R. Sunarto attracted more followers in a short time, so that there was a need to set up an organization, to arrange a time and place for regular meetings in which R. Sunarto then explained everything he received from The True Master. In 1949 an association was founded called Paguyuban Ngèstì Tunggal abbreviated into Pangèstu.

R. Sunarto was born in 1899 at Surakarta and passed away in 1965. He received the first guidance at the age of thirty-three years. The book Sasangka Jati, which is the handbook for the members of Pangèstu in their struggle to attain a peaceful, happy life and cultivation of their inner-self, is commonly and incorrectly understood by outsiders to
be the teachings of Pangèstu. The contents of the book *Sasangka Jati* are not the teachings of Pangèstu, but words of guidance from The True Master conveyed through His disciple, R. Sunarto. It is also incorrect to regard it as the teachings of R. Sunarto. He denies it himself strongly, as follows:

In fact I am only an instrument to convey the words of instruction of our Mentor, The True Master. Thus it is not my teachings. I (Sunarto) am only the channel through which flow the words of compassion of The True Master who is also called The True Mentor (*Panuntun Sejati*) or The True Subtle One (*Sukma Sejati*) who resides in one's inner self (Pangèstu 1986, p. 11).

One Javanese path

The quotation above is not an expression of humbleness by a Javanese, in this case R. Sunarto, because he says that repeatedly and sincerely, and with this I come to discuss the second part of the title of this paper, namely 'one Javanese path to Union with God'. I would like to concentrate for a while on the first part, 'one Javanese path'. This phrase gives the impression that the teachings originate from a Javanese or are intended only for Javanese people. It is true that it is garbed in Javanese dressing, such as the Javanese language, the conveyer was a Javanese, etc., but in fact the teachings can be expressed in any language and conveyed by any person, regardless of race, nationality or religion, because the teachings come from The True Master of the individual. The question is only whether there is communications between the individual and his/her True Master. In saying this, I would like to imply that the teachings contained in the *Sasangka Jati* might be instrumental in setting up that contact. And that is why I say that it is incorrect to assume that the teachings in the *Sasangka Jati* are intended only for the Javanese or Indonesian people; they are for everybody who wants to strive for the improvement and cultivation of his/her inner-self. In the *Sasangka Jati* once and again the teachings, phrases or terms are explained by way of comparison with those found in the Islam or Christian faith. For this reason, I will attempt to do the same, but with reference to other philosophical streams, such as Wedanta and others.

Sangkan-Paran

The third matter which I would like to put forward concerns what is usually termed as the *sangkan-paraning dumadi* (the origin and ultimate goal of existence). This, I feel, gives the impression that 'the origin' is the 'starting point' and 'the ultimate goal' is 'the finish' of existence, as if they were two different things. In fact, what is meant in the *Sasangka Jati* is that the *sangkan* (origin) and the *paran* (ultimate goal) are one and the same, namely *Sukma Koekeas* (The Supreme Subtle One). Now, if the origin and the ultimate goal are one and the same, what then is meant by the path?
A problem arises when we talk about the origin and the ultimate goal being one and the same thing. Is then the path purely imaginary? Is life or existence then imaginary? It is indeed an old problem; for centuries men have already posed that same question. The Hindu philosophers invented the word māya (illusion) for everything we have in this material world. However, let us start from the beginning and we will see later whether the word māya or illusion is applicable.

Let us now imagine that the path of life extends from the origin to the ultimate goal. The expression in Islam is 'everything comes from Allah and returns to Allah'; the Javanese have several expressions like menyang warung mampir ngombé (to go to the pub for a drink), implying a return home afterwards, or, as also used by R. Sunarto, urip iku mong kaya Wong menyang pasar, mestî bakal milih uga (life is just like going to the market, surely one has to return home). All these phrases seem to stress the meaning of 'return', so that we can assume that the starting point is also the finish of the journey; but one thing should be examined further. Do we return from the pub (warung) or market (pasar) by the same route we have gone before, or by another road? Since the state and condition of one at the time of return or on arrival at the finish is not the same as the state and condition of one at the starting point, I think it is safe to believe that one does not go by the same path he has before. In other words, when one comes to life, or stands at the starting point of his existence, he is a baby; he then grows to maturity and finally dies or arrives at the finish as an old man. A person does not return to his original state and condition when he dies. So we can imagine that the path is like a circle. Note the term 'imagine' that I use here, as the difference in state and condition does apply only outwardly or physically. Also there are still other matters that affect one's condition, so that he or she cannot arrive at the ultimate goal, which we will attend to later on.

The outgoing path

As origin or starting-point in the Pangèstu we have the Sukema Kawekas (The Supreme or Ultimate Subtle One) who can be compared with Allah Ta'ala in Islam or God the Father in Christianity (Pangèstu 1966, pp. 39-59). Then Sukema Kawekas develops a Will (Karsa) which gives rise to the existence of Sang Sukema Sejati (The True Subtle One) or Sang Guru Sejati (The True Master). The development of Sukema Sejati brings about the existence of the Roh Suwi (The Holy Spirit), in fact still a radiance of Sukema Kawekas which is then regarded as becoming the soul of the individual. This threefold aspect of God is called Tri-Purusa.

The process that results in the aforementioned happens in the immaterial world, called Alam Sejati (The True World) or Kadatoning Sang Sukema Kawekas (The Seat of the Supreme Subtle One). Even the Roh Suwi is still in the immaterial world, because the material world does not exist yet. It is said that when Sang Sukema Kawekas wanted The Holy Spirit to descend on earth, His Will was frustrated, because the universe had not been created yet. So He created the universe first, in stages. The first stage was the creation of the four basic elements, namely swasana (ether), genti (fire), banyu (water) and bumi (earth, soil). Interaction between the four basic elements gave rise to the other stages, namely the creation
of everything in the world, such as fauna, flora, spirits, etc. At this stage The Holy Spirit was ready to descend to earth, by combining itself with the four basic elements. So when the Holy Spirit unites with the four basic elements, a human being is born. In its essence The Holy Spirit is Suksma Kaweksas Himself, so that it has the same characteristics and power. This power is said to be the reflection of the power of Tri-Purusa, and is also of three kinds, called pangaribawa (faculty of creating ideas) prabawa (faculty of reasoning) and kemayan (faculty of understanding), but in fact the three of them are in essence one, called angen-angen (mind, intellect)." As God has the power to create through His Will (Nara), likewise The Holy Spirit has this power through his will or mind or intellectual faculties. From the four basic elements come forth the four nafsu (urge, passion, driving force), each of which has its positive and negative natures. They are:

(a) lwsamah (egocentripetal force) which originates from the element earth and is located in the flesh. Its colour is black. Its nature is, among other things, evil, greedy, lazy, lusty etc. Its positive nature comes when the negative ones are subdued and disciplined. It forms the basic power which gives support to action;

(b) amarah (energy, driving force) originates from the element fire, located in the blood, and its colour is red. It has in its nature, among other things, anger, perseverance, etc. Anger leads to destruction, while perseverance forms the main element of success;

(c) sufiah (desire, wish) originates from the element water, and is located in the marrow. Its colour is yellow. Sufiah is the passion that brings about love, lust and keen involvement in everything;

(d) mutmainah (egocentrifugal force) originates from the element ether. Its colour is white. If it is developed and cultivated it gives rise to unselfishness, and brings about purity of the mind.

Though the four passions are in fact forces, they cannot act or operate on their own, because they do not have the power to create. This power to create lies with the Holy Spirit, namely in its intellect, which is the reflection of the Will of God. Perhaps we can call it 'the will of the ego' in contrast with 'the Will (capital W) of the Super-Ego'.

The will of the ego then, if supported by sufiah, will turn into desire. Desire in turn depends on the support of the other driving forces. If it is supported by lwsamah, the desire will be directed to fulfill the needs of the flesh (lwsamah). And if lwsamah is also supported by amarah then it will intensify manifold. On the other hand, if the desire is supported by mutmainah it will lead to actions which reflect unselfishness and benefit other people. If supported also by subdued lwsamah and amarah these good deeds will increase, resulting in good conduct and non-attachment, as long as Roh Suei and mutmainah can hold the reign over the other three forces. Once one of them gets out of hand, Roh Suei will go astray and will not be ready for the return journey.
The homeward journey

When is a person ready for the homeward journey?

The homeward journey begins with the realization that Roh Suci is a spark that originates from Sukema Sejati, which in turn comes into existence by the Will of Sukema Kawekas. In the Javanese language it is called éling marang mula-mulantra (to remember one's origin) which will lead to múth marang mula-mulantra (to return to one's origin).

In the teachings of The True Master éling (consciousness) is a constituent of what is called tri-sièla (the threefold conduct), the others being pracaaya (belief, faith) and mituhu (devotion, obedience). So, if a person realizes his origin, he will have the desire to cultivate his will which is a reflection of God's Will. He will strive to harmonize his will with God's Will, by way of believing in Him, and by performing all His orders and by avoiding His prohibitions. This is the way to cultivate the power of the will so that it will be strong enough to stand against the temptation of the forces of passion. If one succeeds in this, then he is on the right track in subduing his senses. If the senses are subdued, the passions will toe the line. It is indeed very difficult to accomplish.

The recipe for the control of passions, according to the True Preceptor, is to perform faithfully the Pancasièla (the five aspects of good behaviour) which are råla (non-attachment), narima (acceptance), temen (truthfulness), sabar (patience) and budi-luhur (high virtue). The keyword is performance (laku), because, although we know the way, if we do not do it then no result will come. The recipe is designed to strengthen the will of the Roh Suci and to weaken the opposing forces; e.g. non-attachment (råla) will subdue desire (sufiah), patience (salar) will subdue anger (amarah), acceptance (narima) will subdue greed, ambition (lwomah). Truthfulness (temen) and high virtue (budi-luhur) will support the development of mutmainah (ego-centrifugal force) which will result in non-attachment which leads to clearness of mind (hening) and purity.

How are all these implemented? First we have to practise tapa-brata (abstention from food and drink, etc), which usually weakens the lwomah, as its expression is usually brutal force or energy. By abstaining from food and drink, etc., one can curb the brutal force, but one still has to watch for the other expressions of lwomah, e.g. laziness, sluggishness, etc. Indeed, hunger can slow down one's movement, but sometimes it gives rise to craving for food (sufiah). This can be seen if, when the time to break the fast arrives, one feels the urge to eat and drink a lot and as quickly as possible. If we eat and drink slowly and do not hurry one bit, then we develop patience (sabar), while subduing amarah and sufiah. If we do not eat too much we also curb lwomah. If we can restrain the physical needs of the flesh, then we can cultivate mutmainah and other positive characteristics of the passions (naf'su). Once we are able to overcome the passions, we are on the road to purity of mind (hening). The pure mind is then ready to give a clear reflection of the Will of God, which before was obscured by passions. At this stage we face the most difficult task, namely to establish control of the mind, so that it is steady and easy to bring into harmony with the Will of God. It is difficult, because the pure mind, after conquering the four passions, becomes powerful, but at the same time very vulnerable. It is a critical stage, the crossroads leading to either hell or heaven. The mind
at this stage still has two opposite characteristics, that of light and that of darkness: light because the mind is the reflection of Tri-Purusa, darkness because it is still combined with the four passions. If darkness prevails, it will foil the Roh Suci in obtaining the guidance of Sukema Sejati. However, if the Roh Suci succeeds in controlling the mind which already curbs the four passions, self-realization will come. This is accomplished by constantly remembering (êling) and believing (pracaya) in its origin (Sukema Kawekas). The following stage will be that the Roh Suci will abandon everything (angen-angen and the four passions) and return to Sukema Sejati, which in turn will bring the Will (Karsa) into calmness (heneng) which leads to its mergence into Sukema Kawekas.

If the four passions can be conquered by way of carrying out tapa-brata, together with the five aspects of good conduct, the mind can be controlled by way of samâdi (abstract meditation) to cultivate the êling and pracaya. There seem to be obstacles yet in the samâdi, originating from the five senses which are in fact the expression, or you can call it extension, of the four passions. If in the samâdi we succeed in switching off the five senses, then the mergence into Sukema Kawekas will occur.

Earlier I mentioned that the variation in state and condition of a person at the starting point of the path (time of birth) and that on arrival at the finish is only an outward appearance or a product of imagination. In fact, the state and condition of the Roh Suci is the same. When the Roh Suci descends on earth, it is at the point of uniting itself with the four basic elements and intellect. That is why in Sanskrit it is called the Prawrette-marga, because the soul is identifying itself with the finite world, the world of action. At the finish the Roh Suci sheds the four basic elements and intellect which it has already vanquished, and that is why it is called the Niwrette-marga, because the soul is heading for the world without action.

NOTES

1 The date of the first message was 14 February 1932, at dusk.

2 At R. Sunarto's death on 16 August 1965, there were already eighty branches of the Pangâstû with a total of around 20,000 members.

3 See Hadiwijono 1967, p. 196, n. 13. In refuting the title of Sumantri's thesis, he says that 'it would be better and more precise when it were said: Javanese instead of Indonesian'.

4 The Tri-Purusa seems to have some resemblance to the threefold Buddha in Mahayana Buddhism, whilst the combination of Roh Suci and four basic elements is reminiscent to that of Purusa and Prakrti in Sankhya. The contrast or relevancy of the Sukema Kawekas and the Roh Suci however can be compared with the Paratma and Atma of the Vedanta which Meher Baba renders with Over-Soul and Soul. There are also some similarities with that in Tantrism. See e.g. Purdom 1937, p. 308 et seq. and A. Avalon in Woodroffe 1969, p. 17 et seq.
PANCÈSTU

REFERENCES

Santoso, Soewito (1975), 'Nirathaparakreta' in *Calon Arang, Si Janda dari Girah*, Balai Pustaka, Jakarta.
The political and social upheaval in Java which followed the coup attempt of 1965 saw the genesis and expansion of a new religious movement in the rural areas of Central and East Java. The movement was Hindu in orientation and its main organizational embodiment was Parisada Hindu Dharma (Council of Hindus), a national, government-recognized body representing by definition all Hindus in Indonesia. This organization was founded in Bali on 23 February 1959, as Parisada Dharma Hindu Bali and grew out of earlier efforts by Balinese to find some organizational framework within which to protect Balinese religion and culture and ensure its recognition within the newly independent Indonesian nation. One of the main aims of Parisada, and an aim of a few of its antecedents, was to strengthen Balinese religion, and attempts were made at the purification of religious doctrine and the standardization of ritual practice. Religious education programmes were begun which included the printing of books and pamphlets on Hinduism and Balinese religious text translations, and also programmes for social development were initiated. The organizational establishment of Parisada with its educational and social programmes and the presence of fairly large Balinese communities outside Bali (e.g. students, government employees, members of the armed forces, plus in some areas Balinese rural transmigrant communities) helped make possible the spread of Balinese Hinduism beyond Bali to other parts of Indonesia. Further, its spread was also encouraged by the idea of the restoration of the glories of the past during the time of the great Hindu-Buddhist kingdoms, especially in Java. But the main impetus for its development and spread, which came after 1965, had to do with the particular political conditions pertaining in this period. This was particularly the case in Java and it was the mass conversions of Javanese which helped bring Parisada into a wider role of representing the interests of a membership larger than that just within Bali.

Though there were some converts in East Java prior to 1965, mainly under direct sponsorship of Balinese in residence there, it was not until 1967 that Hinduism as a religious option for large numbers of Javanese became important and Javanese-led branches of Parisada Hindu Dharma began to be formed. As the movement gained momentum and as the number of Javanese members and branches increased, there developed increasing independence from Balinese leadership and control, especially in areas of East and Central Java where the movement was strongest, though ethnic Balinese leaders were very important in the initial stages of the setting up of branches. The rapid rate of expansion and the mainly rural location of the bulk of the membership made any continuing control by the predominately urban based Balinese leadership difficult and helped result in the establishment of Javanese Hindu Dharma branches of very different character from those in Bali. The main importance of Parisada Hindu Dharma for the Javanese initially was that it provided an officially
recognized, existing religious organization and as such was a suitable organizational framework within which the Javanese could build their own Hindu movement and legitimize it in the eyes of political and military authority. The legal status of Hinduism as one of the six major religions officially recognized in Indonesia meant that it could be an option for religious affiliation for the Javanese, but they needed the institutional identity and support of Parisada and the support and knowledge of Balinese leaders on matters of Hindu ritual and doctrine in order to be able to officially establish it in Java.

The purpose of this paper is to present a brief account of the political context of the rise of Javanese neo-Hinduism and of how this context influenced the nature and growth of the movement, including some comment on how the movement was contextualized in terms of Javanese belief and on the methods of mobilization of members. The founding of the movement occurred during the period of the decimation of the political Javanese society, and meant the creation of a new institutional framework within which existing Javanese rural political structures could at least temporarily be maintained. It also meant the creation of a new basis of group identity for Javanese of the syncretist religio-cultural orientation, for government policy in the rural areas during the post-coup period encouraged formal adherence to a religion. The religious basis of the movement helped make possible the generation of new structures of meaning within which elements of indigenous Javanese belief and culture could be recontextualized and legitimized. This involved a process whereby traditional values and beliefs could be isolated, labelled as pre-Islamic in origin, and therefore seen as Hindu by virtue of their association with the old Hindu-Javanese kingdoms. The association of tradition with contemporary Balinese Hinduism allowed the traditional beliefs and practices of Javanese syncretism to be elevated to the status of a world religion (agama) and therefore legitimized in reference to the constraints of the contemporary political scene with its emphasis on the necessity of formal adherence to a religion. It should be noted here that religion (agama) means a world religion and is used in distinction from the term kepercayaan (belief) more generally applied to less widespread traditions, e.g. indigenous religions and belief systems. For those Javanese who were politically opposed to Islam because of its association with Islamic based political organizations, the government encouragement to have some formal religion pushed them towards finding a religion distinct from Islam.

Before proceeding further, it may be useful to give one account of the genesis of the Hindu revival in one area of Central Java. The words are those of one of the individuals who was instrumental in the establishment and spread of Parisada Hindu Dharma through the various regencies of south Central Java; this passage refers to a group of people who were followers of Hardjanto, a Javanese from the city of Surakarta who had at the time a reputation as a mystic and spiritual advisor.

It was the government who lit the fires of the Hindu revival in Java, for it was they who said that if a person had no religion then he is a PKI [communist]. This was the first time that people had heard of this, and they asked themselves what religion they must follow. The Bupati of Klaten said in a speech at
the public square that we must choose from the six religions that there are and which are approved by the government. Some asked how about agama adat. He said there is no such thing, only Islam adat, but you must implement religion in a pure way, even in Islam. But since there is no pure form people were confused.

At that time I was away meditating at Candi Sukuh, a temple in Karaganyar regency. My friends from Boyolali [another regency] asked a mystical teacher [Hardjanto] for advice and explanation, but he was reluctant to give such advice to them, so I was called to come back to Surakarta. Before I could rest on my return, I was ordered by Hardjanto to give an explanation to those who waited. He told them I could be more objective, so I must be the one to give it... The people told me that they were worried that their own present religion no longer fits, is no longer acceptable to the government...Where is the place of Javanese faith among the six religions named? I of course could not say 'this one' to them. Instead I described the history and the main points of the teaching of Islam...then Protestantism and Catholicism in the same way. Also Buddhism and Shiwa-Budha, for it was still called Shiwa-Budha then. And then I placed it in their hands; they must decide according to their feelings. All of them chose Shiwa-Budha. But then there was the question that if we chose this agama, then what was the method by which we must practise it... How were we going to raise the spirit of Shiwa-Budha again?

We must go to Bali, it was decided. We wrote a letter explaining our intention and then waited while trying to find the money to make the trip...Things were confused...and then by coincidence we met a friend from school...He said we only had to go to Yogyakarta because there was a Balinese religious organization there. He gave us the address, and so we went to Saraswati, the cultural centre in Yogyakarta for the Balinese.

We went and found that their religion used to be called Shiwa-Budha but then was called Hindu Bali, and is now called Hindu Dharma and dharma means religion [agama]. We asked if we could be received, that is, could a person from outside Bali join Hinduism. Would they help us in this endeavour? This was March 26, 1967 and they told us to come to their prayer ceremony at Prambanan on March 29, and to tell our friends to come also. We could only reach a few people by that time...but there were others from other places who came. Then for the celebration of Hari Kuningan [a Hindu Balinese holiday] on April 8, many people came to be received and also on Hari Sawaswati [another holiday] so that first 6, then 17, and then 52 people joined Hinduism.
Finally on June 28, 1967, Parisada Hindu Dharma Solo Hadiningrat was formed. A committee came from Yogyakarta and a ceremony of recognition [peresmian] was held at Candi Sewu. Hardjanto was made co-ordinator or head ...he was head for Parisada Hindu Dharma Solo and co-ordinator of it for the whole ex-residency which has five kabupaten [regencies].

This description gives some idea of the way in which Hinduism was perceived in terms of Javanese history and tradition, and some of the factors important in its establishment, e.g. government policy, which was both an impetus and used later in justification of the founding of the movement, and the role of the Balinese in encouraging and aiding new converts. Thus there are two main aspects of the movement which are of concern here. The first one is political in nature, for the organizational roots of the Hindu movement and its subsequent development lie, as has already been indicated, in the nature of the political structures of rural Java in the period prior to the coup, and in government action which threatened these structures after 1965. The second aspect of the movement is one which might be termed the symbolic dimension, that is, the ideological dilemma in which the secular-syncretist political organizations found themselves and the expression of this in terms of religious identity. This involved the defining of contemporary Hinduism drawn from the Balinese model as a religious option for the Javanese and the contextualization of Javanese traditions and beliefs in terms of it. Both these topics are intertwined, for it was the political situation which placed in relief the need to find some symbolically coherent alternative to Islam.

POLITICAL CONTEXT

The initial establishment of Javanese Hinduism was, for most people, less a matter of concern with a new basis of religious belief than the maintenance of existing lines of political and ideological division. This entailed a more refined articulation of Javanese syncretic cultural traditions in order to make more clear the boundaries with Islam. Restoration of order during the years following 1965 brought about a banning of political party activity below the regency level, which in effect dismembered political organizations, cutting loose the rural mass organizations associated with the parties and thus depriving them of a political basis for group identity and action. Thus, this period brought into question the very grounds of political legitimacy. Local political networks were faced with disintegration without the structural and ideological supports provided by the parties.

It was the parties plus their allied mass organizations - for farmers, labourers, women, artists, etc. - which had given village society in Java a source of structure in the face of a 'structural vacuum', brought about by the decline of traditional authority structures in village society as a result of colonial administration and further centralization after independence (Geertz 1959). The political mobilization of the rural masses in the 1950s and early 1960s meant that, as party identity permeated village social life, political organization became the primary channel for action and for the gaining of power, creating networks of local leaders and their followers and linking them with leaders above. The fact that
politcal alignment within rural society was based on leader-follower type relationships helped to increase the degree of factionalism within villages, as local conflicts tended to be articulated in terms of political divisions. Party alignment came to be of increasing importance as conflict intensified and division in rural society tended to become a bipolar one. The axis of division was primarily one of secular-syncretist parties, i.e. the Indonesian Nationalist Party (PNI: Partai Nasionalis Indonesia) and the Indonesian Communist Party (PKI: Partai Kommunis Indonesia), versus parties of Islamic orientation, i.e. Masyumi, a modernist Islamic party banned in 1960 by Sukarno, Masyumi's ostensibly non-political religious welfare organization Muhammadiyah, and Nahdatul Ulama, a traditionalist Muslim party.

As the power of the Communist Party grew, especially its peasants' organization, the BTI (Barisan Tani Indonesia: Indonesian Peasants' Front), the Nationalist Party found itself in an increasingly difficult position. The so-called secular-syncretist parties based their recruitment on a complex of nationalist, cultural, and economic objectives. The parties which were most successful in their bid for support among the peasants were those which could appeal to both economic and traditional interests. After the Communist Party's programme for the unilateral implementation of the Land Reform Act of 1960 began, it and its peasant organization gained in strength in the rural areas as more and more peasants joined in hopes of benefitting, for it promised land to those who joined in. The Nationalist Party organizations, as well as Muslim ones, were unable to compete on material issues as the BTI land reform programme gained in support among the rural populace. These parties could only try and maintain their internal solidarity, often through a process of negatively defining themselves in opposition to the PKI while still trying to maintain the ideological division between Muslim parties and secular-syncretist ones. In some areas where the PNI was most threatened, especially in the last months before the coup, this ideological dilemma resulted in a retreat to religious symbols even by PNI, attacking the PKI as godless and anti-religious, and placing local PNI groups in de facto co-operation with Islamic groups. For Muslim groups there was less of a dilemma, since political boundaries were defined in religious terms and Islam a more bounded symbol. But for the PNI, the Javanese syncretist orientation characteristic of the majority of the rural populace was also shared by members of communist organizations.

SYMBOLIC CONTEXT

As religious symbols and religious identity became more important in the articulation of party conflict at the local level, and as the non-communist organizations were pushed into an ideological corner, the symbolic dilemma of the Nationalist Party came into increasing relief. The Islamic versus non-Islamic orientations, which were articulated and made more important by political division in rural society, also had meant a fractionalization of tradition. The Islamic and non-Islamic orientations were not simply a matter of differing degrees of emphasis on Islamic symbols, but two different foci for the interpretation of Javanese tradition. Under the influence of political mobilization, the division along political lines became the source of essentially
alternative symbol systems within Javanese culture, alternative views of
the world.¹¹ A kind of dividing up of symbols took place whereby
conceptions associated with Islamic or syncretist orientations came to
be symbolic of that political orientation. Islam as religion became
conceived of as congruent with a particular political faction and so
exclusivist in nature, and this process furthered the formalization
of religious identity in general. But as Islamic identity became more
self-conscious, so religious identity as a problem became more apparent
for secular party members, especially of the PNI. And, with the decimation
of the parties after 1965, this problem of how they were to conceive of
their religious identity became crucial. A way had to be found so that
traditional interests associated with identity as Javanese could be
embodied in a wider belief system more relevant to contemporary social
and political conditions.

In the period following 1965, the destruction of the Communist
Party and the banning of activities of the other parties helped create a
sort of power vacuum in rural society. The coup was a break in time;
political identity was frozen. The cognitive bearings formerly provided
by the ideological distinctions between the parties, which in turn could
be embodied in or expressed through religious and cultural differences,
had somehow to be redirected or redefined if the networks of leaders and
followers were to maintain their integrity. Fear on the part of the
PNI that the banning of the parties and the destruction of the communist
movement would open the way for a Muslim gain in power through their still
existing organizational bases,¹² spurred them to search for an alternative
organizational base. Local government policy in Central Java in
encouraging adherence to religion was an attempt to de-emphasize political
strife and counter communist influence (on the principle, it was said,
that communists are atheists and so non-atheists are non-communists),
and a way to undermine the strength of political parties in general. The
prominent role played by Muslim groups in the decimation of the PKI, and
new government programmes for religious consciousness conducted by the
local branches of the Ministry of Religion, increased this fear.¹³ For
those who were politically opposed to Islam then, Islam as a religion
was seen as synonymous with Islamic political organizations, and to
embrace Islam was to accept Islamic political hegemony.

The actual implementation of policy by local Muslims and the local
Religious Affairs Offices (Kantor Urusan Agama) was seen as a pressure
tactic which was forcing people to practise Islam. This was certainly
the case in reference to ex-members of communist organizations who were
subject to whatever government rehabilitation programmes were deemed
suitable, for religious instruction was often an important part of these
programmes. However, once the expansion of Hinduism began, there tended
to be competition over recruitment of ex-PKI members in the rehabilitation
programmes, especially in areas where sub-district officials were involved
in the Hindu movement and so had the authority to encourage ex-PKI members
to join that religion.¹⁴

It is within this environment of repression of political organizational
activity and increased emphasis on religious identity, and the manœuvring
of the Islamic community for greater power on the local scene, that the
Javanese who were allied with PNI groups and also ex-members of communist
organizations sought out Hinduism as a new basis for identity in
opposition to Islam. With the channels of political action narrowed by government restrictions, religion became the only realm in which organizational efforts could be channelled. Local leaders did not wish to lose their followings, nor did the followers wish to be abandoned by leaders and see the dissolution of the wider structures of which they were a part. One must also take into account that the PNI were not above suspicion of being implicated in communist activities, for a split in PNI leadership prior to 1965 had created two factions in the party, one of which was considered pro-communist. Thus, the turn to religion was expedient in reducing the possibility that PNI-led groups might be considered to be engaged in undercover leftist and pro-Sukarnoist organizational efforts. This then was the setting at the rural level for the founding of Hinduism. It has much to do with the nature of rural political structures and their dependence on forms of leadership based on personalistic ties. The involvement of PNI leaders was perhaps the most important factor in the initial establishment and rapid expansion of Javanese Hinduism in rural areas.

THE ESTABLISHMENT OF JAVANESE HINDU ORGANIZATION

Hinduism was thus the ideal solution to the political and religious bind in which those associated with the PNI found themselves, for Hinduism provided a religious alternative to Islam and Parisada Hindu Dharma provided an alternative organizational basis for nationalist and anti-Islamic feeling. The fact that Balinese Parisada leaders were overwhelmingly PNI members made it even more agreeable to Javanese PNI members and leaders. And the fact that the basis of membership was religious circumvented the matter of government restrictions on political mobilization. This is not to say that Hindu Dharma organization in Java was merely a cover for PNI political ambitions; it was a religious movement, but also one in which PNI members and those opposed to Islam in general could channel their need for organizational embodiment and thus maintain their followings in the villages. The way in which the movement developed is indicative of the all-encompassing nature of political organization and political identity in rural society prior to the coup. The organizational expansion of Hinduism followed existing political channels, and indeed recruitment of members was undertaken in precisely the same way as political recruitment had been, e.g. the formation of cadres in key areas who then spread out and utilized local networks in spreading information, widening recruitment and establishing sub-branches, etc. At base, the PNI at its most rural level of organization was very traditionalist and the difference between it and the newly-formed rural Javanese Hindu organization not very great. For many, an important link was made between Hinduism and President Sukarno, the founder of the PNI. Sukarno was seen much as a king of old, representing the greatness of Javanese tradition and history. The return to Hinduism was a return to this tradition and so could be conceived of as guarding the spirit of Sukarnoism as well as the traditions of Java. The fact that Sukarno's mother was said to have been Balinese reinforced the association.

In Central Java, one of the first branches of Parisada Hindu Dharma to be formed was in the city of Surakarta under the leadership of Hardjanto, already mentioned above. Hardjanto was head of the Surakarta branch and
also co-ordinator of Parisada for the area encompassing the ex-residency (ex-kareisdanan) of Surakarta, containing five rural regencies (kabupaten). The newness of the label of Hinduism and the uncertainty at first as to what it entailed and its sometimes uncertain status vis-à-vis local authorities, made the role of the Surakarta group very important in the establishment and early growth of the movement. Though the motivations of Hardjanto and some of his followers in taking on this role are linked to their own personal histories, it is important that Hardjanto had a reputation as a mystical leader and that he had already founded an organization which he saw as Hindu in orientation. The combination of help from Balinese leaders in Yogyakarta, plus the co-ordination provided by the headquarters in Surakarta, meant that advice was available on how to establish branches and that there were people of status who would travel to the rural areas to give talks and to teach people about the rudiments of Hindu ritual and doctrine, and thus provide content for the new religious movement. Such people were crucial in the rapid expansion and co-ordination of the movement through the regencies of Central Java, as they linked up with PNI leaders and others at the local level who did the actual recruiting and setting up of new branches.

The procedure in establishing rural branches varied somewhat in different areas. In places where Hardjanto or some of his associates had followers already, these individuals often took the first step in establishing a branch at the village level or in a group of villages, through their own networks. After there was suitable interest in a number of areas within any one regency, a branch of Parisada at the regency level could be formed to co-ordinate the further spread of Hinduism in that area. In some cases a regency-level branch was formed first, followed by subsequent creation of branches at the lower sub-district and village levels in a sort of pyramid form of organization. The Surakarta group published a small booklet about Hinduism containing information on the administrative procedures in forming new branches and registering them through Surakarta, etc. The administrative designs of branch formation was much like a franchising system, with Hardjanto granting 'franchises' to individuals for recruitment to Hinduism at the various administrative levels in the rural areas. When enough converts were accumulated and a branch formed with permission from Surakarta or Yogyakarta, then a ceremony (peresmian) would be held to celebrate its official branch status. This ceremony was often accompanied by public performances of shadow plays (wayang kulit) or dance dramas (wayang orang) which would attract further attention to the new movement and result in new recruitment of members and eventually in the setting up of new branches.

There were also ceremonies to celebrate the reception of new members as Hindus, i.e. a ritual marking conversion. This sort of ceremony was considered religious in nature and conceived of as a baptism ritual. The content of the ritual consisted of group prayers and purification through these prayers. It is perhaps the association between the use of holy water in Balinese Hindu ritual and water in Christian baptism which has caused the Javanese to conceive of conversion to Hinduism as similar to Christian baptism. This ceremony of receiving converts is variously called pensudihan, pensucian, pentahbisan or pembaptisan, the first term based on a Javanese root word and the equivalent of the Indonesian suci, indicating readiness, the second term referring to purification, and
the latter two referring to baptism. The very first baptisms of Javanese were done by Balinese as a part of their celebration of Hindu holidays, as was noted earlier. After the establishment of local branches of Parisada, these ceremonies tended to be done *en masse* within the particular village communities involved. To give some idea of the major occasions of formation of branches and baptisms in the early part of the movement in the area of south Central Java, I have included two tables at the end of this paper.

There were very few requirements to be met in order to become a Hindu. An individual merely had to register his name with local Hindu leaders and attend some communal prayer sessions in order to learn how 'to pray like a Hindu', which entailed learning the proper use of hand positions (*mudra*), and the use of flower petals, incense and holy water in the prayers, and perhaps a mantra or two. The actual ritual practice in prayers varied from one place to another, depending on from whom and how much a leader had learned about Balinese practice, and what books or booklets published by Parisada or others he had access to. While for the Balinese the core of ritual is the preparation of holy water (*tirtha*) by a Brahmin priest or, in a less complex ritual, by a *pemangku* (village temple priest), for most Javanese simply the inclusion and use in the ritual of a container of water, made it holy.

Hindu ritual for the Javanese was, for the most part, a minimal set of elements and actions which were sufficient to demonstrate Hindu identity. Rituals were communal and group prayers for a village would be held every so many days or weeks, much like a church service or Friday prayers at a mosque, for one of the criteria of a formal religion (*agama*) in popular conception, is to have some sort of communal worship service. Hindu prayers were also adapted to traditional *selamatan* practices. There also evolved ritual specialists, called *wasit*, a Javanese term meaning priest (*pendeta*), modelled on the role of the Balinese *pemangku*. This status was obtained by attendance at a course in religion sponsored by Parisada. I do not have space here to mention other aspects of Javanese Hindu ritual practice and its accommodation to Javanese custom.

Once a number of local branches were established, then the movement tended to develop a momentum of its own. People joined because their friends, relatives or neighbours did, or because a government official they knew of was a member. To some it seemed to be the religion of the government, at least if, at the village or sub-district level, important officials had joined. Or they joined because they thought it was the religion of the PNI, or because the Hindus in their village had started a dance or theatre troupe. This is not to say that all non-Muslim Javanese joined Hinduism, nor that the movement did not encounter organizational difficulties, both from without in the form of opposition from Muslim and military authorities and from within in the form of internal dissension and struggles over leadership. There was a peak in membership in Central Java in approximately 1970 and 1971. Since that time there has been a reduction in the size of active membership, for the sense of urgency deriving from the particular political and social conditions of the immediate post-1965 period is no longer there. Formal religious identity is a less immediate question in Java now (except for those Muslims in urban and some rural areas involved in a form of Islamic
activism), and in most areas the movement seems to have settled and reduced to a core of groups which remain active because of committed and active leadership. However, the idea of Hinduism as a formal religious option for Javanese is well established and, as government support and encouragement increases through the improved organization and local representation of the Hindu-Buddhist section of the Ministry of Religion, temples continue to be built and religious teachers trained.

CONCLUSION

The future of Parisada Hindu Dharma organization in Java, and of Javanese Hinduism as religion, might be said to be contingent on two types of factors. One has to do with Hinduism as a formal religion (agama) and its relationship to Javanese tradition. The close link between them, i.e. the particularly Javanese character of Hinduism there, has given Hinduism a role in revitalizing and preserving some elements of traditional Javanese belief and custom, although in an altered context. The turn to Hinduism was not a matter of conversion in the sense of taking on a new faith; rather, Hinduism provided a metaphor, a new organizing principle, for a new perspective on traditional beliefs and custom and so resulted, for a portion of the membership at least, in a re-examination and recontextualization of tradition. But in light of this association of Hinduism with tradition, if this tradition becomes less relevant in the face of inevitable social change, particularly for the younger generation, then where does this leave Javanese Hinduism if indeed a good deal of its energy comes from its link with and its ability to articulate tradition in new religious form?

The second type of factor has to do with the political conditions accompanying the genesis of the Hindu movement in Java and whether it will continue to have implications for the expression of political and religious division within rural society. Given the parallels between the religious mobilization of members and the basis and nature of political organization, and the process of competition for cultural and symbolic territory in the development of the movement, as Muslims and Hindus tended to try and divide up the domain of traditional Javanese symbols, then one might wonder if Hinduism's continued relevance depends to some extent on the maintenance of these ideological divisions in society or perhaps on their renewed importance at a later time. However, at the same time, the decline of political organizations and the explicitly religious basis of the movement serves to counteract and diffuse its original underlying basis in political division, a division which no longer is embodied organizationally since the banning of party organization at the rural level and the major rearrangement of parties at the national level. And, as a new generation comes up which did not experience the factionalism of the 1950s and early 1960s, the old lines of division become further submerged as new interests and concerns exert their influence.

The emphasis on religious identity in the years after 1965 has significance which goes beyond Javanese Hinduism per se, for the focus on formal religion in the context of the decline and suppression of political party organizations has meant that not only religious identity but both the organization and the content of religion has come to be of greater concern. This is as true of Islam - if not more so, especially in the last two years or so - as of Christianity and Javanese Hinduism and Buddhism.
The successes of the expansion of Hindu Dharma in the rural areas only helped to bring into relief the inadequacies of the rural brand of Islam, and this challenge may even have helped indirectly to stimulate a later resurgence of Islam in some areas. There does seem to have occurred in Java since 1965 a sort of revitalization of the major religions and a growth in mystical organizations as well. It remains to be seen how contemporary political and economic interests will be expressed in religious terms and whether this might lead to a division in rural society along the old lines, or whether new channels, new alliances, will be formed, for it would seem that the bases of conflict of the old order are being altered and subsumed by larger questions of the nature of the state and simple economic survival.

NOTES

The term 'revival' in the title of this paper is used for the reason that the movement was perceived as such by the Javanese, i.e. as a return to the religion of the ancestors in the time of the great kingdoms. Portions of this paper are based on Lyon 1977.

1 Similar though less widespread movements occurred in some other areas of Indonesia, e.g. in Sumatra among certain Batak groups, and in Sulawesi in some Toraja areas.

2 Most of the data on which this paper is based is drawn from south Central Java, where the movement was for a time relatively centrally controlled and well organized. The prelude to the actual formal founding of separate branches of Parisada Hindu Dharma by the Javanese was the decision by Parisada headquarters in Denpassar to allow its representative office in Yogyakarta to receive and give help to Javanese converts. The Yogyakarta office was allied with a Balinese cultural organization there, which served the Balinese community. The official acknowledgement by the Balinese in Yogyakarta of their readiness to receive Javanese converts came on 23 March 1967, and the first rituals of baptism were held during celebrations of Balinese Hindu holidays in the following few months.

3 The idea of six 'legal' religions in the period following 1965 is said to originate with Presidential Decision No. 1, 1965 (ratified by Parliament in 1966 with Ketetapan MPRS No. XIX 1966). The purpose of this decision was to 'realise' Paragraph 29 of the Constitution, which guarantees religious freedom. The explanatory section following the Decision specified which religions were meant to be covered by the ruling. These six are Islam, Protestantism, Catholicism, Hinduism, Buddhism and KongCu, the latter term used in reference to 'Chinese religion', and though it literally means Confucianism, it has been used as an administrative category for an amalgam of Chinese folk religion with Confucian, Taoist and Buddhist elements.

4 For a more detailed account of the movement in its various aspects, see Lyon 1977. For a shorter account based on data from East Java see Polak 1973.
The distinction between *agama* and *kepercayaan* is contained in Paragraph 29 of the Indonesian Constitution. There has been much debate in Indonesia about the meaning of this distinction and its implications for government policy toward both world religions and the indigenous religions of the peoples of various areas of the archipelago, and also policy toward the large mystical sects and organizations of Java (*aliran kebatinan*). Some of the latter organizations wish to see their teachings given equivalent legal and religious status as the world religions. See Sijdabat 1965 for further information on the early history of the debate.

Agama adat refers to traditional beliefs and customs of the rural Javanese. The term *kejawen* is also used for this. *Kejawen* literally translates as 'the Javanese people', that is, the people of inland East and Central Java as opposed to the Pasisir areas of the north coast of Java and the Sundanese people of West Java. *Islam adat* refers to traditional practices mixed with Islamic elements.

Candi Sewu is a Buddhist temple complex near the market town of Prambanan. Prambanan is also the location of the large ninth-century Sivaite complex, and is not far from Yogyakarta. The old temples are under the jurisdiction of the Department of Antiquities (Dinas Purbakala). They are tourist sites, and permission to use them for ritual purposes is often difficult to obtain. Candi Sewu, being a lesser temple and less frequented by tourists, was the choice in this case.

For further discussion of the process of polarization during the period of political mobilization of the rural people, see Jay 1963; Lyon 1970.

The Land Reform Act of 1960 promised land to all peasants. Failure by the government to implement it according to plan caused the PKI and its peasant organization, the BTI, to attempt to implement it themselves through unilateral actions (*aksi sepihak*), such as the forced occupation of land, or moving in to plant or harvest land which was subject to reallocation under reform law, etc. These actions severely exacerbated political conflict in the many rural areas in which they were undertaken.

The Javanese syncretist religio-cultural orientation is characterized by animist beliefs, the importance of village founder and ancestral spirits, and ritual observances centred around the maintenance of the *selamatan* cycles. Custom and belief vary from place to place, village to village. It is adherence to these local traditions which is seen as the basis of Javanese identity, as evidenced by the terms *agama adat* and *kejawen* (see note 6) and also *leluhur* (lit. ancestors) used in describing Javanese belief and the maintenance of local traditions.

See Lyon 1977 for further discussion.

See the discussion of Boland 1971 on the role of religion in government policy and for more information on Islamic perceptions of their role in the post-coup period.
In 1966 the Ministry of Religion formed a 'Body for Activation and Building of Religion' (BAPPENKA: Badan Pengerak dan Pembinan Keagamaan) in order to encourage religious activity. The Office of Religious Affairs for the province of Central Java, acting on the encouragement of the Ministry, then designed a provisional programme for the implementation of the Ministry's order. This was called 'Pilot Project for the Promotion of Consciousness of Religion' (P3A: Pilot Projek Pembinaan Mental Agama) and was put into effect in several regencies in Central Java to be administered by regency and sub-district level Religious Affairs Offices, with the function of strengthening Islam in the rural areas. It drew the attention of the Minister of Religion in Jakarta, who then issued a decision in 1970 that the programme be copied and undertaken in each province. Emphasis was placed on recruiting of new personnel and their training as teachers and administrators, encouraging religious observance, and construction of places of worship.

The competition over 'religious recruitment' of ex-members of communist organizations during the meetings, lectures, etc., of the rehabilitation programmes caused much tension between Hindu and Muslim officials, with Muslims branding Hinduism as being the religion of communists and Hindus accusing Muslims of forcing people to follow Islam.

Prior to his involvement in Javanese Hinduism, Hardjanto Pradjapangarso had already formulated and to some extent founded his own organization, Sanaata Dharma Majapahit Pancasila (Sadhar Mapan in acronymized version: 'The True Religion of Majapahit and Pancasila'). Though he became head and advisor for Parisada in Surakarta, and indeed had been central in its founding, he did not formally join Parisada or become Hindu in the sense of following Balinese Hinduism. He continued to espouse his own brand of religion, which he considered to be more true to the pre-Islamic traditions of Java than contemporary Balinese Hinduism. He was anti-Islamic in the extreme. In 1972 he formally broke with Parisada and put his efforts into expanding Sadhar Mapan, and a number of his followers did establish branches in their own areas of residence. Some of his critics say that he only used Parisada after 1965 because of government emphasis on formal religion, for he wanted to identify himself and his own group with Hinduism in government eyes. He considered Sadhar Mapan to be a sect of Hinduism, while the government tended to see it as an aliran kebatinan (mystical organization).

The criteria perceived as important in identifying what constituted a religion (agama) were the following: a holy book, a prophet, monotheism, and some sort of communal worship. Muslims often accused Hinduism of not being a true religion because they could not meet these conditions. Javanese Hindus justified Hinduism as a religion on the grounds that the high god was Sang Hyang Widhi Wasa, who was considered identical to Sang Hyang Tunggal, the highest deity in the wayang mythology (see Forge this volume for explanation of this god in Balinese iconography). Sang Hyang is an honorific phrase; tunggal means oneness. According to some, Sang Hyang Tunggal is equivalent to Tuhan or God, the one high god. The other deities of Hinduism become, then, manifestations of the one god. As for a holy book, Hindus said they had the Vedas. The matter of a prophet was a bit more difficult, but since the Balinese have a tradition of Hindu saints called rsi, it was considered that these could qualify as prophets.
In addition to ritual for communal prayers and the fact that the use of mantras and Hindu prayers were introduced into *selamatans*, there was an effort to develop Hindu ritual practice to be used in funerals and weddings and for the celebration in Java of the major Balinese Hindu holidays such as Galungan, Kuningan and the day honouring the Goddess Saraswati. A special ritual or celebration of this sort was usually conducted by a *wasi*.

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Polak, Mayor J.B.A.F. (1973), 'De Herleving van het Hindoeisme op Oost Java' (Voorpublikatie Nr. 8), Afdeling Zuid- en Zuidoost Azië, Anthropologisch-Sociologisch Centrum, Universiteit van Amsterdam, Amsterdam.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>April 8, 1967</td>
<td>Hari Rayan Kuningan (holiday): <em>Pensudhian</em> of additional candidates. Total 'baptisms' for both the above ceremonies as reported: 300</td>
</tr>
<tr>
<td></td>
<td>Total names on lists in Surakarta files with <em>kabupaten</em> (regency) of origin: 46 (Boyolali: 10; Klaten: 4; Stragen: 3; Surakarta: 29)</td>
</tr>
<tr>
<td>June 28, 1967</td>
<td>Peresmian (ceremony) for founding of Parisada Hindu Dharma Surakarta branch, held at Candi Sewu (a temple near Prambanan). Attended by Director General of the Hindu-Buddhist Section of the Ministry of Religion in Jakarta, a Balinese member of Peoples' Consultative Assembly, a representative from Tengger in East Java, and various government and Parisada officials from Surakarta and Yogyakarta. A <em>pensudhian</em> was held at this time also. Total baptisms from report: 150 Total names on lists in Surakarta files with <em>kabupaten</em> of origin: 82 (Klaten: 58; Stragen: 18; Surakarta: 6)</td>
</tr>
<tr>
<td>July 8, 1967</td>
<td>Celebration of founding of Parisada Hindu Dharma Surakarta at Sriwedari, a large public park in the city of Surakarta, with performance of a <em>sandratic</em> (dance drama) by Balinese students from Yogyakarta. According to Parisada Surakarta, 10,000 people attended the performance. A brochure was distributed containing copies of speeches by Hardjanto, an announcement of the founding, and news of a registration centre set up to receive new members.</td>
</tr>
<tr>
<td>August 21, 1967</td>
<td><em>Pensudhian</em> at Candi Sukuh in <em>kabupaten</em> Karanganyar. Attended by a representative from the Ministry of Religion, and representatives of Parisada in Yogyakarta. Total baptisms according to reports sent to Bali: 250 Total names on lists in Surakarta files with <em>kabupaten</em> of origin: 50 (Karanganyar: 32; Klaten: 12; Surakarta: 6)</td>
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<tr>
<td>Kabupaten</td>
<td>Date</td>
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<tr>
<td>Klaten</td>
<td>November 14, 1967</td>
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<td>February 27, 1968</td>
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<td>Boyolali</td>
<td>October 4, 1967</td>
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<td>February 11, 1968</td>
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<td>June 7, 1968</td>
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<td>Sragen</td>
<td>May 12, 1968</td>
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<tr>
<td>Karanganyar</td>
<td>February 23, 1968</td>
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<td></td>
<td>August 12, 1968</td>
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<td></td>
<td>September 13, 1969</td>
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The facts of Balinese history are well known, and nowadays much publicized: it seems almost as if this 'Hindu' enclave was left behind on purpose to form a paradise for the Australian surfer, the American hippie, and the Japanese businessman. Yet, although it is doubtful if the last few hundred years of Balinese history were designed for the tourist trade of the seventies, certainly their effect on the Balinese has been profound and made them at all levels, from the raja prince and high priest to the peasant, extremely inwardly directed, regarding the world outside Bali as containing nothing that could change Bali for the better, although possibly providing goods and services that might be added to Bali. Thus has been created the culture that 'turns on' the industrialized nations of the seventies. In fact, since the fall of Majapahit, Java, seen by the Triwangsa as the source of their legitimate claims to aristocracy, has also been transformed into the centre from which threats to Bali's political and cultural independence come, first in the form of Islamic expansion, later in the form of Dutch Imperial power, and now, to some extent, in the form of the Indonesian Republic. The Dutch finally ended Balinese political independence just over seventy years ago.

Current Balinese attitudes have to be seen against this background of centuries of cautious trade and perceived threat, sometimes met by more successful counter-threats by the Balinese - Bali not only ruled Lombok for centuries, but also successfully defied Mataram in the late seventeenth and early eighteenth centuries, defeating attempted invasions and for decades dominating the far east of Java and supporting regimes favourable to themselves in Blambangan. Balinese attitudes to the outside world are not, then, just the reflection of cultural attitudes to the surrounding sea, regarded in Bali as the home of all evil and pollution, but also have a strong historical foundation in realpolitik. When the long-threatening Dutch finally arrived in south Bali in the first decade of this century, their colonial policy was much softened from the extortion in various guises that Java had long experienced. In fact they seem to have set out not only to preserve Bali's difference from the rest of the East Indies but to emphasize and reinforce it. In the thirties Bali was already a Mecca for the genteel tourism of the artistic and sensitive bourgeois and in 1938 the southern rajas were actually reinstated in their titles and almost all their powers in a huge ceremony at Basakih. With the abolition of slavery, opium and war, the rajas back in their palaces with discreet Dutch advisors, it seemed as if heaven had really come down to earth, at least for the resident expatriate.

By the time then that Bali was integrated into the new Republic of Indonesia, after a very troubled period including the heavy involvement of some Balinese in the abortive Dutch-sponsored Federal Republic, there were no emerging modern political institutions. The preceding years of
Japanese occupation and liberation struggle had, in fact, been close to the traditional conception of 'dis-order'. The new Republic confirmed the existing rajadoms as kabupaten, and in the majority of cases the bupati came from the family of the preceding raja. The basis of political authority therefore remained initially traditional, and the bupati's office took over the provision of essential ritual services previously the responsibility of the raja, for instance, the cleansing of the kingdom at the end of each year in a Taur Agung ceremony.

If during the Dutch period there was no change in the political sphere in the south, there was, in north Bali, the beginning of an awareness of the place of Balinese religion in the emerging 'Indonesian' consciousness. The Dutch administrative centre of Singaraja, under effective colonial rule since the 1850s, was in continual contact with Java and aware of such developments as Muhammadiyah; it had also been the main scene of various attempts to introduce Christianity. Some north Balinese founded an organization which was in many ways typical of such modernizing religious organizations; it tried to establish a school and publish a newspaper and pamphlets on religious subjects. This organization, called Santi, was open to members of all castes, but the proclaimed ideal of equality between all Balinese proved difficult to achieve and in 1925 a breakaway group called Suryakanta was formed by the more active Sudra members. Suryakanta fought for the removal of all distinctions based on birth and enshrined in the caste system. The next year the Tjwađega Hindu Bali (Tjatur Wangsa Deri Gama Hindu Bali) was founded. This organization (essentially the other half of Santi) although open to all castes, was dedicated to the preservation of Triwangsa ideals (Bagus 1970, 1972).

The modernizing effort was, and continued to be, directed towards the creation of a religious system that could stand beside Islam and Christianity, especially in the towns, and satisfy the needs of educated government servants and entrepreneurs. The emphasis on literacy and schooling was contrary to the values of traditional Balinese religion which, as Geertz has emphasized, is primarily concerned with orthopraxy rather than orthodoxy (1964). The superiority of the Brahmana was based not just on birth but also on their possession of, and ability to read and understand, texts in the form of palm-leaf books (lontar or rontal) preserved and copied in their families for generations. These texts contain mantras and other ritual formulae, as well as the outlines of a theology that, being based on the worship of Siwa as manifested in Surya, the Sun God, could be regarded as monotheistic. These literary sources were, however, essentially secret private property, and the knowledge they contained was valuable not only as theology but also as a source of income. The foundation of the Kirtya Liefrink-van der Tuuk (now Gedong Kirtya) in the 1930s was a move by Dutch and some Balinese scholars, supported by the colonial government, designed to make available as copies some of the private holdings of lontars in the griya (Brahmana houseyards) and puri (palaces). Although an impressive collection of manuscripts was made, this move met with some opposition and was by no means totally successful. For instance, the copy of the Bhāratayuddha in the Gedong Kirtya is a copy, put back into Balinese writing, of the edition published in 1903 by Gunning. As further evidence of the continuing power of secrecy, it only became known in 1978 that two further copies of the Nāgarakṛta-śāstra, probably the most famous of all lontars, are still preserved - one in a griya in Klungkung and one in Karangasem. The number of people who have
been allowed to see them is very limited, but they are apparently in
excellent condition and said to be more complete than the version looted
at the fall of Mataram in 1894.

The Santi and its succeeding organizations looked to India as a
source of religious refreshment and universal relevance. This aspect
was emphasized both in the title used for the religion, 'Hindu Dharma',
and in some of the publications, such as the translation of the
Bhagavadgita. (These characteristics of this first of the Balinese
modernizing movements have been preserved in all subsequent versions.)

As was suggested above, the religion practised by the Brahma (or,
more correctly, by the padmanda, high priests of Brahma caste) is,
although there are areas of overlap, in many respects a different religion
from that of the majority of the Balinese. All Balinese, including the
Trisangea, worship their ancestors both directly in 'genealogical' temples
and indirectly as village gods, and founders of villages, wards, irrigation
societies and other organizations. There are regular temple festivals
controlled by the Balinese wuku calendar of a year of 210 days. These
ceremonies (oda lan) are the major communal rituals of Balinese life and
their preparation and performance, together with the life-cycle rituals
(which are mainly concerned with the correct path through life to
deified ancestorhood), form the largest part of the communal demands on
the financial and labour resources of the Balinese villager. All these
rituals are essentially community rituals, firmly anchored to the
ownership of houses and land and to membership in village (desa) and
ward (banjar) as well as other basically egalitarian village organizations
such as the irrigation societies (subak). To own property, to live in a
houseyard, to cultivate either wet or dry fields, means in traditional Bali
to have inescapable ritual obligations as a member of a set of temple
organizations. Not to fulfill those obligations means the end of social
existence and the loss of all rights to property and inheritance, as well as,
in terms of belief, the impossibility of reincarnation as a human
being and either an eternity of wandering as a miserable spook or rebirth
as some form of lowly animal.

The rights of the aristocrats were based on the same set of rites,
but with the participation of, and massive contributions from, their
subjects. In return, the ritual duties of the princes to their subjects
seem to have been mainly concerned with the negative side of the super-
natural; that is, the political authorities at all levels were responsible
for cleansing the territory they governed from the influence of butas and
kalas. These evil spirits are conceived in the high theology as the
negative aspect of gods, but to the village Balinese they form a vast
tribe of more or less independent workers of mischief and evil, responsible
for most misfortunes and disasters. These rituals were carried out both
at pre-set times, e.g. the end of the Hindu-Javanese solar year, and as
the occasion arose. The hierarchy of such rituals reached a climax at the
island-wide cleansings held at Besakih (the so-called mother temple) under
the control of the Dewa Agung - the Raja of Klungkung and in theory the
source of all political legitimacy. These ceremonies should be held every
ten years (the Panca Wali Krama) and once every one hundred years (the
Ekadasa Rudra). The island-wide extent of these rituals confirmed at
least the ritual overlordship of the Dewa Agung.
In essence, all these rituals are territorially bound; even the life-cycle rituals need the participation of more than the immediate family. Cremations in particular, the first step to ancestorhood and a binding obligation on kin, cannot be performed without the participation of the banjar. Odalan, in which the deified ancestors and other local gods descend again to earth to be honoured and entertained, must be performed where the ancestors lived, in the temples where they themselves worshipped or where they may even have founded. There is no space here to go into the details of Balinese ceremonialism, but I trust the major point emerges clearly, that, as practised, Balinese religion is not concerned with the relation between a congregation or individual and a god or even gods that can take place anywhere: both worshippers and worshipped are highly localized. It is not a 'transportable' religion.

The religion of the Brahmana padanda, although it shares the ancestral element of the general Balinese religion, contains a further element. The worship daily performed by the padanda has no geographical limitation; it can be carried out anywhere as long as the correct safeguards for purity are carried out. The religion of the padanda, either Siwa or Buda, is only obtained by long service to another padanda, during which the postulant is trained not only in the correct interpretation of texts but in all the mantras and mudras (hand gestures) that are needed for the preparation of holy water (tirta), which is the padanda's most important public function.

The consecration of a new padanda is a major ritual involving not only the main candidate but also his wife, if she is a Brahmana by birth, and sometimes his sister as well. These women may also be consecrated in their own right, and there are many padanda isteri in Bali, some widows of padanda, as well as those who practise independently of male padanda. The religion of the padanda is not essential to ordinary Balinese ritual. Although tirta is essential in any ritual, there are many possible sources of it not involving padanda, yet the tirta of padanda is believed by most Balinese to be the most efficacious and the use of tirta padanda or, better, the presence of a padanda at a ceremony, is a sign of high prestige. When attending a ritual of the lower caste, a padanda sits high, often at the back, ignoring the ritual around him, only making tirta at the appropriate time. He is always careful to avoid any actions that could be interpreted as any sort of deference to, or even interest in, the gods that form the focus of the temple community's ritual activities, since these are effectively ancestors of lower caste people and hence themselves inferior to the padanda in ritual and social status. Padanda do worship from the ground when invoking their own ancestors, otherwise they must be separated from the ground after lustrations in order to be sufficiently pure to be entered by Siwa as Surya, who through them makes the water holy (see, e.g., Hooykaas 1966).

This extremely abbreviated summary of Balinese religious practice will have to serve to make three essential points:

1. The vast majority of religious rituals of the vast majority of the population are concerned with very local gods - in fact, deified ancestors - and involve local temples and local groups. Performance of these rites was a pre-condition of membership in society and hence ownership of property or houseyards, etc.
2. The ritual functions of the princes were mainly protective, cleansing the territories under their control. Otherwise, royal rituals, although very much larger in scale than those of commoners and attended by large numbers of subjects, are essentially the same as those in 1, although the areas covered are larger.

3. The aspect of Balinese religion which involves an omnipresent supernatural power is almost exclusively the property of padanda. The office of padanda (and the very few people of other castes with similar qualifications) can only be obtained through long apprenticeship with a teacher and access to books traditionally kept secret.

Under these circumstances, the opening up of bureaucratic and other employment in the growing towns and areas of the tourist industry poses very real problems to the Balinese. Most employers take a reasonably lenient view of the necessity for employees to return to their home villages for days of ceremonial. The failure to contribute labour to the temple association can be amortized in the form of cash, yet for the ambitious bureaucrat, even if serving in Bali, the demands of traditional ritual, operating on the basis of a calendar which has no connection with the world solar year calendar used by the state, are impossible to meet adequately. Many seem to have abandoned any attempt to keep up on any regular basis with all the temple communities to which they traditionally belong, although most intend, when they retire, to re-integrate themselves into these communities.

THE REPUBLIC

Whatever the personal needs and desires of individual Balinese with education and a wider-than-Bali perspective, the foundation of the Republic of Indonesia created an urgent political need that was perceived as threatening the whole future of Balinese culture. The first principle of Pancasila, the basis of the constitution, is Ke-Tuhanan yang Maha Esa - 'the fact of God being one'. When the new Ministry of Religion was founded it only included Islam and Christianity. Not only was Balinese religion excluded, but there were clear indications of a view in important circles that Balinese Hinduism should be classed as a 'religion of ignorance', as were some of the 'animist' religions of eastern Indonesia. These points of view were vigorously countered by the Balinese and during the 1950s exchanges took place in the press and even in parliament (see Swellengrebel 1960 for a brief account).

As early as December 1950, a group from the central government came to ask questions about the nature of Balinese religion: What was its name? What was its philosophy and attitude to the concept of the single God? What holy book did it have? Were there religious schools? There were other questions on the same comparative basis. I Gusti Bagus Surgriwa replied on behalf of the provincial government, and the first point he made seems to have been that, since the 'Dewan Radja' no longer existed, it now fell upon the new government to maintain the Pura Besakih as the central temple of Bali; he also mentioned the need for Rp 15,000 for a ceremony. He said that padanda and pemanaku (temple priests) were being asked to assist in schools (Anandakusuma 1966). Early the next year Balinese officials were directly asking for aid from the Ministry of Religion and other government agencies, and the pressure from Bali for recognition of Balinese Hinduism as one of the great religions, with
a department in the Ministry of Religion, was fully launched. During this period it seemed, at least to some Balinese, that it was only President Sukarno who preserved Bali from the attack of Islam and the pressure of excessive modernization on the religion that to Balinese was the essence of being Balinese. Sukarno, who had a Balinese mother and came every year to spend a period in the fine presidential palace he had had built at Tampaksiring, next to one of the holiest springs in all Bali (Tirta Empul) was considered by many to be favourable to Bali, but others found his interest in Bali sometimes embarrassing.

By 1958 it was reported that the Minister of Religion, in the course of a debate on the budget, had said that a Department of Bali-Hindu Religion was to be created in his ministry, but it was apparently 1961 before this actually happened. It was only in 1962 that Balinese religion was finally included as a 'Great Religion' in Indonesia (Geertz 1964).

The fifties were, then, a vital time for Bali. It was obvious that it had to win a place in Indonesia not just by political but by religious action. On top of the ferment of the PNI and later PKI politicization of Bali was the need, agreed to by all the educated and politically aware (except possibly some of the hard-line PKI intellectuals), to get Balinese religion recognized as being on a par with Christianity and Islam in Indonesia. Geertz's paper on 'Internal Conversion' (1964) and Anandakusuma's little book (1966) between them give a convincing account of this period, with personal reflections and dissatisfaction on the one side and the formation of committees and the drafting of texts on the other. What emerged from this process was the Parisada Hindu Dharma, originally founded on 23 February 1959 as the Parisada Dharma Hindu Bali. This organization enjoyed substantial government approval from the start and its initial controlling committee contained many famous Balinese names, including the Dewa Agung. Parisada was initially firmly PNI in complexion, and concerned not only with the preservation of Balinese religion and culture but also with the maintenance of some version of the traditional system of authority. Parisada has, on the whole, flourished. It conducts seminars and conferences and it publishes many books and pamphlets on all aspects of religion. But its most profound impact has probably been outside Bali, where Balinese Hinduism, now secure within the Indonesian state system, has had many converts and founded many branches under Parisada aegis. This is particularly true in East and Central Java, where many nominal Muslims of abangan persuasion have seen Parisada as an answer to their problems, and where the expansion of membership after 1965 was very fast (Lyon 1977 and in this volume). In this external effort, in which the success was almost overwhelming, the demands of the new organization were very different from the need for the rationalization of Balinese religious practice. Parisada members and other Balinese in Java were being asked: 'How do we become Hindus?' Lyon even mentions ceremonies of mass 'baptism' (1977, p. 50). In Bali, at the time of its formation, Parisada was closely identified with PNI and this political flavour seems to have added to its attractions for many Javanese.

The pressure for rationalization through a process of questioning and thinking about an already ancient set of religious practices that Geertz envisaged in his 'Internal Conversion' paper (see also Geertz 1972), was therefore overtaken by the necessity of producing not only a rationalized religion in terms of beliefs but also a set of ritual practices for a
population who had no deified ancestors or temples and only very occasional access to a travelling padamda. The balance between internal reform and external proselytization was early set in favour of the latter. There was also a contrast in the nature of those attracted to Parisada. In Bali they were mainly literate town dwellers or aristocrats; it had almost no effect in the villages. In Java the enthusiastic welcomers of the officially sanctioned Hindu religion were not the local elite; much of the support came from rural areas, and the peasants and urban disadvantaged were the main recruits. By 1970 the Parisada had its headquarters and eight other branches in Bali. At the same time it had nineteen branches in East and Central Java and a further twenty-one in the rest of Indonesia (PHD 1970). This distribution of branches seems to have reflected both the distribution of effort and the demand on the religious services offered.

The recognition of Balinese Hinduism as one of the great religions came at last in 1962. By then it had already been decided to celebrate the great ritual of Ekadasa Rudra in 1963. Considerable government and provincial funds were involved but it is now difficult to find out precisely how the ritual was organized. It is necessary to say something about the character and meaning of the ritual if the importance of subsequent events is to be realized.

The Ekadasa Rudra is the greatest of the cleansing ceremonies, it should be held once every 100 years at the end of each Saka century. It was traditionally staged by the Dewa Agung with the co-operation of all the princes, areas and even villages of the whole island. Holy water from Mount Sumeru in Java is now considered necessary - the only Balinese ritual that requires any contact with the world outside Bali. Early 1963 was 1884 Saka and the climax of the rituals was planned for the end of the Saka year in March. The holding of the ritual at all was justified on two major grounds: first, that it had not been held for much more than a hundred years and, second, that it was advisable to hold an Ekadasa Rudra if circumstances were or had been very bad at any time so that the ritual would stabilize the situation and allow order, inherently good, to take over again. In addition, President Sukarno announced that he would attend and that, further, a world conference of travel agents meeting in Jakarta was to be taken to view the ritual climax.

The ceremony, which takes approximately two months, has as climax the actual cleansing, by the appeasement of the eleven Rudras, held on the last day of Saka 1884 - 8th March 1963 - the centre of the ceremonial period. As an essential preliminary to the holding of the ceremony all the uncremated dead throughout the island had been disinterred and cremated, a duty which spread the financial load involved in the ceremony into every houseyard. The preliminary ceremonies at Besakih started in early February. On the 18th, Gunung Agung the highest mountain, previously believed a dead volcano, on whose slopes the temple of Besakih sits, started to erupt. The mountain began by pushing out clouds of smoke and ash but these manifestations gradually intensified. By the day of the Taur Agung, 8th March, the activity was very noticeable. Ash was falling in great quantities, and the offerings withered and shrivelled before they could be put out. The white robes of the priests were transformed to grey and then black within minutes, by the fall out. Earth tremors damaged some of the structure of the temple but it escaped any direct damage, although the road
bridge to the temple was destroyed in the later stages of the eruption. The Ekadasa Rudra was completed, in form at least, despite very considerable difficulties, but the eruption continued and lava flows, \textit{nuee ardente}, and other manifestations killed many, particularly in the area immediately above Karangasem on the southern face of the mountain (Besakih is on the southwest face). The eruption was a major disaster for the whole of eastern Bali and, coming on top of a plague of rats, made 1962–63 a new low in Balinese history (Mathews 1965).

Worse, however, was to come with the aftermath of Gestapu (the Indonesian acronym for the attempted communist coup of 1965). The extent of the killings in Bali are not accurately known but 60,000 is a minimal estimate. There are many stories from this period, some indeed of remarkable courage and loyalty, but I am not going to consider them here. The point is that the overall effect of the period of 1962–66 was undoubtedly one of unmitigated disaster for Bali. The Ekadasa Rudra could indeed be perceived as not only failing to cleanse and pacify the world but as actually unleashing the first of the great disasters, the eruption, possibly by incorrect or inappropriate ritual.

In the period of the establishment of Suharto's government there was an intensification of traditional ritual practices and a re-assertion by traditional political authorities of their position, both as natural leaders and as ritually responsible for their communities. In retrospect, the killings of late 1965 and early 1966 are referred to as \textit{bersihan} and are justified, when they are spoken of at all, both by the impieties of the 'communists' and by the manifestation of divine disfavour. For instance, it is now widely said that although 'communists' made temple offerings they incorporated excrement in them in place of flowers; this would have been literally impossible. Again, in the volcanic eruption whole villages were buried in lava (including a wholly Muslim group, a continuing source of satisfaction to many Balinese), but destruction further away from the volcano took the form of rivers full of red hot stones and boiling water which covered many areas of \textit{sawahs} and villages as far away as Klungkung. An eyewitness to the destruction of one of these villages described how the stones and the boiling water sought out the houseyards of those who were not sincere Balinese and destroyed them first. The fact that the whole village was ultimately buried to a depth of three to four metres makes no difference, in the mind of this informant, to the clear singling out of the impure. Many of those who were subsequently killed were said to have been reconciled to their traditional rites and beliefs before death. In fact, it seems rather unlikely that there was any very pronounced or obvious backsiding from traditional practice by any group or individuals at this period, although there is plenty of evidence of political disagreements. However, the idea that there were some 'very bad Balinese' about in those days is still widespread in educated and other circles.

The effects of this series of disasters in the period 1962–66 on the changes in Balinese religion will be considered below.
THE NEW RELIGION

Parisa da and the officials of the Direktorat Jeneral Hindu dan Buddha of the Ministry of Religion are agreed that Balinese religion believes in a single creator God, of whom all the other gods are refractions or manifestations. The single God is known as Sang Hyang Widi, or sometimes Sang Hyang Widi Wasa. Sang Hyang are titles used for high gods, but Widi was until recently almost unknown as an object of direct worship, not only in writings on Bali by Western scholars but also to the majority of Balinese themselves. The explanation given is that the concept of Sang Hyang Widi as the true unitary creator was in general unknown to villagers, who believed in a multiplicity of gods, because it was restricted to a few by the traditional secrecy attending all esoteric knowledge and religious insight. Certainly his existence was not very obvious in pre-war accounts and his role totally unexplained. Katharane Mershon (1971), describing the great post-cremation ceremonies that the Raja of Karangasem held in August 1937, records the highest padmasana (lotus throne) as dedicated to Sang Widhi - 'Holiest of All'. Mead and Bateson also attended and took the photograph that Mershon later borrowed to publish. They, however, record the same padmasana as dedicated to Betara Surya - the Sun God. Similarly, Swellengrebel (1960) quotes an identification between Widi and Paramai Swa. It seems clear that Sang Hyang Widi was part of the central creating unity of traditional Balinese religion, but not so closely identified with particularly Siwaiite doctrines and therefore more likely to be acceptable to the whole range of Balinese, including Brahmana of the Buda rite.

Writing in 1959, Swellengrebel derives the word Widi from Sanskrit widdhi giving the meaning, 'law, rule, order, fate'. He also quotes a report that in breaking ground in a new settlement where there were no ancestors or desa gods a shrine might sometimes be erected to Sang Hyang Widi. Otherwise, says Swellengrebel 'temples, altars, and god-seats are not dedicated to 'him' (1960).

This has all changed. Parisa da needed not just schools and publications but modern montheistic ritual and architecture as well. On the main square of Den Pasar, on the site of what was the Veteran's Memorial, stands the Pura Agung Jagatnatha, designed and built by Parisa da with generous official aid. This temple is unlike any other in Bali. It is dominated by a very tall single padmasana placed in the middle of the area. This lotus seat is a very large and centrally placed version of the one traditionally dedicated to Betara Surya but in this case is dedicated to Sang Hyang Widi. In addition to an odalan on the anniversary of the founding, there are ceremonies held every full moon and dark of the moon (purnama and tilem), which are attended by the prominent members of Parisa da and also by the future town-dwelling elite, mainly school-children and university students. The 'service' consists of mantras said aloud by the priest, in which the congregation joins, and usually also a sermon by the high priest. In short, the 'service', as the architecture, differs in all fundamental respects from that of any of the traditional forms. As far as I know the Pura Agung Jagatnatha is the only one of its kind in Bali and the services conducted there are not repeated in any other temple in Bali, although more or less public use of mantras and prayer characterizes some meetings of Parisa da branches and there have been attempts to introduce such features in some major rituals such as the Panca Wali Krama at Batur. For some of the troubles with the development and adaptation of suitable ritual forms outside Bali see Lyon 1977.
The process of rationalization of religious practice continues inside Bali, but the political aspect of Parisada has declined with the firm establishment of the Suharto government. The acceptance of Parisada into Golkar in 1968 alienated many of the PNI-oriented Balinese. The leadership of Parisada is nowadays more definitely religious, although the present Secretary-General, I Wayan Surpha, is an ex-policeman. The process of the codification of Balinese culture into a form acceptable to the government and emergent bourgeois is now shared by a veritable forest of acronyms in the form of official cultural agencies and academies. Parisada runs seminars and considers all aspects of Balinese religion as traditionally practised. In some ways Parisada shows much more respect for tradition than other rationalizers. For instance, a recent group considered ngarap, the fighting over a corpse that was part of traditional cremation practice. This custom is very much frowned on by many government officials and aspirant middle-class Balinese as uncivilized and savage, but it is still valued by many villagers. Rather surprisingly, perhaps, the Parisada group came out with the recommendation that the practice should continue, but in a modified form. In general, such Parisada recommendations are merely statements about the desirable and have no binding force.

Parisada can and does try to interfere to an increasing extent in village affairs. In 1977 the huge complex of villages - Gelgel, Kamasan and Tojan - that form one ritual community with a population of more than 10,000, was polluted (sebel) by a birth of twin boy and girl to a Sudra. No rituals may be held until the area is purified and at least thirty-five days must pass before the purification can start. Among the rituals that were caught in the prohibition was the odalan for the Pura Dasar, Gelgel. This ceremony is attended by members of the temple community from all over the island and is one of the great festivals of Bali. Parisada argued very strongly that the manak salah (twin pollution) should be abandoned, that it was old fashioned and costly to hold special purifications. They succeeded, with the aid of the Dewa Agung, in persuading the Pura Dasar to hold its odalan, but every other temple and banjar refused to abandon traditional practice, and many other rituals due were cancelled.

However, the main thrust of Parisada's effort towards rationalizing, educating, and trimming rituals to better fit today's thinking and purses, has recently been somewhat overtaken by ritual necessity. The decision to hold the Ekadasa Rudra again, at the end of the Saka century, was taken several years ago. This time there was to be no mistake, the rituals were to be perfect. So a powerful and learned committee was set up which traced all the lontars it could, both in Bali and outside, bearing on the past performance of the ceremony. The aim was to get it right; the assumption was that there had been something wrong in 1963 and that the eruption and other disasters were either caused by, or at any rate in no way mitigated by, the performance of the ceremony at the wrong time, omitting various parts, and possibly misperforming others. We thus had a very interesting situation where a modernistic rationalizing process - the careful collection and collation of texts to establish a 'correct' text - was used for the purpose of ensuring that the traditional unrationalized ceremony was right in every detail, a re-creation of the last time it had been performed, probably in the eighteenth century or possibly even earlier.
The Ekadasa Rudra of 1979 was a great success by every standard, but it did nothing for the establishment of simple and cheap ritual as part of a modern monotheistic religion. It was a great political religious rite dominated by concepts of hierarchy and the peace that comes to the world when its 'natural rulers' perform their duties and look after it. Much attention was paid to the proper sacrifices and great efforts were made to collect the right animals and dedicate their bodies to the correct directions. The fact that some of the animals sacrificed are protected in Indonesia and scarce in world terms attracted some adverse press comment in some parts of the world. Indeed, it seems that the one that was really missed, that is, a human sacrifice, would probably have been more acceptable, at least to some ecologists, than the eagle - actually an osprey - that was killed. Balinese reaction to this pressure was quite firm and displayed a confidence in their own religion and its rituals that echoed the refreshing tone of strong cultural maturity throughout. The Ekadasa Rudra was, in fact, not only the end of the Sakaineteenth century but a huge and very well attended assertion of the place of Bali and the importance of Balinese religion in Indonesia. It also contained the clear symbolic hand-over of political power in Bali from the old to the new, in this case from the Dewa Agung to a Balinese governor untainted by PKI leanings.

The sequences of ceremonies at Besakih present a fascinating picture of ritual and its political implications both inside Bali and with regard to Bali's place in Indonesia, but in terms of form and content the rituals remained very self-consciously Balinese, and traditional Balinese at that. In order to make these points clearly it is necessary to examine what was going on at the Ekadasa Rudra at various levels and at various times. There were, in fact, three levels, at least, of ritual and political action. The first was the level of Besakih village. The village population has no Brahmana or Ksatria residents and the god-images kept in the temple are those of the Westa and Sudra families, which include many of the special groups within the Sudra caste, including the Pande (blacksmiths) whose ritual represents an older and, in their own view, a more important source of sacredness than the Brahmana. The villagers of Besakih and their pemangku (non-Brahmana priests) carried out their rituals to their own gods, who were present, in the form of statues, for about the half the time. The next level was that of Bali as a whole. All the various played their part in preparing part of the Taur enclosure and the offerings for the main temple while the royal families of the whole of Bali decorated and repaired their own family temples beside the main temple. The last level is really part of the second, or at least shades into it. This is the level of Indonesia and modernism. The President and the Minister of Religion came for the ceremonial climax on 28 March 1979 at the Taur Agung, on the last day of the century. For that day only the focus of ritual activity was in the Taur enclosure right outside the main temple and, in fact, dedicated to the negative aspects of the gods, arranged in the eight directions and centre, plus the nadir and zenith, making eleven directions in all. The fact that the end-of-the-century climax took place in this outside enclosure, which the visitors could view very comfortably from a specially built pavilion just beside the site, enabled the other major rituals to take place in the temple without being open to non-believers.
The genuine believers would find delight in, for example, the 'trees of life' motif frequently rendered in pig skin, fat and entrails, but these would have been a trial of the good will of any orang Islam. The attendance of high Indonesian dignitaries was therefore managed without offering any affront to their religious affiliations and without polluting the main temple with any unbeliever's feet.

The rituals in the main temple showed a clear transfer of responsibility for the island-wide cleansing ceremony, and thus the political supremacy, from the old political power, the Dewa Agung (who with much free help from past retainers managed to put up some fine offerings to Iswara in the early part of the rituals but never came again after the offering of the Taur), to the recent Balinese Governor, Mantra, who came with an immense family and party and received the blessing of the mixed tirtas of eleven sources at the Betara Tumun Kabe (the gods descend together) the major ritual that follows the Taur. These holy waters were about the only major point where the Parisada played any very obvious ritual role. The eleven holy waters include one from Mount Sumeru in Java, which has some claim to be the ancestor of Balinese mountains in terms of sacredness. The water from Sumeru was brought with great ceremony and stayed for a time at the Pura Agung Jagatnatha, before being taken up to Besakih to meet the other ten waters from Balinese sources. It was these eleven holy waters from all over Bali and the source in Java that were mixed and sprinkled over the supreme head—in 1979 Governor Mantra—both as a vesting of power and as a conferring of responsibility.

The performance of Ekadasa Rudra caused a great deal of genuine enthusiasm in Bali and in other Hinduized areas, particularly those of Java. It was in many ways a success of modernization: people got there, there was clean drinking water and adequate food available, there were sanitary facilities, even a travelling post office, but, most important, the mountain did not erupt. The modernizing organization was, however, put to the service of a very scrupulously traditional religious rite in which great trouble was gone to to ensure that everything was as old-fashioned as possible, since, after all, the gods like what they like and rationalization, while no doubt very good for being Indonesian, may not be so acceptable to the old gods.

NOTES

Balinese religion is a very complex and involved field of study. I have had to grossly simplify aspects of it in this paper, but I believe the major emphases are correct. I am most grateful for comments on this paper in draft from I Gusti Ngurah Bagus, Linda Connor and David Stuart-Fox; none is responsible for any error of fact or emphasis.

1 Triwangsa refers to the three 'high' castes of Brahmana, Ksatria and Wesia. Together they form about 5 per cent of the population. The remainder are classed as Sudra, sometimes called Jaba (outsiders), although they, if anyone, are the original Balinese. The Sudra 'caste' contains many different groups, some of high ritual and social status.
Collections of lontar were by no means restricted to Brahmana families. Aristocrats and educated families amongst the lower castes also had collections, frequently of kakawin and kidung - verse epics - and many lontar on practical and magical skills and practices; but the Brahmana families owned and controlled access to most of the lontar concerned with the religion of the padanda.

Some of the Pandé (blacksmith) families and temple congregations will not allow padanda into their temples and use only tirta of their own manufacture.

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THE 'MOVEMENT OF THE SPIRIT' IN THE TIMOR AREA:
CHRISTIAN TRADITIONS AND ETHNIC IDENTITIES

James J. Fox

THE CULTURAL CONSEQUENCES OF THE COMING OF THE SPIRIT

The 'Movement of the Spirit' began in the mountains of Timor several days before the coup of 30 September 1965 that transformed Indonesian politics and ushered in the New Order. At the time, conditions for the mountain people were desperately confusing. The rains on which the whole population depended had fallen erratically out of season and successive attempts at planting had ended largely in failure. The annual 'period of ordinary hunger' (lapar biasa) seemed certain to become one of 'extraordinary hunger' (lapar luar biasa). The increasing political activism of the Communist Party among Christians and the fervent promise of a new future of social justice, which was the central tenet of the Party's propaganda, was countered with equal millenary fervour by the evangelical preaching of members of the Batu Bible Institute from Malang who 'campaigned' in the mountains in July, calling for spiritual renewal. Then suddenly, in early September, the Ikeya-Seki comet appeared in the sky. Visible only in the southern latitudes of Indonesia, in the hours before dawn, this comet first formed a small speck drawing a tiny white tail. Each night, however, throughout the month of September this tail grew progressively larger, filling the late night sky, almost from end to end. To everyone who saw it, it had only one meaning: it prophesied the end of an era.

For the Timorese, the beginning of this new era had already been heralded. On the morning of 17 August in the mountain town of Soé, Jesus appeared in a vision to a young schoolteacher by the name of Hennie Tunli'u, confirming his command to her to become an evangelist. According to her account, his words to her were: 'Now the time of delivery has come. Do not delay it any longer.' Moved by the Spirit, she began to give testimony of her calling and her message spread quickly among the people of Soé. Thus, the 'Movement of the Spirit' began. The date generally cited for its inception as a 'movement' is 26 September, four days before the coup on Java.

Within a short time, evangelical 'teams' - possibly as many as a hundred - formed themselves in the name of the Spirit. Each team was led by one person who was 'called' by the Spirit and to whom the Spirit revealed the names of those who were to join the group. These teams, comprising anywhere from four to, at most, twenty persons, were made up primarily of younger people, including many schoolteachers. Quite a number were led by women. Virtually all team members came from the regency of South Central Timor and most of these from the area in and around Soé where the Movement began. Every team was numbered and referred to only by its number.
Teams were believed to be under the guidance of the Spirit; hence, they spent several hours each day praying for this guidance. In fact, the chief activity of their mission was to lead prayer meetings that featured the curing of illness, the public confession of sins, and the renunciation of indigenous beliefs and practices. As these teams travelled through the interior of Timor, local accounts of miracles paralleling those of the New Testament became increasingly common: demons were cast out, the sick were healed, people were raised from the dead, water was changed to wine, and team members were reported to be able to walk on the water of raging rivers. Despite official travel restrictions imposed by the government after the coup, several teams set out from Timor to preach on neighbouring islands in the province.

In March 1966 such a team visited the nearby island of Roti, where I had been living for the past year. Led by a woman, Wilhelmina Bui Mau, and made up of ten other Timorese, including at least two schoolteachers, all from the village of Kol'bano, this team proclaimed its task as a mission of 'spiritual healing' (keembuhan 'ilahi). The team began its mission in the southwestern domain of Thie and moved eastward across the island. Riding westward through the domain of Termanu, I happened to come upon the team leading a prayer meeting in a dilapidated thatched-roofed church in the village of Namo Dale. So unusual was it to encounter a large group of Rotinese gathered for a service on a weekday afternoon that I stopped to attend. The majority of those attending the service were Rotinese whom I knew well and I was a close acquaintance of the preacher whose church was being used, so there was nothing peculiar about my joining the group.

Inside the church there was animated participation on the part of most of the Rotinese. Preaching was in Indonesian, interspersed with singing by the whole congregation in Indonesian, or by members of the team in Timorese. The call for spiritual healing by the Timorese, however, carried with it a negative message which was directed against the drinking of alcohol, the beating of gongs, and the use of magical objects. Quite a number of people came forward to renounce their sins, receive Christ, and be healed. Gradually, however, as individual interest waned, a group of older Rotinese left the church and gathered outside to discuss the proceedings. When I joined them, after an hour or more inside the church, these elders made no attempt to hide their suspicions of what was going on and their personal reservations about this unprecedented arrival of Timorese to preach the Gospel on Roti. Particular comment was focussed on the use of Timorese hymns and some of the curious features of the Timorese message.

That night the team moved to the village of Ufa Len, where they were invited to stay. On their arrival, however, one of the local schoolteachers asked that they show their travel papers which, it turned out, they did not have with them. Affronted by this request, the team suddenly discovered behind their host's house a gin-still for distilling palm syrup. They refused, therefore, to spend the night as unwelcome guests in what they called 'a den of the devil' and, despite the fact that it was already dark, they moved on to another village further east. Not many days after this visit, the team decided to return to Timor. They had not found the fertile soil they had expected on so near a Christian island, and no stories of miracles or visions lingered after they had gone.
This series of incidents gives an indication of a particular feature of social life in the Timor area: the variety of styles of religious experience that distinguish the different ethnic groups of the province. On the surface, no two groups should have more in common than the Timorese and Rotinese. As near neighbours, speaking related languages, both peoples belong to the Synod of the Evangelical Church of Timor (GMIT: Gereja Masehi Injili di Timor) which derives its basic traditions from the Dutch Reformed (Hervormde) Church. Yet it is differences that predominate.

Christianity reached Roti in the seventeenth century, and by the early eighteenth century the local rulers of the island began to convert and to establish Christianity as the religion of their domain. In the Rotinese view, they themselves sought out Christianity and were largely responsible for its propagation. Through the grace of time, without major disruptions or discontinuities, Christianity has become an integral part of traditional life on the island.

By contrast, Christianity in a formal sense reached the mountain Timorese only after the Dutch established a garrison at Kapan near Soe in 1916, and the conversion of the Timorese is the result of the efforts of a single remarkable missionary, Dr. Pieter Middelkoop, who settled in the Kapan-Soe area in 1922 and worked among the Timorese for thirty-two years. His translation into Timorese of both the New and Old Testaments, and of a widely-used and very influential hymnbook, gave Timorese Christianity its distinctive cast. On this point, the contrast with Rotinese Christianity is significant. Historically, Malay has always been the authoritative language of the Scriptures and it has always been the role of local preachers to render the message of the Scriptures into a Rotinese idiom. One can understand the suspicions of the Rotinese when confronted with Timorese preachers using their own hymns and scriptures. 5

The greatest differences between Rotinese and Timorese Christianity, however, are to be found in their relation to traditional life. Visions, dreams, and miracles characterized the activities of the roving preachers of the 'Movement of the Spirit'. Such actions accord well with Timorese conceptions, which attach profound significance to the immanent mystery of things, but such actions find far less sympathetic accord with Rotinese conceptions of the world. For similar cultural reasons, the magical objects against which Timorese preachers campaigned are of little importance to the Rotinese; the vocabulary for speaking about them derives almost exclusively from Timorese and is barely intelligible to the majority of Rotinese. Moreover, to preach against alcohol is a direct attack against Rotinese Christianity, for the same Rotinese culture hero who brought Christianity to the island also brought with him the knowledge of the art of distilling palm syrup. Rotinese jokingly refer to this double bequest as their two 'ala': Allah in reference to the knowledge of God and ala (derived from the Arabic-Malay word for distilled spirits, arak) in reference to their own native gin. Since the eighteenth century, such gin - with syrup colour added - has been used as 'wine' in the Rotinese communion service. Similarly, the beating of gongs, which is synonymous with pagan life for the Timorese, is a prominent feature of most Christian feasts on Roti. These and other differences made it difficult for the Timorese to carry their message beyond the limits of their cultural boundaries.
Social and Religious Diversity of Nusa Tenggara Timur

Such differences are multiplied enormously when one considers the religious and social identities of the peoples of the twelve or so densely populated islands that make up the province of Nusa Tenggara Timur. At first sight this statement may seem strange, since Nusa Tenggara Timur is the only province in Indonesia where Christians - Catholics and Protestants - make up the overwhelming majority of the population. But the fact is that the province is also an ethnic conglomeration possessing a minimum of thirty distinct linguistic groups, no one of which is large enough to dominate local affairs. Furthermore, Christianity has come to the diverse peoples of the province in many ways over several centuries.

Table 1, with its accompanying map (Map 1) provides information on the religious affiliations of the population of the province according to regencies (kabupaten) in the 1971 census. These figures show that Catholics comprise 52 per cent of the population, Protestants 27 per cent; together, they comprise just under 80 per cent of a total population of over two and a quarter million people. These figures also show that 12 per cent of the population still adhere to some form of traditional indigenous religion, while only 8 per cent of the population are Muslim. Catholics are concentrated on Flores and in the northern and central areas of Timor; Protestants in the southern and western areas of Timor and on the islands of Roti, Savu, Sumba and Alor; Muslims are to be found primarily in the regencies of Manggarai, Ende, East Flores and Alor; while indigenous religious adherents predominate on the islands of Sumba and Savu. This patchwork pattern of religious loyalties is itself the product of a long process of development whose history can only be briefly sketched.

Nusa Tenggara Timur is probably the only area of the Indonesian archipelago where, on the whole, Christianity preceded the coming of Islam. The Portuguese began sailing to Timor in the middle of the sixteenth century and by 1556 the Dominicans claimed their first converts on Flores and Timor. Although the Portuguese traded for sandalwood on the north coast of Timor, they located their chief settlement on the north coast of the island of Solor, in the sheltered waters formed by the triangulation of the islands of Solor, Flores and Adonara. Here in 1566, to protect local converts from Muslim sea-raiders, the Portuguese erected a fortress incorporating a church and garrison. To this fort were attracted a motley collection of Portuguese soldiers, sailors and interpreters, local converts and - in later years - renegade Dutchmen. This Portuguese-speaking mestizo population known as the Topasses or 'Black Portuguese' eventually established themselves on Timor as well as on Flores and became an independent power allied with local rulers. The Black Portuguese resisted equally both Dutch incursions on their territory and official Portuguese attempts at controlling them.

The coming of Islam is more difficult to pinpoint. Before the Portuguese, the sandalwood trade seems to have been largely in the hands of the Chinese. There are some indications, however, that Muslims from Gresik as well as Ternate may also have traded for sandalwood via the island of Solor. Certainly Javanese seem to have been the principal raiders on Portuguese outposts in the region during the sixteenth century. In the seventeenth century their place was taken by Macassarese who had begun converting to Islam in this period. Islam seems to have penetrated the region in two ways:
<table>
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<tr>
<th>Regency</th>
<th>Catholic</th>
<th>Protestant</th>
<th>Muslim</th>
<th>Indigenous Religious Adherence</th>
<th>Hindu, Buddhist, or Confucian</th>
<th>Totals</th>
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<td>9,596</td>
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<td>47,441</td>
<td>757</td>
<td>314,836</td>
</tr>
<tr>
<td>North Central Timor</td>
<td>109,718</td>
<td>3,221</td>
<td>100</td>
<td>4,220</td>
<td>-</td>
<td>117,259</td>
</tr>
<tr>
<td>South Central Timor</td>
<td>23,739</td>
<td>204,751</td>
<td>8,326</td>
<td>-</td>
<td>3,975</td>
<td>240,791</td>
</tr>
<tr>
<td>Belu</td>
<td>137,934</td>
<td>1,498</td>
<td>513</td>
<td>13,053</td>
<td>166</td>
<td>153,164</td>
</tr>
<tr>
<td>Alor</td>
<td>849</td>
<td>86,633</td>
<td>26,547</td>
<td>356</td>
<td>10</td>
<td>114,395</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>1,193,451</td>
<td>629,817</td>
<td>192,401</td>
<td>272,921</td>
<td>6,689</td>
<td>2,295,279</td>
</tr>
<tr>
<td><strong>Percentage</strong></td>
<td>52</td>
<td>27</td>
<td>8</td>
<td>12</td>
<td>0.3</td>
<td></td>
</tr>
</tbody>
</table>
along the western end of Flores via the Sultanate of Bima, which was allied with Macassar, and along the islands to the east of Flores where Portuguese ruthlessness - as much as anything else - drove various local rulers into fierce opposition to the Portuguese in the name of Islam.

This situation became all the more complicated by the arrival in 1613 of the Dutch, who immediately besieged the Portuguese fortress on Solor and forced its population to shift across the straits to a place called Larantuka. Here they were able to resist all subsequent sieges and were joined later by Portuguese-speaking refugees from the fall of Malacca in 1641 and Macassar in 1667. The Dutch, in turn, signed contracts of trade and alliance with the Sultan of Bima and the Muslim rulers of Solor and Adonara. In 1653, after sporadic attempts to maintain the fortress on Solor, the Dutch moved their garrison to Kupang at the western end of Timor where, for nearly a century, they remained almost entirely hemmed in by local Timorese forces allied with the Black Portuguese. Unlike the Portuguese, officers of the Dutch East India Company did not encourage converts and the only people who sought to become Christians in the eighteenth century were the Rotinese who, with the Solorese and Savunese, were the staunchest allies of the Dutch.

For two centuries the positions of the groups confronting each other changed very little. Spheres of influence were nebulously defined. The Dutch claimed control over a corner of Timor and the islands to the west of Timor as well as over the islands to the east of Flores. The Black Portuguese retained their position in eastern Flores and in central Timor. The 'official' Portuguese, having given up their attempt to control their compatriots, the Black Portuguese, established a separate settlement at Dili in east Timor in 1769. Occasionally, the Black Portuguese would send what amounted to tribute to the official Portuguese in Dili.

These two centuries of delicate political indefinition were shattered on a single day in April 1839 when the Dutch corvette, Boreas, with the Resident of Timor aboard, shelled Larantuka in east Flores in retaliation for suspected piracy. This provoked an international incident that played itself out slowly in the courts of Lisbon and The Hague. Negotiations were begun to determine precise boundaries between the territories of the two colonial powers. In 1851, an impoverished and over-anxious Portuguese Governor in Dili ceded - without authorization from Lisbon - all Portuguese claims to eastern Flores and its nearby islands in return for an immediate payment of f.80,000. This agreement was reluctantly ratified by the Portuguese in 1859 but negotiations on the borders between east and west Timor continued until 1915. When these negotiations were finally concluded, the Dutch had gained all but a small segment of the former territories of the Black Portuguese.9

One essential stipulation of the negotiations was that the territories relinquished by the Portuguese were to remain 'Catholic'. Prior to this, only Protestant missionaries were permitted to work in the Timor area. Consequently, as early as 1860, Dutch priests began to replace the Portuguese priests who were accustomed to visit Flores from Dili. The whole of the Flores-Timor mission was assigned to the Jesuits, who remained for fifty years, until 1913, when they turned over their mission to the Society of the Divine Word (SVD).10 During this same period the Sultanate of Bima was made to surrender its nominal sovereignty over the Manggarai region of west Flores and both Bima and Manggarai were transferred from the jurisdiction of the Celebes to that of Timor. The first Dutch
official arrived in Manggarai in 1908, followed by missionaries of the Divine Word in 1917. The present distribution and concentration of the Catholic population of the province of Nusa Tenggara Timur stems, therefore, from the Dutch designation of the entire island of Flores and much of central Timor as Catholic mission territory.

Although it began earlier, the Protestant mission to the Timor area had a more chequered history. The Netherlands Missionary Society opened a mission to Timor in 1819 but confined its efforts exclusively to the Kupang area of Timor and to the small islands of Roti and Savu. The success of the Society was limited. The Rotinese thwarted what they considered to be outside interference in the affairs of their own Christian church and the Society formally decided to withdraw from the island in 1851. By 1860, missionwork on Timor also came to an end, leaving only Savu, where a mission was begun in 1862. After some initial success, however, the Society faced the dilemma of a decreasing Christian population on Savu. By the end of the century, resistance by adherents of the traditional indigenous religion had increased to the point where Savunese converts to Christianity were being forced to emigrate to other islands. And so, in 1901, the Netherlands Missionary Society withdrew as well from Savu. 11

Two other missionary societies worked briefly in the area but, as each withdrew, their territories became part of the Indische Kerk or the Protestant Church in the Indies: Timor in 1864, Roti in 1877, and Savu in 1901. The Indische Kerk was an attempt at a 'united' Protestant Church in which, by royal decree, ecclesiastical matters were placed under the control of the Ministry of Colonies. In Timor, this Church, which continued, in general, to follow the lines of the Dutch Reformed (Hervormde) Church, at first concentrated its work in the areas of the previous missionary societies; but in 1911 the Church began a mission on the island of Alor and in 1922 Pieter Middelkoop began his mission in south central Timor. The extent of the present Gereja Masehi Injili di Timor (Evangelical Church of Timor) coincides precisely with the Indische Kerk which it has superseded.

Sumba, which to this day remains predominantly non-Christian, was largely neglected throughout the nineteenth century. Although the Dutch government established a minimal presence on the northeastern coast in 1866, effective control over the entire island was only achieved after several 'pacification' campaigns in the first quarter of the twentieth century. Initially the Dutch relied upon Savunese Christians, virtual refugees from their own island, as the means of contact with the east Sumbanese population. This only fostered ethnic antagonism and made the Sumbanese suspicious of both the Dutch and Christianity. Furthermore, it created something of a demarcation dispute, since the Savunese mission had been assigned to the Netherlands Missionary Society whereas the mission to Sumba was given to the Netherlands Reformed (Gereformeerde) Mission Association, which was supported by some of the stricter Calvinist churches in the Netherlands. In the end, the Reformed Mission Association was given charge of all of Sumba. Yet, unlike Catholic or other Protestant missionaries who often tolerated or even built upon indigenous practices among the peoples of the province, the Gereformeerde missionaries insisted upon a strict and unqualified religious commitment. As a consequence, despite more than seventy years of dedicated activities, membership of the Gereja Kristen Sumba constitutes only 30 per cent of the island's population. As on Savu, indigenous religious traditions have remained remarkably resilient. 12
THE PATTERN OF CONTEMPORARY IDENTITIES

Centuries of Christianity have not lessened the ethnic diversity of Nusa Tenggara Timur. To some extent it has actually fostered this diversity. The Lamaholot-speaking peoples of the Solor islands and east Flores are divided into Catholics and Muslims as are some of the peoples of Ende and west Flores. The peoples from the former Portuguese centres of Larantuka and Sikka on Flores regard themselves as the senior, most Catholic members, of the provincial church; they have supplied the majority of native priests and teachers who have carried Christianity to other parts of the island. This attitude has tended to set them apart from other ethnic groups, while the traditional rivalry between Larantuka and Sikka has limited cooperation. Similarly, the Rotinese consider themselves as elder members of the Protestant church; for a time, they, too, supplied the majority of teachers and preachers to other islands. Savunese Christians, on the other hand, are divided between the churches of Timor and Sumba, which still harbour doctrinal differences. On both islands the Savunese usually gather in their own separate congregations.

On the whole, the pattern determined by the Dutch policy of assigning areas to a single specific church or missionary group has been maintained, though since Indonesian independence all churches are free to work where they choose. Protestants have made little attempt to establish themselves in Catholic areas, but Catholics have moved into several Protestant areas. A small agriculturally-oriented Catholic mission order — actually established there before independence — has had some success among the west Sumbanese population. The town of Kupang, which before independence was almost exclusively Protestant, has seen a considerable increase in the number of Catholics since the civil service has been expanded to incorporate members of all the ethnic groups of the region. The most striking increase in Catholic conversions, however, has occurred among the mountain Timorese of south central Timor, the very centre of the 'Movement of the Spirit', where in a short period Catholics have come to represent 10 per cent of the population. Whereas elsewhere in the province the Catholic Church has relied primarily on Malay or modern Indonesian as the language of its mission, among the Timorese the Church has adopted the pattern of its Protestant predecessors and relied heavily on the Timorese language. A similar Catholic mission has begun on the island of Savu.

In the past three decades other Protestant churches have established themselves in the province, particularly in the area of the Evangelical Church of Timor. These include various Pentecostal, Adventist and Bethel churches and even the Jehovah's Witnesses, who are formally prohibited in Indonesia. In addition, local Protestants generally regard the American missionary organization known as Kema Injil as a separate 'church'. Kema Injil is associated with The Christian and Missionary Alliance and maintains informal links with the Evangelical Church. The Evangelical Church too has developed a division within its ranks, which has led to the formation of a small 'Pilgrim' or Musafir Church.

The Chinese in the province are mainly Christian, either Catholics or, in a large proportion, members of the Pentecostal Church (Pentecoosta Indonesia). Quite a number of conversions occurred after 1965 when a military officer in Kupang instructed the Chinese that they had two weeks to choose a religion. On Roti, for example, a delegation of Chinese
approached the Catholic priest to request immediate baptism. When they were told that baptism required three months' instruction, they turned to the Pentecostal church, which baptised them in the sea the following Sunday. A number of these Chinese then began Catholic instruction as they had originally planned.

The churches have, to some extent, attempted to overcome ethnic diversity by encouraging co-operation among themselves and their members. In the early 1970s the Protestant churches of Sumba and Timor established a jointly run theological school for training local ministers. Catholic religious schools and seminaries have similarly tried to minimize the social background of their students. In government offices there has been an effective, though tacit, attempt to create a representative balance of all ethnic groups, where previously these same offices were dominated by members of just a few ethnic groups. Since 1966, first a local Protestant, then a local Catholic, has been appointed as Governor of the province. In addition, the former, potential divisiveness of separate Christian parties - Catholic and Protestant - has been eliminated by the formal inclusion of both parties, together with several nationalist parties, in the single Partai Demokrasi Indonesia (PDI). In the 1971 election the Catholic Party outpolled the Government Party (GOLKAR) in the regencies of Sikka and North Central Timor; the Protestant Party did the same in Alor and in both East and West Sumba. By 1977, however, GOLKAR received 90.3 per cent of the province vote, winning in all regencies by a preponderant majority.

Shortly after the elections in 1971, President Suharto made a special gift to the province of funds sufficient to erect a large mosque in Kupang, the equal in size and splendour of any church in the provincial capital. When I asked a Timorese what he thought of this unusual gift, he remarked that it proved that President Suharto had Christian advisers to instruct him, since nothing would remind the people of Nusa Tenggara Timur to forget their differences more than this particular bequest. If, at least as a partial result of the President's gift, this most Christian of Indonesia's provinces has become a citadel of GOLKAR allegiance, we can only conclude, with the Timorese, that the Spirit moves in inexplicable ways.

NOTES

1 The 'Movement of the Spirit' has spawned a considerable literature in the world evangelical press, much of it uninformed, inaccurate and highly sensational. Two useful documents are: a ten-page report by Dr. Frank L. Cooley (1972); and a book by George W. Peters (1973). The second document is particularly valuable for its inclusion of translated excerpts from the letters of members of the Movement to Dr. Pieter Middelkoop, the main Dutch missionary to the Timorese.

2 For information on the ecological and economic situation of the mountain Timorese, see Fox 1977, pp. 17-57. In this paper I barely touch on the underlying economic conditions that formed the background to the Movement. I should mention, however, that the 'Movement of the Spirit' was not the first of its kind in western Timor; a similar movement occurred during the critical years of the Japanese occupation.
It is reported that at the height of the Movement, schools in the Soé area were forced to close for lack of teachers. This is also significant in that, prior to the coup, the recruitment campaign of the Communist Party was directed toward teachers. Although this campaign was less successful in the mountains of Timor than in other areas of the province, both Protestants and Communists laid similar emphasis on the need for social justice. In fact, the local Communist Party hierarchy in Kupang included a number of devout Christians and was headed by the son of a Protestant minister.

In Malaysia, the phrase masuk Malayu (to become a Malay or Malay-speaker) implies conversion to Islam; on Roti, knowledge of Malay implies a similar conversion, but to Christianity rather than Islam. For a discussion of the importance of the use of Malay among Rotinese, see Fox 1977, pp. 132-6.

It should be noted that figures for religious affiliation in the 1971 census are based on a 3.8 per cent sample of the total population. Although exact numbers in each category are subject to some doubt, the picture presented of the province as a whole seems reasonably accurate. In Table 1, I have combined all of the figures for Hindus, Buddhists and Confucians, who together make up less than half of one per cent of the total. I have also combined the unexplained category of 'other Christians' with the Protestant total and identified the category 'others' as indigenous religious adherents. I should emphasize that the categories represented by these figures are by no means rigid. It is quite possible to represent oneself formally in terms of a recognized 'religion' and still conduct one's life according to traditional practices. E.D. Lewis, for example, who has just returned from almost two years' fieldwork on Flores, assures me that the number of indigenous religious adherents in Sikka is higher than is indicated by official statistics. Sulawesi Utara is the only other province in Indonesia where Christians are a majority (55.8 per cent).

For further information about the Topasses or 'Black Portuguese' see Fox 1977, pp. 61-73 and Boxer 1947.

By the end of the seventeenth century, the Dominicans claimed to have established a string of small forts, churches and chapels along the coasts of Flores, Solor and Adonara (see Rouffaér 1923-24).

One of the best single sources on the complex relations between the Netherlands and Portugal in the Timor area is H.E.K. Ezerman 1917.

A useful source for the later mission history of Flores and Timor is Petu 1966.

For this period, see Fox 1977, pp. 127-136, 165-176; also Dicker 1965, especially Chapter 4.
The mission of the Gereformeerde Church is supported by some of the more conservative churches in the Netherlands, namely the Reformed churches of the provinces of Groningen, Drente and Overijssel, as well as by the Altreformierte churches in Bentheim and Oost-Friesland. For a brief synopsis of the mission to Sumba see Onvlee 1943, pp. 67-74; Dr. Onvlee is one of Sumba's chief missionaries.

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ISLAM AND ECONOMIC CHANGE IN INDONESIA circa 1750-1930

Christine Dobbin

In writing this paper my aim is not to pursue what seems to me to be the rather sterile discussion of whether there is an 'Islamic ethic', similar to the one Weber identified for Protestantism, which has fostered concern for business enterprise among its adherents in Indonesia. It would appear that in the Indonesian context enough has been said for the moment concerning both Islam's relationship to 'individual effort, thrift and simplicity' (Geertz 1956, p. 145) and its role in 'the creation of a genuinely bourgeois ethic' (Geertz 1963, p. 49). My purpose, therefore, is simply to look at certain developments among Indonesian Muslims which were contemporaneous with particular trends in Indonesia's economic evolution from the mid-eighteenth century, and to see if any conclusions about relationships between the two can be drawn.

The economic trends to be considered were those stimulated by the archipelago's gradual incorporation into a newly developing international economy which, as far as Indonesia was concerned, was merely an extension of the old Indian Ocean-South China Sea commercial network, expanded to cope with the increasing demands of domestic markets in Europe, North America and late Ch'ing China. Indonesia's integration into this international economy would have proceeded whether or not the Dutch had imposed formal imperial control over the archipelago, and whether or not Indonesian Islam had been possessed of a particular economic ethic. But the steady intensification of Indonesia's links with the international economy from the mid-eighteenth century promoted a constantly dynamic situation, to which Indonesian Muslims responded and which they attempted to mould in various ways. It is the nature of the Islamic response which is the subject of this paper.

ISLAM AND INDONESIAN COMMERCIAL CROP ECONOMIES

Without considerably more historical research into the nature of pre-twentieth-century village marketing networks in Indonesia, we must be cautious in postulating too close a correlation between foreign demand for a particular crop, a region's ready diversification into that crop, and the subsequent Islamicization of part, at least, of the region's population. Nevertheless, it would be tempting to investigate the relationship between pepper cultivation, pepper marketing and conversion to Islam in the Banten region of Java and the coastal fringe of west Sumatra in the sixteenth and seventeenth centuries, or the relationship between coffee growing, coffee marketing and the Islamicization of the Priangan in the eighteenth century.

My own research into the Islamicization of the Minangkabau world in the late eighteenth and early nineteenth centuries indicate that this can be a fruitful line of inquiry (Dobbin 1977). The mid-eighteenth century saw the start of Minangkabau's absorption into the international economy. For several centuries prior to this, the Minangkabau highlands of Sumatra had
been linked to the commercial world of the Indian Ocean by Minangkabau's production of gold. On the highland valley floors gold was mined and sawah could also be cultivated, so that here an Indianized civilization had evolved, the chief task of which was to secure the gold export routes from the highlands to the coasts. The material basis of this civilization was, however, disrupted in the mid-eighteenth century by the working out of the gold and by new economic demands emanating from beyond the Indian Ocean commercial world, which the Minangkabau valleys were unable to satisfy.

Surrounding the valley floors, in the hills, flourished villages whose natural inheritance obliged them to exist primarily as gardening and artisan centres. Not generally well endowed with irrigated rice land, they survived by growing market produce such as potatoes, cabbages, onions and maize, together with internal trade crops such as sugar, tobacco and indigo, and by specializing in various crafts such as metal working, dyeing and weaving. It was these villages which were in a position to respond when the Minangkabau world, faced with an expanding Indian Ocean trade, sought to satisfy the demands of English private traders from India who appeared on Sumatra's west coast from the 1680s, wanting cargoes of higher bulk than gold to exchange for the Indian cloth they desired to import into Minangkabau.

With their ability to respond to this demand, certain villages of the Minangkabau hills were drawn for the first time into an international trading network. It should be noted that not all hill villages participated in this development, but only those possessing one or more particular attributes: a history of cultivating crops for local markets; suitable terrain for the cultivation of those crops in demand internationally; a position on middle-level hill slopes or foothills, with sufficient local rice land so that the entire village need not commit itself to total dependence on cultivating crops for export; and ready access to the major trade routes to the coast.

Villages which could satisfy these conditions came to be characterized by their production of specialized crops for the international market. By the 1740s and 1750s hill villages in the Agam region of Minangkabau were already supplying cinnamon (cassia) to English private traders at the west coast port of Pariaman. From the late 1780s, hill villages in the extreme east of the Limapuluh Kota region began to find a ready market for their gambier - an essential component of sirih-chewing throughout the archipelago and an important agent in the tanning of leather - at the newly established English foundation of Penang. Finally, in 1790, the first cargo of Minangkabau coffee destined for international trade was shipped from Padang in an American vessel, and by 1820 coffee exports from this one port had reached 1208 tonnes per annum, rising to 2959 tonnes in 1826. Hill villages throughout Minangkabau, where there were the necessary resources of mountain land, village rice reserves and access to bulking points, quickly diversified into the growing of coffee for the international consumer.

What, then, are we to say about the role of Islam in these developments? Islamic teachers of various origins had penetrated the Minangkabau interior at least half a century before the start of the international trade in commercial crops, had set up schools (surau) similar to the Javanese pesantren to purvey Islamic learning, and had attracted students away from
their home villages to study a variety of Islamic subjects. We know that these Minangkabau surau participated in the economic life of their neighbourhoods, the students working in the fields and gardens attached to the surau and taking part in market trade. Leading surau teachers themselves showed keen interest in commercial questions and in the applicability of Islamic law - the syariat - to situations in which trade had to be organized beyond local marketing networks and down to the coasts. With the commitment of the Agam hill villages to growing crops for international trade, Agam's foremost Islamic teachers addressed the latter issue with considerable vigour.

From the late 1780s the Minangkabau highlands were engulfed in a series of Islamic revivalist movements, the most famous of which, the so-called Padri movement, commenced about 1803 and persisted into the late 1830s. There can be no doubt that these revivalist movements were intimately connected with the enormous changes taking place in the Minangkabau hill villages as a result of their growing crops for export; quite clearly, it was those hill villages which were most successful in responding to the new market demands which produced the leading protagonists of revivalism. Equally clear is the fact that only part of the population of many villages espoused the revivalist cause, resulting in some villages throwing up walls to separate believers from non-believers, and in the foundation of new 'believers'' villages.

What was the attraction of Islamic revivalism for those village entrepreneurs who did espouse it? The need for a religious expression of growing individualism cannot be entirely dismissed as an explanation, but this can only partially account for the zealous Islamicization of certain groups in Minangkabau society. Certainly men in hill villages were now faced with the opportunity of laying down individual coffee gardens on a far wider scale than had ever been possible when they were restricted to market gardening activities, and certainly their new income-earning potential meant that their life-style grew to be less and less dependent on the maintenance of harmonious relationships with the sawah villages of the valleys; nor were their particular needs met by continuing to model their institutions on those of such villages, where land was worked under an extended family labour system and transmitted by families according to the laws of matrilineal inheritance. No doubt Islam exerted an attraction on such people, but even here we must be careful not to leave out the element of personal choice and commitment, which contemporary documents make quite clear was an important factor, leading to deep divisions within families (cf. Clasen 1972, pp. 340-2 and Weber 1970a, pp. 328-9).

Moreover, there is another possible explanation for the attraction of Islam in the context of a partially Islamicized society experiencing rapid economic change. This relates to the nature of market trade. Local market trading networks in Minangkabau, as in most Indonesian societies, were dominated by women, a result of women's important role in agriculture. Neighbourhood markets were the places at which women sold the fruits of their labour, whilst long-distance trade was a male province. Before the export of commercial crops, the major Minangkabau long-distance trading relays involved gold, dried fish and textiles. Men engaged in the gold trade were connected with the old, Indianized trading structure of Minangkabau, and with Indianized religious practices; those engaged in the trade in dried fish also had links with a community - the coastal
fishermen – notoriously conservative in religion. The textile trade, at least at the wholesale level, was in the hands of non-Minangkabau ethnic groups; by the eighteenth century, after originally being identified with Indian Muslims, in the hands of Chinese and Europeans.

It was only with the start of the new trade in commercial crops that the large-scale entry of the Minangkabau man into long-distance trade became possible. The new trade took place over considerable distances and was in commodities of high bulk; coffee, for example, was exported from the highlands down to the west coast ports of Sumatra, and both gambier and coffee went via the east coast rivers across the Straits of Malacca to Penang and later to Singapore. A chain of bulking points and commercial intermediaries operated along such routes.

Consideration of the difficulties involved in organizing such a trade has led Abner Cohen to speak of 'trading diasporas' (Cohen 1971, pp. 266-78). Cohen points out that the successful conduct of long-distance trade requires the solution of a number of technical problems, among which he identifies: regular exchange of information between traders about conditions of supply and demand; speedy dispatch and transport of goods, especially perishables; the creation and maintenance of relations of trust between the large numbers of traders and intermediaries involved in the chain of trade; the creation of regular credit arrangements; the organization of an efficient system of arbitration and adjudication of business disputes; and the development and maintenance of an authority structure which is backed by sufficient power to enforce order and respect for contract and for judicial decisions.

Most of these technical problems were indeed faced by the Minangkabau trader in commercial crops who, removed from the familiar pattern of his local marketing network, urgently required new lines of communication along which to organize his trade. Cohen argues that such problems are often overcome by a group which has interests in common organizing itself, not on a formal basis, but informally, by the adoption of a 'cultural strategy', making use of ritual, ceremonial and other symbolic activities (Cohen 1974, pp. xvi-xvii). In this way, a 'trading diaspora' is created and maintained. To achieve the level of organization necessary to conduct long-distance trade, Cohen remarks, there is need for a 'highly developed ideology, a complex and comprehensive symbolic blue-print' (Cohen 1971, p. 277). Islam, he points out, provides just such a blue-print, and he argues cogently that the well-documented association between Islam and trade in West Africa is precisely because Islam proffered a blue-print for the establishment of networks of communities. Once long-distance trade in West Africa had evolved beyond a rudimentary level, there is ample evidence that this higher level of economic exchange in the region has been conducted by specialized trading communities organized under the symbolic blue-print of Islam. Within this far-flung network of Islamic trading communities there are clusters of more localized and hence more particularistic diasporas...which tailor the great tradition of Islam to local cultural traditions and structural circumstances (Cohen 1971, p. 277).
In other words, Islam's interconnection with trade in West Africa - and, I would argue, in parts of Indonesia - is because it provides the blue-print of a politico-economic organization which has overcome the many basic technical problems of long-distance trade. Traders become Muslims in order to participate in the moral community of other traders. Islam, familiar to some Minangkabau traders by past association with Indian Muslim cloth traders, supplied an ideal 'moral community' in the altered circumstances of another age. Max Weber noted a similar phenomenon in the United States among members of Protestant sects:

In general, only those men had success in business who belonged to Methodist or Baptist or other sects or sectlike conventicles. When a sect member moved to a different place, or if he was a traveling salesman, he carried the certificate of his congregation with him; and thereby he found not only easy contact with sect members but, above all, he found credit everywhere. If he got into economic straits through no fault of his own, the sect arranged his affairs, gave guarantees to the creditors, and helped him in every way... (Weber 1970b, p. 305).

Using insights derived from Minangkabau, further examination of the association between Islam and economic change in the Javanese context would, I believe, prove enlightening. For example, we know that in Java, as in Minangkabau, the central institution of Islamic learning, the pesantren, was able to survive only because of its economic activities. Many Javanese kyai possessed not only rice fields in which their students worked but, in the nineteenth century, diversified into whatever commercial crops were suitable for their area and gained the benefit of their students' labour. Writing of pesantren in areas where individual coffee gardens were the norm in the late nineteenth century, one observer designated them 'cultivation-pesantrens', and noted with what zeal the santri went to work in the pesantren coffee gardens (Snouck Hurgronje 1924, p. 178).

Nor were Islamic revivalist movements uncommon in Java in the nineteenth century, though they have been little studied. One such phenomenon was the Budiah movement of Central Java, initiated in the 1840s in a rural area on the north coast between Pekalongan and Kendal by Haji Mohammad Rifianti. This movement gained adherents in certain villages in Pekalongan Residency, and spread south into contemporary Kedu and Bagelen Residencies. Its tenets, like those of many other Islamic revivalist eruptions of the period, remain to be investigated, though its leader appears to have held views similar to those of contemporary revivalist leaders in the Indian subcontinent, stressing the withdrawal of Budiah adherents from intercourse with the rest of the community - the internal hijrah - rather than the desirability of converting society by the preaching of jihad (Kartodirdjo 1973, pp. 118-27).

Without further research there can be no certainty, but it seems likely that most of the adherents of the Budiah movement were drawn from among those peasants and traders who had become enmeshed in the expanding internal and international markets for Javanese crops, markets which had continued to grow and diversify after the initial foreign demand for pepper in the sixteenth century. The hills rising behind the Pekalongan-Kendal
coastal plain and culminating in the Diyeng plateau contained numerous villages, some of whose inhabitants had begun to lay down individual coffee gardens at the time of the early nineteenth-century coffee export boom, and to maintain tobacco gardens to serve an internal market stretching from Banten in the west to Macassar in the east. In 1822 it was reported that the villages of the northern hills of Kedu Residency made a clear annual profit of f.216,000 from their coffee, and the cultivation of tobacco for trade was also pursued vigorously. By the mid-nineteenth century tobacco had outstripped coffee in the hills around Parakan and it was alleged that in the northern Kedu tobacco districts one million guilders per annum was returned to the inhabitants. Wherever cultivation remained free, both coffee and tobacco were eagerly grown on village hill land (Kadoe 1871, pp. 95-9, 108-15, 122). Viewing the prosperity of the area at the turn of the century, P.J. Veth felt that 'perhaps nowhere in the Netherlands Indies has native agriculture reached such a high level of development as in the region between Batoer and Dieng' (Veth 1903, p. 434).

In such villages it was axiomatic that trade in both coffee and tobacco, in so far as it was not in Chinese hands, was in the hands of professing Muslims. A report on Kedu in 1871 noted this fact, and also that these Muslim traders had for a considerable period tried to counter the imposition of a Chinese monopoly over trade in commercial crops, aiming at least to retain control of local trading networks; in this, by the 1860s, they seem to have been successful (Kadoe 1871, pp. 71-2, 78). Leaving to one side, for the moment, the question of Chinese commercial competition, it seems that, as in Minangkabau, we can associate Javanese trade in commercial crops with Islam, and for much the same reasons. Just as Cohen identified Islamic cultural strategies among modern West African traders, so too did a Dutch observer of pasar trade in the early 1880s draw similar conclusions about the connection between Islam and Javanese traders:

In short: in as far as native trade is of any significance, it is largely in the hands of hadjis. In addition the petty trade of the pasar is in considerable measure in their hands. At the pasars of the [Regency] capitals in particular one encounters a large number of these individuals, occupying themselves with a great variety of types of petty trade (Poensen 1882, p. 23).

In the early 1950s, too, it was noted by the 'Mojokuto' team that, in terms of fulfilling cash crop contracts, the Javanese trader could only survive by forging for himself a group identity, of which Islam was an important component (Dewey 1962, pp. 41-3).

The conversion to Islam of peasant cultivators raises additional issues. It seems likely that, once they became involved in the cash crop economy, some among them at least were only too ready to embrace a puritanical, personally demanding form of Islam. Apart from thereby linking themselves to an Islamic trading network, such a religion allowed them to withdraw at least partially from what Joel Migdal has called the 'wealth-siphoning' mechanisms and institutions of the village, where ritual demands made it hard for the prosperous peasant to retain control of the fruits of his enterprise (Migdal 1974, pp. 68-72). The Budiah movement's adherents provide an extreme example of such withdrawal; Budiah followers refused to eat with non-converted family members, to participate in village recreations and even to attend the village Friday
service. Similar protests against 'wealth-siphoning' rituals were noted by Geertz among those peasants who were explicitly Muslim in villages near Mojokuto; he identified in them a value called *gemi* or 'obsessive thrift'. For such individuals, Geertz notes,

...it was a source of pride to work hard, dress simply, eat sparingly, and to avoid large ceremonial and festival expenditures...Almost all the more wealthy peasants around Mojokuto today are *santris* or sons of *santris*, and 'rich man' and 'hadji' are nearly synonymous terms (Geertz 1956, pp. 145-6).

**ISLAM AND THE JAVANESE BATIK INDUSTRY**

The relationship between Islam and Javanese business elites is another fundamental issue in the history of Indonesian Islam. The most important of Indonesia's handicraft industries until the mid-twentieth century has undoubtedly been the Javanese batik industry. Considering that batik making was originally an enterprise associated with the Indianized courts of Java, the Islamicization of the overwhelming majority of batik entrepreneurs and traders by the mid-twentieth century is an interesting phenomenon (Hawkins 1957, p. 2; 1961, pp. 52-4). To this the considerable economic and technical changes which took place in the industry during the nineteenth century bear some relation, and provide a starting point for any study of the Islamicization of Javanese business elites.

Up to the middle of the nineteenth century there existed two major centres of batik enterprise and trade in Java, the north central coast and the princely courts of Yogyakarta and Surakarta. The batik produced in these centres was the so-called *batik tulis*, in which the wax which secured the design was applied to the cloth by hand, using a *canting* or wax-applicator, generally made of copper. Production was overwhelmingly in the hands of women, working in their own homes, though at the princely courts there were also larger batik workshops, again operated by women.

Most of the fine cloth used for batik making was imported into the north Javanese ports from India, a trade for long in the hands of Indian Muslims and later of Arab settlers at the main harbours. The north central coast in particular, and especially the towns of Pekalongan, Semarang and Surabaya, had an old tradition of involvement in this textile trade. Javanese traders in imported cloth at these ports readily became Islamicized, just as those Arabs who settled there became Javanized and married into local families (van den Berg 1886, pp. 144, 221). The result was the creation of an Islamic 'trading diaspora' specializing in imported cloth, and extending right into the interior court centres. Both the textile trade and batik production in the north coast region were stimulated in the eighteenth century by the demands of the VOC (Dutch United East India Company) 'contingent' system: among the north coast 'contingent' deliveries there was a steady VOC request for local textiles from the Pekalongan-Kendal-Kaliwungu-Semarang area, which in the 1770s and 1780s were obtaining high prices in the Netherlands market (van den Burgh 1780, pp. 469-70). The realties of the credit system ensured a closeness in outlook between the cloth trader and batik entrepreneur on the north coast.
Due to the nature of the cloth trade, batik traders in the princely areas also had Islamic associations by the mid-nineteenth century; indeed, many of them were state Islamic officials supplementing their meagre salaries by batik trading (Salam 1963, p. 25; Nakamura 1976, Chapter 3). Batik production in these regions, however, still took place in an Indianized environment; batik enterprises were largely in the hands of the wives of kraton servants, or connected with those villages surrounding Yogyakarta and Surakarta known as perdikan desa because of their assigned task of looking after sacred graves. Free of taxes and other services, the inhabitants of these villages concentrated on handicrafts, including batik making (De Kat Angelino 1931a, pp. 177-8).

The major economic changes in the batik industry which occurred in the nineteenth century affected first of all the batik entrepreneurs. Faced with the increasing importation into Java of European printed cottons, products of the industrial revolution, batik makers sought industrial methods which would enable them to compete with these textiles. A very simple stamp for applying wax in the batik process was recorded early in the century (Raffles 1817, p. 168), and by mid-century a copper stamp (cap) had been invented, probably somewhere on the north coast. By means of this stamp a far greater quantity of batik cloth could be produced in a shorter time, and changes in taste could also be readily accommodated by the making of new stamps. The major subsequent technical change was the introduction of synthetic (aniline) dyes, which allowed traditional colours to be imitated at far greater speed and with less effort and skill, and which began to be imported into Java from Germany in the late nineteenth century. For the batik traders, the change of greatest significance was the replacement of imported Indian cloth as the basic material for batik work by plain European manufactured cloth, on which the designs were then made.

The availability of the batik stamp led to a vast expansion in the number of batik enterprises, both in the old batik centres of Surakarta and Yogyakarta and along the north central coast between Pekalongan and Surabaya, where from the 1870s new batik workshops mushroomed annually, established by anyone with enough capital to purchase a few cap and access to a small pool of family labour. The subsequent introduction of aniline dyes also permitted many newcomers to enter the business, because now the natural colours could be easily imitated with little specialist knowledge. Not all these batik enterprises were small affairs; some contained over one hundred workers including, significantly, many men, who, because of the invention of the cap, were now able to find a niche for themselves in batik workshops as stampers (tukang cap).

Most significant from the point of view of our Islamic theme, the introduction of the cap encouraged many Chinese to enter the batik industry. Their ready access to capital meant that their businesses were often larger and more enduring than those of the Javaneses. Moreover, their hold on much of the distributive trade of Java meant that, with the change-over to European imported ingredients for batik making - cloth, dyes and paraffin, which came to be added to the wax - they gained an even greater interest in the industry at the expense of the traditional Muslim suppliers. By the late 1920s it was reported that 90 per cent of the trade in cloth (morti), dyes and wax needed for batik making was in the hands of Chinese. Chinese also began to trade in the finished product (De Kat Angelino 1930, pp. xiv-xvi; Liem 1952, p. 36).
Looking at the plethora of Islamic movements initiated and supported in the early twentieth century by Javanese batik entrepreneurs and traders, it would seem that no explanation of the intensification of their Islamic orientation can afford to overlook this 'Sinicization' of the batik business. Before continuing with the argument, the nature of the 'Sinicization' of Javanese economic life needs to be further explained. Although much research remains to be done on Chinese business activities and methods in Java, it is quite clear from studies of business life in late Ch'ing China that ethnicity and ethnic 'trading diasporas' were essential components of Chinese economic activity. Skinner speaks of 'a hierarchy of regionally based ethnicity and subethnicity' among merchants in Chinese cities, and argues that the 'colonies' of extraregional traders in such cities, each with a grip on a particular economic niche, can easily be regarded as ethnic minorities. The erection of ethnic boundaries, Skinner argues, proved useful to groups wishing to retain control of an economic specialization, even if they were only distinguished from the host community by minor differences in dialect (Skinner 1977, p. 544).

In trading centres across the Chinese empire in the early Ch'ing period, alien merchants established fraternal associations (hui-kuan) based on their place of origin and their specialized economic function, aimed at giving mutual assistance to members and promoting their members' economic activities. By the eighteenth and early nineteenth centuries these hui-kuan had come to be more truly merchant associations or guilds (kung-so), having evolved to the extent that, in many cases, membership was no longer restricted to people from a single geographical area but embraced all practitioners of a particular trade in a particular city, regardless of native place. Nevertheless, subethnicity was always a component of the Ch'ing guild. Such a guild has been defined by Peter Golas as

an urban fraternal association whose members usually engaged in a single economic activity; often, but not necessarily, shared a common geographical origin that was not the city in which the guild was located; and joined together under the protection of one or more patron deities to promote their common economic and other interests (Golas 1977, p. 559).

The significance of these developments for Java is apparent. Chinese economic activity in Java, in addition to being loosely organized around merchant guilds and trade associations (Willmott 1960, p. 60), was no stranger to the concept of specialization by native place. This was particularly the case among singkeh or immigrant Chinese. To give but one well-documented example, the trade of tukang mindiringan (small moneylender) in Central and East Java in the early twentieth century was the preserve of singkeh Chinese from three localities adjacent to the city of Foochow (Fu-chou) in Fukien province. These subethnic groups were known in Java as Hok Tsjia, Hok Tsjioe and Hing Hoa, and moneylenders from these groups formed a guild. In the late nineteenth century their field of operation was the Principalities and also the area around Magelang in Kedu Residency, but they gradually spread their activities eastwards. By 1919 in the city of Surabaya all small-scale money-lending activities were dominated by one subethnic group, the Hok Tsjia, with 1000 representatives in the trade. Recruitment to the trade was explicitly along the lines of place of origin.
A young man coming from one of these three localities in Fukien would, on arriving in Java, become a client of an established tukang mindiringan. His patron then admitted him to live in the patron's own 'communal house' containing five to thirty young men in a similar situation, often from the same native village, and from here he would learn his trade (van Gutem 1919, pp. 113-4, 116, 121-2).

It was with such networks at their disposal that Chinese began to expand from the batik industry to compete in the batik trade itself. The case of the Bandung batik market is instructive. Bandung, while not a centre of the batik industry, was from the mid-nineteenth century the leading batik market for all west Java. It was visited regularly by batik traders from Surakarta and Yogyakarta, who by the 1870s were reported to be virtually all hajis. When in Bandung they traded with their fellow hajis who lived there, and also with visiting hajis from outside Java. Nevertheless, Chinese competitors gradually won the upper hand in the Bandung batik market. By the late 1920s, the biggest batik trader in Bandung was a singkeh Chinese, Tan Djin Gie, whose success was reported in the official Batikrapport of 1930:

Before Mr. Tan Djin Gie applied himself to the batik trade, he lived in Bojolali [Solo], where he often heard of the fabulous profits the Bandung hadjjis made in the trade in batiks from the Principalities. At that time in the Preanger Regency it was the hadjjis and not the Chinese who were the big men in the trade... Yet, Mr. Tan Djin Gie, who arrived in Java as a poor totok from China and who moved to Bandung in 1900, succeeded in getting control of the entire trade and ousting all the hadjjis.

As a former inhabitant of Bojolali (Solo), it was not difficult for him to travel to the Principalities and buy up batiks in person. He started out with a capital of f.5,000, not a lot for that period, considering the high prices of Principalities' batiks. He took care when selling to undercut the hadjjis' prices a little, but when buying he offered a higher price than they did; he also took great care to pay his creditors promptly. The hadjjis on the other hand took five to six months to pay their Principalities' suppliers, though they often had the money available. It goes without saying that the raising of the buying prices and prompt payment persuaded many batik entrepreneurs in the Principalities to do business with Tan Djin Gie (De Kat Angelino 1930, pp. 95-98).

This account indicates that by the early twentieth century Islamicization had proceeded faster among batik traders than among the batik entrepreneurs. The existence of an Islamic 'trading diaspora' in imported cloth has already been alluded to. How this expanded to include batik traders can best be seen by looking at the case of Pekalongan. By the mid-nineteenth century, Pekalongan batik traders were receiving their cloth and other necessities from Arabs, who had replaced Indian Muslims in this trade. The Pekalongan brokers then distributed the cloth and other ingredients to the batik entrepreneurs, from whom they collected the finished cloth. These brokers were nearly all hajis, who travelled to and from nearby villages where batik work was done, and who also ran 'hostels' for
village batik workers seeking work in the town. The batik market in the
town of Pekalongan itself consisted of several streets, and it was here that
the brokers came with the finished product. The streets contained the
dwellings of numerous Arabs and Sumatrans, especially Minangkabau, who
were known as buyers and shippers of batik. Outside buyers from West
Java, Sumatra and Macassar also lodged with these wholesalers (De Kat
Angelino 1931a, pp. 211, 226-8, 247). The cement which held the entire
batik market together was adherence to Islam. Pekalongan Arabs in the
late nineteenth century were particularly renowned for their libraries
and their study of Islamic subjects, and the community was characterized by
individuals who gave Islamic instruction in addition to occupying themselves
with trade (van den Berg 1886, pp. 160, 170-1).

The Islamicization of the batik entrepreneurs, usually individuals
with small workshops, proceeded at a somewhat slower rate, in the light of
their different circumstances. As late as 1930 it was reported of the
Javanese batik entrepreneurs of Lawean in Surakarta that, while many were
strict Muslims, some were abangan and preferred to have abangan Javanese
working for them in their enterprises. It seems likely that it was where
such abangan businesses continued to flourish that Chinese entrepreneurs
were best able to enter the batik industry. After the introduction of the
\textit{cap} from Semarang, Surakarta developed a large Chinese batik quarter, the
inhabitants of which were 'Javanized' in language, manner and life-style.
In Yogyakarta, however, it appears that once the majority of batik
entrepreneurs became strongly Islamicized it was impossible for the Chinese
to make any appreciable inroads into the business (De Kat Angelino 1931a,
pp. 95-6, 130-1, 146, 175, 321).

It is to the role of Islam in ethnic boundary formation and
maintenance that I now wish to turn. It seems that the correlation between
the Islamicization of batik entrepreneurs and the eventual failure of
Chinese in the industry holds good in towns other than Yogyakarta.
Pekalongan, heavily Islamicized, remained a centre of Muslim batik
entrepreneurs. Compared to 1107 Javanese enterprises in the Residency in
1930, there were only sixty Chinese businesses (De Kat Angelino 1931a,
p. 321). In the batik town of Kaliwungu, near Semarang, \textit{cap} batik
enterprises were founded by hajis, starting in the 1880s, and by 1930
there were twenty-four such businesses, all in the hands of Javanese, of
whom twenty-two were hajis (De Kat Angelino 1931b, p. 257). Porong, an
old batik centre near Surabaya, also began to have \textit{cap} batik enterprises
from about 1880. The business was always connected with Arab capital in
Surabaya, and by 1930 there were 150 hajis operating as batik entrepreneurs
in Porong, and no Chinese businesses (De Kat Angelino 1931b, p. 48). In
Ponorogo near Madiun, Chinese batik businesses were deliberately driven out
of existence by the efforts of the local Muslim batik entrepreneurs (De
Kat Angelino 1931b, pp. 77-80).

Here, then, we are dealing with something more profound than the
creation of an Islamic 'trading diaspora'. For Javanese batik traders and
entrepreneurs, Islam came to supply a symbol of ethnicity, similar to those
possessed by competing commercial groups. Because of Chinese boundary-
breaking activities, there was experienced a need among those in the batik
business for ethnic boundary formation and consolidation. Islamicization
then became, in the words of Abner Cohen, a symbol for 'the use of
ethnicity in articulating the organizational functions of interest groups
that for one reason or another cannot organize themselves formally' (Cohen 1974, p. xviii). What is implied by 'ethnicity' in this context is wider than mere cultural distinctiveness; the key factor is the erection and maintenance of boundaries by one group \textit{vis-à-vis} another (Barth 1969, pp. 9-38). To use another example drawn from the world of business, Cohen argues that the men of the City of London business elite 'are indeed as "ethnic" as any ethnic group can be' (Cohen 1974, p. xxi), operating as they do within a framework of mutual recognition based on dress, speech, educational background and family ties, a framework 'governed by archaic norms, values and codes that are derived from the City's "tribal past"' (Cohen 1974, p. xx).

There were Javanese business elites in our period which did not feel the need to become Islamicized, and we might say that they continued to operate within boundaries adequate to their needs. The best known case is probably that of the Orang Kalang, who were settled in many urban centres of Java by the late eighteenth century, including most of the major north coast towns. At the princely courts they worked as timber cutters and carpenters, and for the VOC they built and repaired both ships and buildings. Shipbuilding activity led to a diversification into transportation. With the increase in economic activity in the Kota Gede region in the late nineteenth century, the carpentry subgroup diversified into money-lending and later into pawnshops, with great success, whilst the transportation subgroup enlarged its business activities with enviable results. Although Kalang merchants were among the wealthiest inhabitants of Kota Gede in the early twentieth century, they retained their predominantly Hindu-Balinese rituals and customs, and apparently felt no need to become Islamicized. In their case, their existing identity was quite adequate for their needs, and Islamicization for them was a process experienced only in the new historical circumstances of independent Indonesia (Nakamura 1976, pp. 65-8; Ketjen 1883, pp. 189-92).

For our Javanese batik businessmen and women, however, even the informal articulation of their interests through the symbolism of Islam had become inadequate by about 1910, and it was necessary to take a further step. In the early twentieth century, the 'informal organization' of Islamicization was gradually intensified by the formal institutionalization of their symbolic patterns of behaviour. Batik traders and entrepreneurs began to establish Islamic organizations of a new sort. From a commercial point of view the most famous was the Sarekat Dagang Islam, founded in 1911 largely by the batik entrepreneurs and traders of the batik district of Lawean in Surakarta, and based on an earlier organization established in Batavia in 1909. In its earliest years, before its transformation into a popular organization under the title Sarekat Islam, great stress was placed by the Sarekat Dagang Islam branches on the need for members to forge bonds of unity.

The course adopted by the Sarekat Dagang Islam in Kudus in 1912 was typical. Kudus was a town in which Javanese batik entrepreneurs were suffering severely from Chinese competition (De Kat Angelino 1931a, p. 64). The SDI there, according to a government report, consisted largely of traders, 'including several influential hadjies' (Sarekat Islam 1975, p. 131), and its regulations reflected their interests. Apart from those rules confirming a member's personal commitment to Islam and its precepts, all the rules manifested the organization's desire to foster mutual help and
support in the economic concerns of life. Members were given secret signs by which they could recognize one another, and promises of aid in connection with economic difficulties were made. Article 14 read:

Whenever a member is in another locality and finds himself in difficulties, he should immediately inform the executive of the association by telegraph, stating his membership number. The executive is obliged to take immediately the necessary measures to aid that member (Sarekat Islam 1975, p. 132).

Activities even more specifically economic were also encouraged in the early days of the SDI. At Kudus and in the cities of Semarang and Surabaya small co-operative businesses were established, usually toko started with members' contributions for the sale of daily necessities to the membership. In Surabaya in particular these consumers' co-operatives got off to a good start and twenty-five such toko were opened in the city itself. Two trading companies for buying up and selling articles wholesale were also started in Surabaya, each with a capital of f.50,000 and shares at f.10 each. In Surakarta, too, co-operative toko were opened, all with the clear intention of providing an alternative to reliance on Chinese retailers, and by 1913 in Surakarta the SDI's executive was also holding lectures and readings on economic matters for the membership(Sarekat Islam 1975, pp. 137, 295-6, 331, 339).

The fate of these various enterprises fluctuated; in Surabaya there was some success, and a Kota Gede trading company formed by leading Muslim merchants was reported in 1915 to be doing well (van der Wal 1967, p. 427). Ultimately most of these early co-operatives faltered, but later, under the stimulus of altered government regulations, the Javanese co-operative movement became vigorous, and by the 1930s was experiencing considerable growth. In this movement batik traders and manufacturers fully participated, setting up co-operatives to promote their own industry. By the mid-1930s there were important batik co-operatives in Yogyakarta, Surakarta and Pekalongan, engaged in buying batik ingredients, especially cloth. The co-operatives in Pekalongan Residency instituted a policy of boycott against the Chinese suppliers (Liem 1952, pp. 75-81; Compton 1953, p. 6).

As the SDI rapidly outgrew its original base, batik traders showed considerable interest in Muhammadiyah, the Islamic reformist movement founded in Yogyakarta by a group of individuals connected with the batik business but also profoundly involved in religious matters. In some towns, such as Yogyakarta, Kota Gede and the batik centre of Pekajangan near Pekalongan, Muhammadiyah in its early years was synonymous with the batik trade. The organization's centres of strength were in the Residencies of Yogyakarta, Surakarta and Pekalongan, all batik enterprise regions (Compton 1953, p. 1; Hawkins 1961, p. 53; Nakamura 1976, Chapter 3; Alfian 1969, pp. 272-3, 306, 315).

Similarly, the reformist Persatuan Islam (Persis) of Bandung, founded in 1923, was largely the creation of businessmen involved in the cloth trade. The chief propagandist of the movement, Ahmad Hassan, had gone to Surabaya in 1921 to take over the management of a textile shop; visiting Bandung to study at the government textile institute, he established himself there, set up a weaving mill and, after this failed, joined Persis (Noer 1973, pp. 83, 86-7).
CONCLUSION

It seems to me that we should now be able to transcend the notion that Islamic movements in Indonesia tend to represent 'typical bourgeois individualism' (Wertheim 1959, p. 212) or 'mature bourgeois Islam' (Wertheim 1959, p. 218). Weight can also be given to the historical role of Indonesian Islam in, first of all, providing a blue-print for the organization of trading diasporas and, secondly, in providing a symbol around which ethnic boundaries could consolidate. Both these functions were concomitants of economic change, and an understanding of them enlarges our vision of the connection between Islam and economics in Indonesia. Such an understanding also gives us a clearer framework on which to build a distinction between santri civilization in Indonesia - the civilization of the pesantren and the ulama - and putihkan civilization - the civilization of the Islamic world of business.

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One of the unique features of Indonesia since independence is that this country has adopted a 'dual system' of education. In trying to catch up with the West in the field of science and technology, the Indonesian government has developed a modern type of secular education which is administered by the Ministry of Education and Culture. The government, however, also believes that the traditional Islamic education, established for many centuries, must not be abolished; hence, Islamic education has been recognized and developed alongside the modern type of education. Islamic education is administered by the Ministry of Religion. The adoption of this dual system of education means that in transforming Indonesia the government has not broken with the past but has moderately transformed traditional educational institutions with an eye to the country's future needs. Students who are enrolled in Islamic educational institutions run by the Ministry of Religion represent roughly between 10 per cent and 15 per cent of total students throughout Indonesia.

This dual educational system was adopted, however, not simply because of a belief in continuity, but also because of differences between the ideals and aspirations of faithful Muslim traditionalists and the rest of the Indonesian people on the fundamental aims of education. A major cleavage in the Indonesian community is between people who faithfully adhere to Islamic teachings and those who are only nominally Muslims. The 1971 census shows that together these groups represent 87 per cent of the total population of Indonesia. Furthermore, among faithful Muslims there is also a cleavage between 'traditionalists', who adhere to the four founders of Islamic jurisprudence, and 'modernists', who take only the Koran and Hadith as valid references. In Central and East Java, on which this paper is focused, the contrast between practising faithful and lax Muslims is sharper than in other areas of Indonesia; moreso the cleavage between the traditionalists and the modernists. Throughout Central and East Java, faithful Muslim Javanese are recruited and divided into two groups - the traditionalists of Nahdlatul Ulama and the modernists of Muhammadiyah. Although both Islamic groups agree that formal education is the principal channel through which the ideas and values of the ruling elite are communicated to the younger generation, they differ on the fundamental aim of education.

For Muslim modernists or national secularists, education is designed primarily for human resource development as a means of achieving the goals of community development. Both Muslim traditionalists and modernists share similar views on educational theory and the practice of Islam in regard to the knowledge of the One True God as the highest knowledge. All other knowledge (religious knowledge, sciences, and technology) is subservient to the knowledge of God. However, for the modernists religious knowledge is confined exclusively to the understanding of the Koran and the Hadith; for the traditionalists, all branches of Islamic
knowledge, particularly *fiqh*, constitute superior knowledge; seeking such knowledge is 'incumbent on all Muslims, males and females'. The result is that, for the modernists, education involves acquiring knowledge of the Koran and Hadith (which does not take a long time) plus acquiring knowledge of all sciences and technology; for traditionalists, education involves, in particular, the study of all branches of Islamic knowledge, which takes years of learning. That is why almost all educational institutions developed by the modernists teach secular subjects, while the ones developed by the traditionalists mostly still teach various branches of Islamic knowledge. For Muslim traditionalists, however, education is primarily designed to uphold and spread Islam. Consequently, educational institutions developed by Muslim traditionalists teach primarily various branches of Islamic knowledge, i.e. Arabic, Koranic exegesis, the Hadith (traditions purporting to preserve the decisions, actions and utterances of the Prophet Muhammad), *fiqh* (Islamic jurisprudence), *ushul fiqh* (system of Islamic jurisprudence), *tauhid* (Islamic theology), *tariikh* (the history of Islam), *tasawuf* (Islamic Sufism), and *akhlaq* (Islamic ethics).

At elementary and secondary levels, there are three types of Islamic educational institutions, i.e. madrasah, *diniyah* and *Pendidikan Guru Agama*. Madrasah, either at elementary level (which is called Madrasah *Ibtida'iyyah*) or secondary level (Madrasah *Tasawwiyah*: Junior High School, and Madrasah 'Aliyah: Senior High School) teach 70 per cent secular subjects and 30 per cent religious subjects. The holders of madrasah certificates are regarded as being equally as qualified as graduates of secular educational institutions. *Diniyah*, on the other hand, teach 30 per cent secular subjects and 70 per cent religious subjects. Their graduates are not regarded as being as equally qualified as graduates of secular educational institutions, although they are eligible to be employed as public servants, particularly in the Ministry of Religion, and eligible for further studies at IAIN (tertiary level of Government Institutes of Islamic Studies). *Pendidikan Guru Agama* (PGA), train religious teachers. The curricula consist of 50 per cent religious subjects and 50 per cent secular subjects. Their graduates are employed as teachers at SD (government secular elementary schools) and at Madrasah *Ibtida'iyyah*.

At tertiary level, there are two types of Islamic educational institutions, i.e. *Institute Agama Islam Negeri* (Government Institute of Islamic Studies), and *pesantren* (see below). IAIN teach roughly 50 per cent religious subjects and 50 per cent secular subjects. Graduates who undertake the teaching of Islam as their main specialty are employed as religious teachers at secondary secular schools and Madrasah *Tasawwiyah* and Madrasah 'Aliyah, and PGA Graduates who take *syari'ah* (Islamic law), *ushuluddin* (Islamic theology), and *adab* (Arabic literature) are employed as high officials of the Ministry of Religion or as lecturers at the IAIN.

The gap between secular and Islamic education, although still wide, has been narrowed by government efforts at providing religious instruction (which is compulsory) at secular schools, and by a move toward accommodating a greater portion of secular knowledge in the curricula of Islamic educational institutions. The move is a result both of government encouragement and of an ideological change among Muslim traditionalists in which the acquisition of worldly knowledge has been given a more prominent place. Thus, many *diniyah* have now become madrasah.
In Java the strength of Islamic education, however, is not in its madrasah system, as in most Islamic countries, but in its pesantren system. Pesantren are traditional Islamic training centres for advanced studies. Students must live in dormitories within the pesantren complex owned by kyai (religious leaders/teachers), who also live within the complex. In this way, the kyai foster their students' acquisition of the advanced knowledge of Islam and control the Islamic practices of the students. These pesantren are sometimes called pondok. They are called surau in Minangkabau, West Sumatra, and dajah in Aceh. All pesantren are privately owned by kyai; according to Babad Demak, pesantren began to be established at the time of Raden Rahmat (Sunan Ngampel) in the reign of Prabu Kertawijaya of Majapahit. Before the introduction of mass education of a Western type in the early twentieth century, and madrasah type since the end of the 1920s, the pesantren provided the only available education for the native Javanese; thus the pesantren were the only educational institutions which produced the learned sector of the Javanese community whose knowledge became the most important means for upward social mobility. Subsequently, the pesantren's position as agents for the Islamization of the Javanese was predominant. Most scholars agree that the Islamization of the Javanese was due to the efforts of the leaders of the pesantren. (To some degree almost 90 per cent of the Javanese acknowledge that Islam is their religion.)

At present, although the pesantren have changed their educational system by stressing the training of advanced students in Islamic knowledge, and although new educational institutions like madrasah, PGA and IAIN have taken a share in strengthening the faith of nominal Muslims, the dominant position held by the pesantren still persists. This is confirmed by my own Ph.D. research on Pesantren Tebuireng in Jombang, East Java, done during 1977-78.

This pesantren, established in 1899 by a remarkable ulama (Kyai Hasyim Asy'ari), has been a major source of religious leaders and has played the most decisive role in the emergence and development of Nahdlatul Ulama which, since its foundation in 1926, has been an active force in Indonesian politics. Most leaders of pesantren and madrasah in Java and Madura in the twentieth century graduated from Pesantren Tebuireng. Dawam Rahardjo (1974, p. 30) recorded that there were at least 500 madrasah with approximately 200,000 students formally affiliated to Pesantren Tebuireng. The dominant position held by the pesantren over other Islamic educational institutions is partly a result of their success in producing numerous highly qualified ulama (Islamic scholars) who are imbued with the calling to spread Islam and to strengthen the faith among nominal Muslims. As advanced Islamic training centres, the pesantren also produce teachers for madrasah, for other informal Islamic courses such as pengajian, and for Friday sermons. The success of pesantren leaders in producing numerous highly qualified Islamic scholars is due to the kyai's method of training. The intention is not to fill the minds of students with information, but to refine their morals, educate their spirits, propagate virtue, teach them propriety, and prepare them for a life full of sincerity and purity. Every student is taught to regard religious ethics above all else. The student's goal in education must not be to obtain power, money, or glory, or to act heedlessly; learning is an obligation, a dedication to God.
Among the ideals of pesantren education are training towards independence and self-reliance in education. The kyai provide for individual education and recognize individual differences among students, observe students' aptitudes and learning, and take note of their individual intellect, educating them according to their level of intelligence. Students are well treated and their moral training is given due concern. Educational journeys are encouraged and oratory and debates are given importance. The students are encouraged to preserve and spread Islamic knowledge to other people, to devote time and labour to study, and to learn more 'from the cradle to the grave'.

Most pesantren are established in, and attract most of their students from, rural areas, where more than 80 per cent of the Javanese population lives. As a result, pesantren produce graduates who are more familiar with traditional rural culture than graduates of modern educational institutions which are located in, and attract students from, urban centres. Being themselves brought up in the strict discipline of the traditional ideology of pesantren, the Javanese kyai oppose the most fundamental ideological reform advocated by the modernists, namely the abandonment of the madzhab (the four schools of Islamic jurisprudence, i.e. Hanafite, Malikite, Syafi'ite, and Hanbalite madzhab).

The influence of the modernist ideology, which began in the early 1910s, is still confined mostly to educated urban Muslims. In other words, the Javanese kyai still dominate the religious leadership among the faithful Muslims of rural areas of Central and East Java. The Javanese kyai's preference for the traditional ideology of Islam is clearly shown by the texts taught in the pesantren which—besides various branches of Arabic language—focus on the Syafi'ite madzhab and Sufism. Their preference for this traditional ideology is commonly expressed in their self-identification as the followers of Ahlussunnah wal jama'ah. Ahlussunnah wal jama'ah the kyai do not simply identify with Sunni tradition, but rather adhere to the following specific tradition:

1. One of the four madzhab in matters of Islamic jurisprudence (in practice, however, Javanese kyai are strict followers of Syafi'ite madzhab);  
2. Imam Abu Hasan al-Asy'ari and Imam Abu Mansur al-Maturidi in matters of Islamic theology;  

The Javanese kyai then, distinguish themselves from the modernists who do not follow the teachings of these particular Imam. In matters of Islamic Sufism, the modernists disapprove of all forms of tarekat (Sufi orders or brotherhoods) which teach asceticism and the repetition of dzikir (recollections or remembrances of God's name). Javanese kyai, on the other hand, regard Sufism as an essential part of Islamic teaching that must be taught to mature students who have some advanced knowledge of Islam. They agree that it is dangerous to teach Sufism to immature students of Islam. In general, they discourage young people from becoming involved with tarekat, while they encourage middle-aged people, who have abandoned interest in achieving material gain, to join tarekat.

The modernists argue that to understand and perform pure Islamic teachings we must rely directly on the Koran and Hadith. Javanese kyai, however, maintain that the accompanying compendia of interpretation that have grown up around the Koran and the Hadith, developed by particular
Imam and their leading followers over the centuries, are secondary sources which cannot be neglected. Taking the accompanying compendia as further sources of Islamic teaching does not mean that they neglect the Koran and the Hadith as primary sources. But the Koran and the Hadith are phrased in a 'difficult' language, full of symbolism, which can be more clearly understood by those who are the most 'knowledgeable'. They are, first of all, the Prophet Muhammad himself, and then his sohabat (companions), tabi'in (followers of sohabat), tabi'it tabi'in and the leading ulama of the following generations. Muhammad, as the receiver of God's revelations, was the most knowledgeable of all. The sohabat, since they were close to Muhammad, understood the Koran better than non-sohabat of their generation, and so did tabi'in, tabi'it tabi'in and the leading ulama of the following generations. This is the reason for consulting the authoritative texts or accepted standards of the madshab. It does not mean that the Javanese kyai are content to maintain a condition of jumud (inertia) because they are content with traditional methods and practices; nor do they wish to show an indifference to the progress made by the outside world, as the modernists claim. The kyai argue that progress must not be achieved through the abandonment of the correct religious traditions; they regard it as quite dangerous to interpret the Koran and the Hadith according to personal reasoning.

Their insistence on consulting the texts of the madshab is not simply a matter of whether or not present Muslim scholars are allowed to practise ijtihad, i.e. the right of individual interpretation and judgement of the Koran and the Hadith, as the modernists have stressed. For the Javanese kyai it is a matter of the validity of the transmission of Islamic teachings from God through the Angel Gabriel to the Prophet Muhammad and from him through his sohabat, from sohabat to tabi'in, who were followed by tabi'it tabi'in. From this tabi'it tabi'in generation and their students emerged the founders of madzahib (plural of madshab) who first systematized Islamic jurisprudence which was later developed and transmitted by generations of ulama. According to the kyai, we cannot cut the chains of this transmission. What we can do is to find the best and the most valid chains in each generation. The kyai insist that in every generation there is a certain group of ulama who can be regarded as the valid transmitters of Islamic teachings. This is confirmed by the prophet's statement that, 'the ulama are the representatives of the Prophet' (Achmad Siddiq 1977, p. 21).

Are there, then, fundamental differences in theology between the Javanese kyai, who base their interpretation on the Koran and the Hadith as interpreted by Imam Abu Hasan al-Asy'ari and Imam Abu Mansur al-Maturidy, and the modernists, who base their theological argument solely on the Koran and the Hadith? The ulama of both factions always assert that there are no fundamental differences in theology between the two types of ulama. Both believe in monotheism, that there is no God but Allah, and in Muhammad as His messenger. Secondly, both believe absolutely in divine determinism (taqdir and qadar). Thirdly, both also believe in the akherat (life in the hereafter), that life in the world is only temporary while life in the hereafter is true and eternal life. Fourthly, both believe in the 'totalistic' concept of the role of religion in life. In matters of syari'ah (religious obligations, or what is more frequently called religious law) both teach that only Muslims who (1) pronounce the two kalimah syahadah (There is no God but Allah and Muhammad is His messenger); (2) perform five daily prayers; (3) pay alms; (4) fast during Ramadan;
and (5) perform the pilgrimage or hajj when they are able, can be regarded as faithful Muslims who will be granted a better life in heaven.

There are, however, differences in what are called soul-soal fiyyu' (the details of Islamic teachings). This is understandable, because kyai accept as valid non-obligatory rituals which have been suggested by ulama of previous generations while the modernists regard religious rituals which are not recommended by the Koran and the Hadith as bid'ah (inventions) prohibited by Islam.

The traditions of Javanese kyai are, then, rich with ritual practices which have created a more ritualistic type of religious and worldly life. For example (1) the modernists practise eight raka'at of tarawih as performed by Muhammad, while the kyai usually practise twenty raka'at as practised by Khalifah Umar; (2) the modernists rely upon one call to prayer for Friday prayer, but the traditionalists utilize two calls to prayer as practised by Khalifah Uthman; and (3) the modernists do not practise qunut as part of the second raka'at of morning prayer, but the traditionalists do, as practised by Imam Syafi'i.

This is not to say, however, that the Javanese kyai are less strict in their observances than the modernists. The kyai believe that Umar and Uthman, as the closest companions of the Prophet, and Imam Syafi'i, as a leading ulama, did not indulge in bid'ah; rather, their religious practices conformed with the Koran and the Hadith. Nor does their ritualistic type of life mean that the kyai neglect the world. They are deeply aware that life in the world is important. Acquiring wealth is important. Men have to eat in order to live; they have to possess suitable clothes so that they can cover their aurat (parts of the body which may not be seen by others); possess naftaqah (living expenses for the family). Furthermore, they urge the giving of alms to the poor and to orphans and contributions for religious purposes such as mosques and madrasah, as ibadah (dedication to Allah). And last, but not least, as Muslims they are urged to perform the hajj in Mecca, which is possible only for the relatively wealthy. The fact that almost all Javanese kyai are among the wealthiest people in the villages of Java and can perform hajj in Mecca is an indication that they regard acquiring wealth as important in their worldly life.

The Javanese kyai, however, do have ideas different from those of the modernists about how life in the world should be practised. These differences are not theological but empirical. For example, the modernists assess their position in the world by Western standards, while the Javanese kyai evaluate it solely in accordance with life in the hereafter. This does not mean that the modernists regard life in this world as more important than life in the hereafter; both argue that life in this world is transitional and life in the hereafter is the most important goal to which life in this world should be oriented. However, the emergence and development of modernist ideas derives from the desperate search of the urban Muslim intellectuals for ways to relate Islam to the modern world in general and to modern Indonesia in particular (see e.g. Noer 1973). In trying to catch up with the affluence of the West, the modernists espouse the Prophet Muhammad’s teaching: ‘Work for your worldly life as if you will live forever in the world, and perform your religious obligations for your life in the hereafter as if you will die tomorrow’. For the modernists as well as for the Javanese kyai this
command to work hard for material achievement is thus an order from the Prophet. But, unlike the modernists who accept this command/advice as the reason for their ambition to obtain Western affluence, the Javanese kyai argue that worldly achievements are intended purely for the sake of life in the hereafter, for, 'as if you will live forever' is a conditional which is contrary to reality and impossible, while 'as if you will die tomorrow' could quite possibly happen.

The Javanese kyai argue that man's central position in the world is not due to his material progress, cleverness or inventive genius but because of the possibility of attaining sanctity and becoming a channel of grace for the world about him. They believe that man as man is imperfect, that only God is perfect. Being imperfect, man has the tendency to forget his real nature as a creature who must follow the guidance of God, his Creator; he is by nature negligent and forgetful, therefore he needs to be reminded. It is the kyai's duty to urge people to perform religious rituals, especially at the present time when people are competing to obtain more and more material wealth while at the same time neglecting their religious duties. Kyai believe that we will not suffer either in this world or in the hereafter by the intensification of religious rituals because those who do not neglect their religious rituals are 'blessed' by Allah; their ikhtiar (work) for material wealth is 'blessed' by Allah. Riches are not gained solely by hardwork, but also by good luck; and intensive performance of religious rituals - by Allah's grace - may, it is hoped, bring good luck. Allah says 'Ud'uni astajib lakum: Ask me, I will give you what you want'. But God also says 'Udskurni adzkurkwn: Remember me, and I will remember you'. Ikhtiar is the condition for obtaining reward, but reward is gained not only by ikhtiar but also by Allah's grace.

Zuhud (a world view which rejects love of life in this world, suatu pandangan hidup yang menolak sikap cinta kepada kehidupan dunia)8 is fundamental for the Javanese kyai. For them, however, suhud does not imply a hatred of life in this world; only a lack of love for worldly life. Kyai Syamsuri of Pesantren Tebuireng explained to me:

If you have wealth, you must not love your wealth and neglect the suhud world view on which wealth is only an amanat (trust) from Allah that you must spend your wealth for the sake of your life in the hereafter. You must not spend your wealth excessively (berlebih-lebihan) and for your own entertainment (hanya untuk keenanganmu sendiri); if your neighbours are too poor to buy meat, chickens, beautiful clothes, etc., do not spend your wealth on these things; do not neglect to spend your wealth for religious purposes: pay your alms for the poor and the orphans and contribute your amal jariah, i.e. for building mosques, madrasah, etc.

Zuhud is part of the religious view of Islamic Sufism which is widely practised by the Javanese kyai.9 It combines an intensive practice of non-obligatory rituals such as salat sunnat (recommended prayers), puasa sunnat (recommended fasting) and dzikir (recollection) of Allah's names associated with salat as an extra, personal practice. The intensive
practise of non-obligatory but recommended rituals indicates an absolute surrender to Allah. I quote Kyai Syamsuri's teaching in his Friday sermon:

Do not perform prayers just because you are obliged to but because you love Allah. (He quoted a verse in the Koran): 'Remember God with much remembrance and glorify Him morning and evening' (Surah 33, v. 41, fortified by many other verses).

The ideology of the Javanese kyai does not confound sacred and profane. They say: 'If you orient your life to worldly gain, you will fail to obtain a happy life either in this world or in the hereafter, but if you orient your life to the hereafter you will enjoy a happy life both in this world and in the hereafter'. The kyai always stress that we are created by God as servants. It is essential for Allah's servants to serve Him.

And this is Islam; Islam means 'surrender' (to Allah). Allah commands His creatures to love Him above all else.

NOTES

I am very much indebted to Professor James Fox and Dr Mitsuo Nakamura for reading and commenting on this paper. I am, however, responsible for any errors of fact, interpretation, or language that may still be found in it.

1 Advanced books on various branches of Islamic knowledge are written in Arabic. Students of Islam who want to acquire advanced knowledge must, firstly, master various branches of Arabic, i.e. grammar, literature, etc.

2 Islamic scholars in Java who are proficient in Islamic knowledge are called ulama. In West Java they are called ajengan. In Central and East Java ulama who lead pesantren are called kyai. At present, however, there are some influential ulama who do not lead pesantren but are called kyai. With its strong association with the pesantren tradition, the term kyai commonly refers to traditionalist ulama.

3 Pengajian are regular, though informally organized, religious courses, held mostly on a weekly basis in mosques or private houses after evening prayers.

4 Since the death of the Prophet Muhammad, the Muslim community has been broadly divided into two major groups, i.e. followers of the Sunni tradition and followers of Shi'a tradition.

5 Tarawih is a recommended prayer practised at night during the whole month of Ramadan.

6 Umar was the second Khilifah and also a father-in-law of the Prophet; Uthsman was the third Khilifah and also a son-in-law of the Prophet.

7 Almost all educated modernist Muslims in Indonesia can quote this Hadith.
Almost the whole text of *Al-Hikam* (see its translation by Salim Bakhresh 1977), the second most widely used Sufi text in the *pesantren* after al-Gazali's *Ihya' Ulumuddin*, is devoted to the discussion of this *suhud* world view.

Within *pesantren* tradition, Sufi texts are taught to the most advanced students. The completion and mastering of well-known Sufi texts, such as Kyai Dahlan's *Syirajut-Talibin* and al-Gazali's *Ihya' Ulumuddin*, is considered as the final stage of learning in the *pesantren*.

**REFERENCES**


THE REFORMIST IDEOLOGY OF MUHAMMADIYAH

Mitsuo Nakamura

INTRODUCTION

Muhammadiyah in Indonesia today is a highly visible, religious, educational and social movement based upon the teachings of Islam. In almost every urban community of the country buildings are found bearing the sign of Muhammadiyah: mosques and prayer houses, schools and kindergartens, clinics and hospitals, orphanages and poorhouses, offices and meeting halls. There are a number of well-known Muhammadiyah members working in politics, business, mass media, academia, and arts and culture. Muhammadiyah occupies an important part in the social, cultural and spiritual life of contemporary Indonesia.

This paper discusses the Muhammadiyah movement with an emphasis on its ideology. Efforts are made to delineate major features of Muhammadiyah's ideology; how it has been expressed in the fields of belief, ritual, education, social welfare activities, and politics of the movement; how it has interacted with historical reality; and what impact it has had on Indonesian society. A brief speculation on the future of Muhammadiyah concludes this paper.1

At the outset it seems necessary to qualify the term 'reformist' in its application to the Muhammadiyah movement. In Muslim perception, Islam rejects any reform in its tenets. The truth of the teachings of Allah, revealed to His messenger Muhammad in the words of the Koran and exemplified by his deeds and sayings, the Hadith, has eternal validity. The members of Muhammadiyah, like those of many other pious Muslim movements, strive to live up to the teachings of Allah in contemporary social conditions and to adapt their lives accordingly. It never occurs to Muhammadiyah that Islam be reformed or modernized. But it is true that its efforts towards strict adherence to the teachings of Islam have often eventuated in a number of reforms and innovations in individual and collective human conduct as well as in social institutions. However, even in such cases, the intention of Muhammadiyah has not been social reform per se. Rather, social or institutional reform has been an expression of religious devotion in the social dimension, or a means to achieve a religious goal. Therefore, what is intended by the title of this paper is the religious ideology of Muhammadiyah and social reforms derived therefrom.

MAJORIDEOLOGICAL TENETS

Muhammadiyah is one of many Muslim organizations formed in various parts of Indonesia during the first decades of this century with the purpose of invigorating the teachings of Islam. It was founded in 1912 by Kyai Haji Ahmad Dahlan, one of the officials of the Sultan's mosque in Yogyakarta, Central Java. (For a general history of Muslim movements in modern Indonesia see Noer 1973; for a pre-war history of Muhammadiyah in particular, see Alfian 1969).
In the beginning, the aims and the scope of the organization were modest. Article Two of its original statute, submitted to the Dutch authorities for approval in 1912, states:

The aims of this association are

(a) To spread (menyebar) the teachings of the Great Prophet Muhammad, 'May Allah give him peace', among the indigenous inhabitants (penduduk Bumi putra) in the Residency of Yogyakarta, and

(b) To promote (memajukan) the religious affairs of the members (Statuten n.d.).

In accordance with these aims, the association was named Muhammadiyah, meaning 'the followers of Muhammad'.

Ahmad Dahlan and his close associates, mainly drawn from his own neighbourhood, the Kauman district of Yogyakarta, worked vigorously at giving religious lectures (pengajian) for adults and young people, providing religious courses at government schools, setting up their own schools where both secular and religious subjects were taught, and establishing orphanages and clinics. The basic patterns of Muhammadiyah organization and its activities were firmly established by the founder himself in his lifetime.

Underlying the explicit aims and patterns of the organization, a fundamental ideological theme seems to have been formulated in these formative years of Muhammadiyah: a theme that seems to have generated and maintained the elan of the movement. This theme has two elements: the first is the perception that many Muslims in Indonesia remain unaware of the true meaning and value of Islamic teachings, let alone of the need to fulfill religious obligations; the second is the conviction, motivated by the above-mentioned perception, that the reassertion of Islam in Indonesia is urgently called for and that Muhammadiyah is a response to this call. A passage taken from a speech made by a Muhammadiyah leader in 1923 vividly illustrates this point.

The religion of Islam in [Netherlands] India is like sparking pearls which are nevertheless covered by certain lids. The responsibility of the community of Islam is to throw away these lids! (Verslag 1923, p. 39).

Muhammadiyah’s aim is to help cast away these lids and make fellow Muslims realize the true value of Islam, which they already possess.

A verse in the Koran which is said to have inspired Ahmad Dahlan to form Muhammadiyah and which has since become one of the sources of religious ground for its foundation, further strengthens the theme.

And let there be one group of you who call people to good,
who urge them to virtuous conduct
and restrain them from evil deeds.
Those are the ones who prosper
(Surah 3 Ali Imran, v. 104).
Part of this verse, 'urge people to virtuous conduct and restrain them from evil deeds' (or *amar ma'ruf nahimunkar* in Arabic), has become a standard slogan of Muhammadiyah in expressing the essence of the movement.

The theme leads to concrete actions, which operate in two major areas: (1) strict adherence to the teachings of Islam according to the Koran and the Hadith in the areas of belief (*iman*) and ritual (*ibadat*); and (2) reforms and the formation of new institutions in the areas of education and social welfare (*amal-usaha*). Muhammadiyah's efforts are often depicted by the movement itself as efforts 'to cleanse (*membereihkan*)', to refine (*memurnikan*), and to purify (*menyurikan*)' the faith of Islam among Indonesian Muslims (Musthofa and Chusnan 1977, p. 11).

What is essential in the area of belief is the belief in the oneness of God (*tawhid*), and the rejection of polytheism (*syirik*). The Koran and the Hadith recognize only six pillars of belief (*rukun Iman*): (1) Allah as the only God, (2) the Koran as His revelation, (3) Muhammad as His messenger, (4) Angels as His helpers, (5) the Day of Judgement, and (6) Providence.

In direct correspondence to this adherence to the Koran and the Hadith in the area of belief, Muhammadiyah urges similar fundamental requirements in the area of ritual. Muslims must perform the five pillars of Islamic ritual (*rukun Islam*): (1) the confession of faith (*syahadat*), (2) prayers five times a day at prescribed times in prescribed manners (*salat*), (3) fasting from dawn to sunset during the month of Ramadhan (*puasa*), (4) the payment of religious tax (*zakat*), and (5) pilgrimage to Mecca if economically possible (*haj*).

These observances constitute 'virtuous conduct', whereas worship offered to supernatural beings other than Allah is 'evil' and must be discarded. Muhammadiyah urges the rejection of polytheistic beliefs and rituals, such as the worship of the grave of a saint or of a weapon with mystical powers, consultation with fortune-tellers, or the use of black magic (Musthofa and Chusnan 1977, p. 12). Muhammadiyah urges fellow Muslims to a single-minded adherence to a verse in the opening chapter of the Koran:

> You [Allah] alone we worship,
and to You alone we pray for help
(Surah 1 Al-Fatihah, v. 5).

Muhammadiyah belief and ritual is, according to its own perception, a rediscovery, restoration, and reassertion of what was already inherent in Indonesian Islam. It should also be noted that Muhammadiyah does not differ from other Sunnites in its major ideological tenets and regards itself as part of them.

Muhammadiyah's efforts to purify the faith of Muslims in Indonesia have taken it further than the reassertion of fundamental Islamic beliefs and rituals. In a number of areas where traditional beliefs and rituals were uncritically continued, Muhammadiyah has introduced rigorous re-examinations and alterations, if needed, according to what it believes to be proper interpretations of the Koran and the Hadith. These self-cleansing efforts have included:
1. The determination of the exact direction of Mecca and the adjustment of the direction of prayers accordingly (kiblat), in contrast to the common practice of praying in the direction of due west.

2. The use of astronomical calculation in order to determine the beginning and ending of the fasting month (hisab), in contrast to the visual observation of the movement of the moon by religious functionaries.

3. The holding of public prayer meetings in open fields (salat ied) on Islamic holy days, Idul Fitri and Idul Adha, instead of traditional smaller indoor prayer meetings at mosques.

4. The collection and distribution of alms in rice (zakat fitrah) and sacrificial animals (korban) on the above-mentioned holy days by a special committee representing local Muslim communities, in contrast to the common practice of giving the prerogative in this matter to religious officials and functionaries (penghulu, nabi, kauim, modin, and the like).

5. The giving of sermons (khotbah) in a vernacular language after Friday prayers, instead of giving them in Arabic only.

6. The simplification of rituals and ceremonies for births, circumcisions, weddings, and funerals, eliminating polytheistic elements from them.

7. The simplification of graves, which were formerly decorated excessively.

8. The discouragement of pilgrimage to the graves of local saints (wali).

9. The elimination of the notion of supernatural endowment of certain kyai/ulama (Islamic scholars and teachers) and the resultant extreme veneration of them.

10. The use of head-cover (kerudung) for women and girls, and the separation of the sexes in public religious meetings.

(Musthofa and Chusnan 1977, pp. 58-60).

Some of those efforts directly threatened the power, prestige and socio-economic interests of religious officials. Sometimes, therefore, segments of government were involved in blocking Muhammadiyah's activities. Some of the Muhammadiyah interpretations of the Koran and the Hadith triggered theological debates among Islamic scholars (ulama). In the course of time, however, many of the points Muhammadiyah pioneered have become commonplace among the Muslim community of Indonesia.

It is in education and social welfare activities that Muhammadiyah has initiated and instituted a number of more explicit reforms and innovations. For Muhammadiyah, which strives to spread the teachings of Islam more widely and more deeply, education constitutes an important means through which the understanding of Islam can be transmitted and strengthened from generation to generation. Unlike institutions of religious education for the training of a small number of religious specialists, found in other universalistic religions, Muhammadiyah's ideal of education was the education of a large number of common people, the upgrading of the masses. In realizing this ideal, Muhammadiyah, since the days of Ahmad Dahlan's direct leadership, has endeavored to
IDEOLOGY OF MUHAMMADIYAH

combine the strengths of the two educational systems, pesantren (rural Islamic schools under the guidance of kyai/ulama) and Western-style schools, while overcoming the shortcomings of both. For Muhammadiyah, traditional pesantren education seemed to require much too long a time for a pupil (santri) to complete, due to the lack of a class or grade system. Certain pesantren often specialized in a limited number of religious subjects, and consequently a santri went around and stayed at several pesantren in order to complete his studies. Traditional pesantren were inadequate in educating children to cope with worldly matters because they did not teach secular subjects. On the other hand, Western-style schools taught practical skills, general knowledge and sciences, but did not teach the ennobling of personality (akhlak, budi pekerti) based upon Islamic teachings. Muhammadiyah felt it necessary to combine the two: education for happiness in this world and in the after-life (kebahagiaan di dunia dan akherat) (Musthofa and Chusnan 1977, pp. 13, 45-6). (For a detailed discussion on traditional Islamic education in Java, see Dhofer this volume).

An oft en quoted epis ode about the founder of Muhammadiyah relates how he exhorted young boys and girls at a small madrasah (religious school) at his own house:

Muhammadiyah today will be quite different from Muhammadiyah tomorrow. Therefore, continue your schools to acquire general knowledge wherever possible. Become a school teacher, then come back to Muhammadiyah. Become a doctor, then come back to Muhammadiyah. Become a lawyer, an engineer, and the like, then come back to Muhammadiyah. And never cut the ties with Muhammadiyah while you are continuing your study.

(Musthofa and Chusnan 1977, p. 2).

The children of the first generation of Muhammadiyah members did continue on to various modern schools, including Al-Azhar University in Cairo, and did 'come back' to Muhammadiyah. Partly relying on their expertise and partly drawing resources from traditional pesantren education, Muhammadiyah then developed a self-perpetuating education system of its own. It included Western-style schools with religious subjects, religious schools with secular subjects, religious schools for those attending government schools, training schools for secular-subject teachers, and training schools for religious teachers, vocational training schools of various kinds. After the war, tertiary level institutions were added to these. These schools have been primarily financed and maintained by donations and contributions from within the organization of Muhammadiyah (Central Leadership of Muhammadiyah 1979, pp. 8-9).

Besides formal school education, Muhammadiyah has tried to restructure the traditional form of non-formal education, pengajian. Pengajian derives from the verb mengajāt meaning 'to learn to recite the Koran'. Traditionally, pengajian refers to informal religious lessons in which a parent or a private teacher taught small children the recitation of the Koran and the basic rituals of Islam. Muhammadiyah has expanded
and systematized *pengajian* into a form of non-formal religious education for a much wider audience. Also, the content of *pengajian* has been made more relevant to the problems of everyday life for ordinary Muslims; the exegesis of the Koran and the Hadith as applied to such problems, given in the language of laymen. The teacher of a *pengajian* can be an ordinary Muslim with relatively advanced knowledge in religious matters, a cadre of Muhammadiyah especially trained for such courses (*muballigh*), or a renowned *kyai ulama*. The learning-group of a *pengajian* can consist of small children, adolescent boys and girls, or adult males and females. *Pengajian* can be held in a private house, a neighbourhood prayer house (*langgar* or *surau*), a mosque, or a public building. *Pengajian* is usually held regularly: every day, every week or every thirty-five days. The topics of a *pengajian* can range widely: marital and parental problems, relationships with neighbours or officials, ethical and practical problems in economic or political conduct.

In addition to *pengajian*, the reform efforts of Muhammadiyah have been noticeable in the area of religious counselling. Traditionally, ordinary Muslims could obtain from a *kyai ulama* or a religious leader of some reputation, personal counselling (*nasehat*), on concrete existential problems of daily life: sickness and death, marital dispute, conflict over inheritance, and the like. The *kyai ulama* gave advice which was appropriate in terms of religion as well as in terms of this-worldly wisdom. Muhammadiyah has continued and systematized this tradition. For example, Muhammadiyah has played a pioneering role in the establishment of marriage counselling boards in large cities, where informal advice from *kyai ulama* has become less accessible than in rural areas. It is indeed in an informal religious gathering of *pengajian* or in a personal counselling session of *nasehat* that the contention that Islam is a religion embracing all aspects of life can be seen most vividly.

Another area of Muhammadiyah's social reform activities which made it novel in the context of Islamic traditions in Indonesia, was that of social welfare. This area was covered by a special department of the organization created in 1923 with the name Pertolongan Kesengsaraan Oemoem, or PKO, meaning 'Aid to [Alleviate] General Sufferings'. The department was later renamed, more generally, Pembinaan Kesejahteraan Umat, or PKU, meaning 'Development of Community Welfare'. The idea behind the creation of this department was that many fellow Muslims were suffering from social and economic malaise and that it was the duty of Muslims to help each other. An excerpt from a contemporary document points to this notion.

> Everywhere on the streets or in the villages, we come across our people (*bangea kita*) suffering from poverty (*sengara karena dari miskinnya*). For instance, many people are sick or dying, for there is nobody who looks after them. It is indeed a matter of great pity (*kasihan*). Who is the one that is responsible for helping them? We ourselves, aren't we? To help those suffering is our own responsibility (*wajib kita*); we, human beings living in this world (*manusia hidup dalam dunia*).

> (Statuten 1921, p. 4).
The notion of general sufferings and the responsibility for mutual help among Muslims to alleviate them has a religious base in a particular chapter in the Koran, which has been referred to by Muhammadiyah as the 'Chapter for PKU'. The verses run as follows:

Have you noticed him who denies religion?  
It is he who turns away the orphan,  
and does not urge the feeding of the poor.  
Woe to those who pray  
but are careless in their prayers;  
who make a show of piety  
but withhold succour (Surah 107 Al-Ma'un, vv. 1-7).

This idea has been realized in a programme for the establishment of orphanages, poor-houses, clinics and hospitals, and also in reforms in the collection and distribution of zakat. In many communities Muhammadiyah's social welfare activities have provided the only facilities available for those in need.

In Muhammadiyah's ideology, its adherence to the teachings of Islam and its emphasis on the need to express one's religious sincerity in the form of concrete social action find a perfect match. The following case, concerning the problem of graves, illustrates this correspondence.

According to the teachings of Islam, instead of being used for useless extravagance and excessive vanity [in the construction of a grave], wealth should be spent more usefully, for example, to construct a school, a prayerhouse, a mosque, a hospital, an orphanage, and the like, benefits of which are directly felt by community and which becomes a lasting symbol of the donor's virtuous conduct (awal) (Musthoфа and Chusnan 1977, p. 9).

In other words, Muhammadiyah's social welfare activities do not derive from the notion of charity or philanthropy but from explicit religious exhortations to virtuous conduct. It is a social expression of a religious motivation. It is a religiously inspired social activism (see Nakamura 1976, pp. 169-81).

In establishing the fundamentals of belief and ritual and in bringing about reforms and innovations in education and social welfare, Muhammadiyah faced the problem of ijtihad (independent interpretation) versus taqlid (unquestioning obedience of ulama's advice) in finding the bases of hukum (judgement) for those actions. Muhammadiyah basically advocated ijtihad and rejected taqlid. Muhammadiyah contended that the four traditional schools of Islamic jurisprudence (empat madshab) had no exclusive and ultimate rights to be the authentic interpreters of the Koran and the Hadith. If any of the learned Muslims, ulama, were equipped with knowledge and skills in religious studies and thus qualified to engage in independent reasoning, they were entitled to do so. On the basis of this view, Muhammadiyah established Majelis Tarjih, or the Council of Ulama for Deliberation on Islamic Law, through which its policies and actions have undergone religious judgements.
To general members, Muhammadiyah exhorted *ittibak*, or obedience with understanding: they are advised to learn and understand for themselves the original sources of religious judgement to be found in the Koran and the Hadith, rather than follow unquestioningly the advice of *ulama*. For this, a verse from the Koran was presented as a guideline:

Do not follow what you have no knowledge; Verily, for all that you have heard, seen, and felt in heart, you will be asked responsibility (Surah 17 Al-Isra', v. 36).

Hence the recommendation to every Muslim to study the Koran and the Hadith, and 'Back to the Koran and the Hadith' as a slogan of the Muhammadiyah movement (Musthofa and Chusnan 1977, pp. 55-8).

MUHAMMADIYAH IDEOLOGY IN HISTORY

How has the ideology of Muhammadiyah interacted with social reality in the history of the movement? Have there been any remarkable changes in its ideology during that time? To answer these questions, a schematic overview of Muhammadiyah's history is attempted in this section. The entire sixty-seven years' history of Muhammadiyah to the present day may be divided into three periods: 1912-1942, the period of establishing social activism; 1942-1960, the period of experimentation in politics; and 1960-1979, the period of return to social activism. (For the pre-war period of Muhammadiyah see Alfian 1969. For the post-war period, a comprehensive work is yet to be written.)

During the first ten years of its existence, Muhammadiyah's activities were confined to the Residency of Yogyakarta. However, throughout the 1920s and 1930s the organization spread rapidly, first in Java and then in the outer islands. Ahmad Dahlan died in 1923, but the organization continued to grow. By 1942, when the Dutch colonial rule of Indonesia came to an end, it had already attained the position of one of the two most influential Muslim organizations in the colony, the other being Nahdlatul Ulama, an organization of Islamic scholars (see Dhofier this volume).

Throughout its first thirty years, Muhammadiyah as an organization kept itself detached from the political vicissitudes of contemporary communist and nationalist movements. It established and developed a basic posture of social activism, as described above. In Muhammadiyah's perception, the teachings of Islam constitute the guidelines for life and are applicable in all political situations. The groundwork of purifying the faith of Muslims must ultimately contribute to better politics as well. Individual members were perfectly free to engage in politics at their own risk, but Muhammadiyah as an organization should not risk its existence under the all-powerful control of the Dutch colonial government. Rather it should attend to the first and foremost tasks of the Islamic enlightenment, education and welfare. This strategy seems to have been the key to the rapid expansion of Muhammadiyah and its firm consolidation throughout the country prior to World War II.
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During the following period of eighteen years (1942-1960), Muhammadiyah, as a part of Indonesia, experienced a period of political turmoil - war, revolution, election campaigns, and rebellions. A period of political experimentation started for Muhammadiyah with the coming of the Japanese in 1942. Japanese authorities, in contrast to the Dutch, encouraged the participation of Muslim organizations in politics so long as they helped the Japanese war effort. This was epitomized by the fact that the chairman of Muhammadiyah was made one of the four highest leaders of mass movements, under the tutelage of the Japanese military administration of Java.

In 1945, at the outset of the physical struggle for independence, Muhammadiyah joined other Muslim organizations in forming a grand Islamic political party, Masyumi. The hope of making independent Indonesia an Islamic state was then high. Muhammadiyah amended its statute in this period to reformulate its aims as follows:

Section 3, Article 3:
The aim and purpose of this association is to raise and hold high (menegakkan dan menjunjung tinggi) the religion of Islam so as to form a truly Islamic society (sehingga mewujudkan masyarakat Islam yang sebenar-benar) (Anggaran Dasar Muhammadijah 1950).

Independent Indonesia seemed to present 'a golden bridge' (jembatan emas) by which a truly Islamic society could be attained (Suara Muhammadijah 1952, pp. 2, 372).

Muhammadiyah adopted the strategy of pursuing the goal of the establishment of an Islamic state within the framework of parliamentary democracy on the basis of its groundwork in religious enlightenment, education, and welfare activities. Masyumi was to represent the common political interests of the entire Muslim community (ummat Islam) and work for the achievement of an Islamic state. However, in 1952 Masyumi was split by the withdrawal of Nahdlatul Ulama, which became an independent political party. The failure of Muslim political parties, even by combining votes (Masyumi 20.9 per cent, Nahdlatul Ulama 18.4 per cent), to win a majority in the 1955 general elections, and the resultant deadlocking of the Constituent Assembly on the issue of the foundation of the state, made the strategy of Masyumi-Muhammadiyah rather ineffective. Eventually, in 1960, Masyumi was banned by President Sukarno on the pretext of its involvement in the PRRI rebellion (Revolutionary Government of the Republic of Indonesia, a regionalist rebellion based in west Sumatra and north Sulawesi). Muhammadiyah was deprived of its political arm. The period of active political involvement was over.

For Muhammadiyah, the most recent period of nineteen years (1960-1979) has been one of continuing precarious relationships with the political power-holders and of retreat to the original stance of the movement, that of Islamic enlightenment. Under Sukarno, Muhammadiyah survived the loss of Masyumi by securing the direct protection of the President himself, who was awarded lifetime membership of Muhammadiyah. Sukarno in turn posthumously awarded the title of National Hero to the founder of Muhammadiyah, Ahmad Dahlan. Under Suharto, the organization joined his anti-communist campaigns. It also endeavored initially to revive Masyumi but, confronted with strong opposition from the Army, this hope faded away. Instead, a new Islamic political party, Parmusi
(Partai Muslimin Indonesia) was established in 1968, but government control over the formation of its leadership prevented the revival of a Masyumi-Muhammadiyah relationship.

In the 1971 general elections Parmusi fared poorly (5.4 per cent of all votes) and finally it was fused, under government pressure, into a new grand alliance of all Muslim parties, the Partai Persatuan Pembangunan (PPP) or United Development Party. In the 1977 elections the PPP obtained 29.3 per cent of the national vote. During this period, Muhammadiyah gradually retreated from direct political involvement and returned to its original stance of social activism through Islamic enlightenment, education, and social welfare activities. Yet the aim of the movement, 'the formation of a truly Islamic society', has not been altered. It seems that Muhammadiyah is still determined to pursue the same goal through non-political means: by providing 'information, guidance, and exemplary conduct (penerangan, bimbingan, dan contoh tauladan) (Musthofa and Chusnan 1977, p. 11).

One fact to be noted about Muhammadiyah in this period is that its apparent political ineptitude has not resulted in a decline in its absolute organizational strength nor in its relative influence in non-political fields. Indeed, Muhammadiyah seems to have grown during this period, both in membership and in the number of local branches. Roughly, Muhammadiyah at present has about 600,000 members registered with its Central Leadership, more than 12,400 schools, and about 800 social welfare facilities (Central Leadership of Muhammadiyah 1979, pp. 10-11).

Schematically reviewed, the history of Muhammadiyah has proved the effectiveness of its fundamental posture of social activism and the failure of its experimentation with direct political involvement. Yet at present the possible involvement of the movement in politics is still unresolved. But the main line of its ideology, well tested and well established in its sixty-seven years' history, is unlikely to undergo any changes in the future. For, ultimately, Muhammadiyah has no particular ideology of its own other than that of Islam, which it treasures as the source of eternal truth. What has made Muhammadiyah distinct has been its stance and style of activism.

IMPACT ON INDOONESIAN SOCIETY

The impact which the ideology of Muhammadiyah has had on the Muslim community of Indonesia seems quite significant. In the areas of religion, education and social welfare many of the developments Muhammadiyah has been insisting on have now become prevalent, even commonplace. There seem to have been many parallel developments and processes of convergence as well.

In the area of religion per se, most of the changes Muhammadiyah has initiated have now become common practice: they include most of the ten items listed above. For example, public prayer meetings in open fields (salat iewd) can be seen throughout the country today. Also, alms given in the form of rice (sakat f'troh) at the ending of the fasting month is no longer a matter monopolized by religious functionaries; alms are now collected systematically and distributed fairly to the poor, the rightful recipients according to the Koran. Even the slogan amar ma'ruf nahimunkar (urge people to virtuous conduct and reject evil deeds) is no longer a monopoly of Muhammadiyah.
In the areas of education and welfare, similar developments are observable. For example, many pesantren now have within their educational complex general schools and madrasah, along with the core of traditional institutions. Furthermore, Nahdlatul Ulama and some other Muslim organizations have established a number of hospitals, clinics, orphanages and the like, similar to those of Muhammadiyah. All in all, it seems clear that Muhammadiyah has contributed significantly to making the community of Muslims more seriously Islamic and more effectively adapted to the social conditions of modernity.

Set in a wider social context, the future of Muhammadiyah seems to depend on how it will respond to challenges arising from the current development phase of Indonesian society. Observers agree that Indonesia has been getting more seriously Islamic in recent years, and the pace of Islamic resurgence is accelerating (see TEMPO 1978). Undoubtedly, nowadays more people than before are performing daily prayers, attending Friday prayers and pengajian meetings, fasting during the month of Ramadhan, and making pilgrimage to Mecca. Elusive as it may be, more basic to the current phenomenon of the accelerating re-Islamization process, seems to be the raising of religious consciousness and the longing for spirituality, in society generally. Signs of heightening religious devotion and sincerity seem discernible, cutting across the division of officially recognized religions and spiritual movements (aliran kebatinan).

Concerning this phenomenon, Soedjatmoko, a leading intellectual in Indonesia, has recently commented in terms of 'the human longing for religious and spiritual life (kerinduan akan kehidupan religius dan spiritual)' (Soedjatmoko 1979). Modern technology and science are bringing rapid and massive changes into the Third World, including Indonesia. Yet absolute poverty will remain there for decades, and the failure of both socialist and capitalist models of development in the Third World is obvious. A fundamental intellectual rethinking in search of alternative development models is under way, an effort which inevitably includes the rediscovery of traditional religious values in the Third World. The masses, experiencing daily absolute poverty, personal insecurity and social injustice, long for religious and spiritual values whereby they can maintain their self-respect and human dignity in an abject situation. Soedjatmoko continues to emphasize that the raising of religious consciousness alone, or the intensification of rituals alone, are not sufficient to overcome structural poverty. Concrete social reforms, including catering to the human longing for spirituality, must be formulated and implemented (Soedjatmoko 1979; my field notes, Jakarta, 1979).

It is precisely in this regard that the future direction of Muhammadiyah deserves our attention. Since Muhammadiyah has been capable of formulating and implementing a series of social reforms on the basis of Islamic teachings concretely, steadily and continuously over generations, it is likely that it will meet successfully the challenge of novel social conditions at present and in the future. Perhaps it can also be expected that, through its efforts to meet the changing social conditions in Indonesia, Muhammadiyah will make innovative contributions to the wider search, now going on in the Third World, for alternative development models.
Speculations on the future of Muhammadiyah, or of Indonesian Islam in general, can be made from various other viewpoints. Recently, outside observers have seemed much more interested in looking at Islam in Indonesia as a potential threat to the present regime. This is understandable in view of the recent Islamic revolution in Iran and the politicization of Islam elsewhere. However, a caution seems needed here: it should be kept in mind that Islam is first and foremost a religion, like other universalistic religions, addressed to the fundamental question of human existence, 'how to live and die'. Unless the significance of Islam in this regard is appreciated, its political analysis alone may prove to be futile. This paper has been a small attempt to understand Islam as a religion embraced and enlivened by many thousands of fellow human beings in contemporary Indonesia.

NOTES

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1 This paper has paid much attention to the formal aspect of the ideology of Muhammadiyah: the sources of information have been mostly its official publications. It may seem that I am interested more in the textual approach in the study of religion than in the social contextual approach. In fact, I am a social anthropologist and my knowledge of Muhammadiyah derives primarily from my field observations of the movement in a Central Javanese town (Nakamura 1976). Justifications for the textual approach employed here are that the use of official publications seemed best suited for a compact summary of the ideology of Muhammadiyah presented to a non-specialist audience, and that my observations suggest that there is a close agreement between the formal public expressions of Muhammadiyah ideology in print and the informal personal beliefs held by its ordinary members. It should also be noted that this paper is intended to be part of a series of works I plan to write on Muhammadiyah, most of which, in approach, will be grounded more solidly in micro social reality than is this paper.

2 This and other quotations from the Koran in this paper are numbered according to the Cairo edition. In rendering the Koranic verses into English, I have relied primarily on Indonesian interpretations by Muhammadiyah.
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Volume II

INDONESIA: DUALISM GROWTH AND POVERTY

Editors: Ross Garnaut and Peter McCawley
INTRODUCTION

Ross Garnaut and Peter McCawley

This volume brings together a number of papers around the two inter-related themes of 'dualism' and 'growth and poverty'. The possible presence of conflict between 'growth' and 'equity' objectives in the Indonesian context has been attracting much attention in discussions about development strategy in Indonesia during the last few years. Whilst the Indonesian government placed much emphasis on the need to maintain strong economic growth during the 1970s, public debate has increasingly turned to the issue of the distribution of the benefits of growth. In 1979 a number of prominent economists from Gadjah Mada University went so far as to urge publicly that more attention be given to equity, even, if necessary, at the expense of lower growth rates.

The possibility that the Indonesian economy as a whole has been experiencing strong growth while the majority of indigenous Indonesians have been experiencing declining, static or at best weakly growing living standards has reminded some observers of the theories of 'dualism' which were much in vogue in colonial and early post-colonial times. The eight papers in Part I of this volume examines the relevance of these theories in current Indonesian conditions, as well as providing more general insights into the structure of the contemporary Indonesian economy.

Mackie traces the history of the concept of dualism from its origins in Dutch thought in the 1920s to its redefinition as 'technological dualism' by American scholars in the 1950s. He demonstrates that the emphasis on the dual nature of the Indonesian economy was too simple to be convincing, even in the circumstances of the 1920s. He suggests that we should think in terms of a plural or segmented economy — a view that is reinforced by several of the following papers.

The contributions by Manning, McLeod, Hill and Dick together make an outstanding contribution to our understanding of the micro-economic structure of the Indonesian economy. All are based on extensive field work in the course of preparing doctoral theses in economics at The Australian National University. All demonstrate that the Indonesian economy is strongly segmented. For example, wages, interest rates and technology in the production of goods and services vary markedly with the ownership of firms. All four papers see this segmentation as a natural and to some extent inevitable accompaniment of the introduction of new technologies in the process of economic growth, although the natural segmentation has been reinforced by government regulation of the modern sector of the economy.

Manning describes how wage levels in Indonesian manufacturing industry vary widely with the nationality (Indonesian or foreign) of business ownership and the technology employed. He warns that economic models based on the assumption that the Indonesian labour market is one integrated whole are likely to generate misleading conclusions. McLeod looks at the
corresponding relationships in finance markets, and concludes that to the extent that interest rates in 'formal' and 'informal' markets vary by more than is justified by differences in the costs of servicing different types of loans, they are lower in 'formal' markets because of various implicit and explicit subsidies to modern sector financial institutions.

Hill demonstrates that a wide variety of technologies are available to and used by the Indonesian weaving industry, although the use of appropriate technologies is at times made more difficult by government regulation. Dick's paper on the inter-island shipping industry brings out the key role that colonial regulation played in establishing a genuinely dualistic structure in the late nineteenth and early twentieth centuries. The removal of the colonial constraints, new government policies since the 1960s and new technological and economic opportunities have given rise to a considerable elaboration of the structure of the inter-island shipping industry in recent decades.

McCawley's first paper in this volume compares Indonesian and Chinese approaches to raising the standards of living of rural populations in the process of general economic growth. The contrast in methods of organization for rural development is striking. While being careful not to suggest that the China model is directly or easily applicable in the different conditions of Indonesia, McCawley shows that the considerable success of China in meeting basic needs for a huge rural population makes this experience worth close examination by Indonesians.

Robinson takes a close look at a set of problems that have been experienced many times by different communities through the Indonesian resources boom of the past dozen years: the impact of large-scale capital-intensive investment in resource development on local groups. Whatever the national benefits from such developments, the local impact is mixed, with an increase in the material prosperity of some villagers being accompanied by reduced security of incomes and employment for others.

Garnaut examines a different aspect of the impact of large-scale resource investments: the effect on economic growth, incomes, prices and the structure of the economy as a whole. He concludes that the resources boom has been the main source of economic growth since the late 1960s, and that this has greatly expanded the number of Indonesians in relatively high-income, secure modern sector employment, while having little impact on the living standard of the greater part of the population.

Part II focusses more broadly on the theme 'Growth and Poverty'. Part II begins with two papers which survey economic thought about growth in Indonesia and the early origins of poverty in the archipelago. Arndt shows that colonial policy discussions emphasized growth — but largely growth which benefited the Dutch elite. Since independence, much effort has been devoted to defining a national economic ideology, but a clear formulation has not emerged. There are many who believe that equity was one of the fundamental goals of the revolution and must therefore be given the main emphasis in economic policy, but the support for growth-oriented policies remains strong amongst policy-makers. Reid provides a historical perspective, beginning his account with the recollection that only 400 years ago Indonesians were relatively well-off compared with Europeans, and goes on to outline some of the main factors that led
to the impoverishment of the natives of the Netherlands East Indies. It becomes clear that although not all of the problems of Indonesia's poverty can be laid at the feet of colonialism, the coming of Europeans to the Indies brought little benefit for the peoples of Indonesia.

Booth and Sundrum then provide a detailed survey of the evidence relating to changes in income distribution in Indonesia during the 1970s. The debate over priorities for development policies in Indonesia abounds with assertions about changes in income distribution, and the detached analysis in this paper is a valuable summary of the complex statistical picture.

The next two studies illustrate some of the broader themes of the earlier papers by looking at certain economic changes at a local level in rural Java and in urban Jakarta respectively. Penny and Meneth Ginting use micro data from one intensively-studied village in the Yogyakarta area to show how poverty affects the way that villagers utilize the scarce resources available to them. Sidik Noormohamed provides a case study of approaches to urban development in Indonesia today by analysing the effects of the Kampung Improvement Program (KIP) in several selected areas of Jakarta. While concluding that on the whole the KIP has yielded substantial benefits to many people, Noormohamed argues that rather more could be done to ensure that a fair share of the benefits reach lower income families.

The two concluding papers in the collection again focus on the broader picture of changes in the economy as a whole. Gavin Jones presents a concise summary of the 'state of the art' in the field of Indonesian demographic studies which concludes by looking at employment prospects for Java's growing rural labour force in the decade to come. Finally, Peter McCawley surveys developments in the Indonesian economy in the wake of the 1978 devaluation and considers the structural implications of the oil boom for the burgeoning manufacturing sector in the next few years; the underlying issue here is whether the export-oriented manufacturing growth path followed by some successful NICs (newly industrializing countries) in Asia such as South Korea, Hong Kong, Taiwan and Singapore also holds out promise for Indonesia in the 1980s.

The discussions of 'Dualism' and of 'Growth and Poverty' in this volume together present a clear picture of the dilemmas of development policy, and of the major issues that Indonesian planners will have to face in the immediate future.
DUALISM
This chapter has a two-fold purpose. Firstly, I want to set out the theory of dualism as advanced by J.H. Boeke and show that it is essentially fallacious, hindering rather than helping us in our efforts to understand the workings of the Indonesian economy. (Higgins, Sadli and others have done this before; but the concept of dualism as a supposedly meaningful category still survives tenaciously, for it seems to conform to some of the dichotomies and discontinuities which are such a striking feature of social and economic life there, though the explanatory power of theories based on this concept is nugatory.) Secondly, I will draw attention to some features of the plantation-smallholder dichotomy in Indonesian agriculture, which do seem to conform in some respects to Boeke’s notion of dualism; for the undeniable importance of those dichotomies has probably been an important factor in giving *prima facie* plausibility to the idea that dualism or fundamental discontinuities are in some way central features of Indonesian economic life. But the development of these dichotomies over the last half-century testifies against Boeke’s theory. We find ourselves having to deal with many small manifestations of something that might be called dualism, not one great overriding cleavage as depicted by Boeke.

Curiously, we rarely encounter the concept of dualism in serious analyses of economic or social developments in other ex-colonial and tropical countries, such as India, the Philippines or even Malaysia, which Boeke certainly regarded as falling within the ambit of his theory, or pre-communist China. Has there been something special about the actual circumstances prevailing in Indonesia, the sharpness of the smallholder-plantation or subsistence-cash crop dichotomies? Or has the idea of dualism simply gained wider currency because of the great prestige Boeke enjoyed as a theorist of ‘tropical-colonial economics’ in the decades immediately before and after World War II? Or has it been a little of both?

In fairness to Boeke, we must concede from the outset that the dichotomy between the plantation and smallholder or subsistence sectors of the Indonesian rural economy, between the ‘dynamic’, efficient, modern, high-technology world of foreign capitalist endeavour and the allegedly ‘static’, primitive, traditional ‘native’ society characterized by what he saw as ‘limited needs’ seemed to be a very sharp one in pre-Independence Indonesia, much sharper than it is today or than anything to be found in Malaysia, or the Philippines, or India. The chasm between those two worlds may then have appeared unbridgeable to Boeke, although many other Dutch economists and administrators were critical of his theory precisely because they thought the dichotomy was too sharply drawn. There is indeed a striking difference between Indonesia and Malaysia in respect of the plantation-smallholder dichotomy in the rubber, tea, sugar, oil-palm and
copra industries. In Indonesia we find an almost complete contrast between the large plantations, predominantly foreign-owned (at least until the 1960s), usually thousands or many hundreds of hectares in size, and the innumerable peasant small-holdings which rarely exceed about twenty to thirty hectares. There is almost no intermediate gradation, very few larger holdings cultivated by richer peasants aspiring to become owners of small plantations, for that would be an almost impossible dream. In Malaysia we find a much more continuous spectrum, some plantations being quite small and some small-holdings relatively large.

Boeke specifically denied that colonial rule was to blame for the state of affairs he was describing; hence he had to find another explanation for it. In doing so, he exaggerated the significance and supposed immutability of the dichotomy he was describing, as if this was the basic cause of the contrasts he was faced with, not the explicandum to be related to some deeper set of causal relationships. That was the central fallacy in his reasoning. His Kiplingesque assumption that 'East is East and West is West and never the Twain shall meet' was a subordinate fallacy.

It cannot be denied that many of the polarities and discontinuities in Indonesian economic life to which Boeke drew attention still exist. Their persistence is not easily explained in some cases, as the papers by Hill and Dick on the textile and shipping industries or Manning on segmented labour markets, reveal very well (see Hill, Manning, Dick this volume). But the explanation is clearly not to be found in terms of Boeke's notions of the 'communal' character of 'Eastern societies' and their 'limited needs'. Nor do we need to devise a new set of economic theories to make sense of these phenomena, as Boeke asserted. Higgins has developed the notion of 'technological dualism' within the framework of conventional economic theory. Geertz has provided persuasive explanations of the apparent lack of entrepreneurial spirit and social 'dynamism' in some parts of Indonesian society by reference to cultural and social structural factors. Both men were concerned with the same problems as Boeke, but by tackling them from different angles they were more successful in unravelling them. Latter-day advocates of Boeke's theory have added nothing of substance to our analysis of the problems at issue here, but have merely obfuscated them.

BOEKE'S THEORY OF DUALISM

I will summarize Boeke's theory as fairly as I can with a series of extracts from Economics and Economic Policies of Dual Societies, which epitomizes his latter-day thinking on the subject. Boeke's views came in for a good deal of critical comment from other Dutch economists throughout the 1920s and 30s, but he seems to have modified his essential theory remarkably little, perhaps because the loosely-textured character of his argument left him a good deal of scope to shift his ground slightly in response to particular criticisms without needing to modify his overall conception. As Sadli has observed in a generally sympathetic though critical article, it is sometimes difficult to pin down just what Boeke is trying to say. Yet Boeke was in many respects a perceptive and
sympathetic observer of the Indonesian scene, deeply concerned with the
obstacles to social progress he saw there and with problems which must
still cause us great concern today. In pointing out the logical
weaknesses of the theory he devised, I do not wish to denigrate from the
usefulness of much of his descriptive matter.

Boeke defined dualism succinctly at the outset:

Social dualism is the clashing of an imported social
system with an indigenous social system of another
style. Most frequently the imported system is high
capitalism... (p. 2).

though he adds that it could equally well be socialism or communism. A
society in which only one social system prevails may be considered as
'homogeneous', as in the West. But:

where... two or more social systems appear, clearly
distinct the one from the other, and each dominates
a part of the society, there we have to do with a
dual or plural society. It is, however, advisable
to qualify the term dual society by reserving it
for societies showing a distinct cleavage of two
synchronic and full grown styles... (p. 1).

This is a much more contrived and elusive definition than one requires to
make sense of, for instance, J.S. Furnivall's notion of a plural society,
which has to do with the overlapping of racial and socio-economic
segmentation in colonial societies, a notion which seems to me far more
tenable and useful. Despite their superficial similarities (and some
degree of intellectual indebtedness to Boeke on Furnivall's part), they
are radically different concepts, though both were seen by their authors
as end-products of the colonial situation.

In a dual society, writes Boeke:

one of the two prevailing social systems, as a
matter of fact always the most advanced, will have
been imported from abroad (his italics) and have
gained its existence in the new environment without
being able to oust or assimilate the divergent
social system that has grown up there, with the
result that neither of them becomes general and
characteristic for that society as a whole.
Without doubt the most frequent form of social
dualism is to be found there where an imported
western capitalism has penetrated into a
precapitalistic agrarian community and where
the original social system — be it not undamaged —
has been able to hold its own or, expressed in
opposite terms, has not been able to adopt the
capitalistic principles and put them into full
practice (p. 2).
Boeke describes such a society almost exclusively by reference to
Indonesia, but he claims that social dualism is not just an Indonesian
specialty: 'Far from it; rather it may be found to exist in the
largest part of the world.'

Dualism is a form of social disintegration, argues Boeke, which comes
about when capitalist societies intrude into pre-capitalist societies. It
is capitalism not colonialism, which he regards as the source of the
problem. He seems to have been set upon avoiding any attribution of
blame for the unhealthy situation he was describing to the distortions
introduced by colonial rule. Likewise, he rejected as 'objectionable'
and too simple the dichotomy between 'native-foreign': 'The only true
and cogent antithesis is represented by the word capitalistic and
precapitalistic'. By that he meant that:

capitalism is a philosophy of life, an attitude
towards life, it is not a complex of outer phenomena
but the mental urge that has given rise to those
phenomena...Capitalism finds expression in rationalism,
in the tendency to make self-interest our lodestar, in
limitless multiplication of wants, in exchanges,
trade and traffic, in industrial enterprise with
capital as basis and profit as aim, in a sharp
distinction between business and household and the
continuous narrowing of the latter, in the commodity-
character of all products, in a steadily growing
division of labour, with its counterpart: organisation
and planning, in contracts and in corporations...(p.12-13).

Pre-capitalism, on the contrary, is very different:

There we find: communalism, originalism, original
organic social bonds, Gemeinschaft, traditional
class distinctions — a man is born into a certain
status and never dreams of trying to get into
another; individual needs...are limited and modest;
little or no exchange; goods, not commodities, are
produced; production is in and for the household...;
there are no professional traders; the family, the
joint-family, is the basic unit with respect to both
production and consumption...economic organisation
is almost entirely lacking...(p.14).

In dualistic countries, he says, we find pre-capitalism embodied in the
rural 'eastern' social system. At one stage, Boeke did write about
'eastern economies', which was a term he did not repudiate, though he
later came to prefer the dichotomy capitalistic and pre-capitalistic.
But the almost racist overtones of his theory did much to discredit
it after World War II.

Most of Boeke's 'theory' is made up of a mere elaboration of these
differences between his 'eastern' societies and the West. Sometimes the
distinction becomes rather questionable, as in his discussion in Chapter
six of the differences between 'village money' (where the cash — quite
literally, the old string of Chinese copper coins — 'consists of practically nothing but coppers at best...it changes hands very rapidly: nobody saves it, and there are no cash reserves in the village') and 'dualistic money' used in the later village money traffic ('silver or paper money, in former days even gold coins' — the latter surely implying some savings potential?) which circulates slowly and serves to accumulate treasure. Given that his whole approach is based so heavily on the significance of these kinds of dichotomies and the 'social character' of the economies they epitomize, the fuzziness around the edges of his definitions and the contradictions they embody pose real problems. But the dichotomies between the indigenous and imported systems, traditional and modern, static and dynamic etc. are central to his whole approach.

Wellenstein, a Dutch engineer who was editor of the influential periodical Koloniale Studien and became Director of the Department of Economic Affairs in 1933, identified 'six antitheses which, Boeke indicates, point towards the existence of a dualistic economy'; these are:

i) a lack of mobility in the factors of production
ii) a sharp distinction between urban and rural
iii) a contrast between goods economy and a money economy
iv) a centralisation of authority and dominant production factors over against a localization of interests
v) a contrast between organic and mechanical factors in society
vi) distinct producers' and consumers' economies side by side

Wellenstein examines each of these more closely and concludes that to a greater or lesser degree these antitheses are found in all societies, western as well as eastern; and he concludes that 'it is better not to use the term "dualistic economies" in studying social and economic life in the Indies' — though he does urge closer attention to the 'social economy' of the NEI. 7

Before rounding off this account of the key features of Boeke's theory, it is also worth listing seven characteristics of 'the anti-capitalist character of pre-capitalist village society', as noted by one of Boeke's latter-day American devotees, Allen Sievers: 8

i) total dislike for investment involving risk
ii) lack of Western standards of finish and accuracy
iii) lack of computing, accounting and sound business practices
iv) lack of uniformity of product
v) a negative elasticity of labour supply
vi) lack of organisation and work discipline
vii) lack of product specialisation, except on a collective basis between villages

In order to sharpen the pre-capitalist — capitalist dichotomy, Sievers too grossly exaggerates. For example, to imply that 'lack of uniformity of product' is a universal Indonesian characteristic is to disregard the fact that many smallholder producers of rubber, coffee, tobacco etc. (although admittedly not all) do pay careful heed to the grading of their product and endeavour to up-grade or maintain the level of quality, if it is worth the extra effort for them. Likewise, to talk of 'total dislike of investment involving risk' is totally wrong. It is true that relatively
few Indonesians do invest large sums of money these days in long-term, slow-yielding ventures like tree crops or manufacturing industry, and that many have preferred fast-turnover, get-rich-quick outlets for their funds like importing or urban real estate; but that is not an irrational choice from their point of view, undesirable though it might be from the viewpoint of the community's welfare. While these are Sievers' oversights and oversimplifications, not Boeke's, one could easily compile a long list of similar half-truths and misconceptions from Boeke's account of the dualistic features of Indonesia's economy.

One of the central pillars of Boeke's theory about the character of pre-capitalist society is his notion of the 'limited needs' of the villager. This allegedly leads him to respond to price incentives in a way quite different from the Westerner:

> When the price of coconut is high, the chances are that less commodities will be offered for sale; when wages are raised the manager of the estate risks that less work will be done; if three acres are enough to supply the needs of a household a cultivator will not till six; when rubber prices fall the owner of a grove may decide to tap more intensively, whereas high prices may mean that he leaves a larger or smaller portion of his tappable trees untapped... (p.40).

This, as Higgins has observed, is nothing more than the phenomenon commonly known in conventional Western economic theory as the backward-sloping supply curve of effort and risk-taking, by no means a uniquely 'eastern' or 'dualistic' phenomenon. But, more seriously than that, Boeke has not analysed (and one almost suspects has barely been aware of) the general problem of the price-elasticity of supply of various commodities in Indonesia. If he had looked closely at the statistical correlations between price movements and the supply of smallholder rubber or coffee or perhaps even rice, he could not possibly have made such wild generalizations implying that the backward-sloping supply curve is a universal, not even a common, phenomenon. If they can produce a saleable product and the demand is there and the price is high (conditions which do not always overlap, for reasons of institutional rigidities), Indonesian peasants tend to respond as producers anywhere would react. Boeke cited what happened in one very singular set of circumstances when prices fell but rubber smallholders increased their supply (because it was imperative to raise cash incomes for taxes in the Depression years), but he avoided any mention of the fact that when prices rose production normally did likewise.

Having established, as he sees it, that conventional Western economic theory is simply inapplicable to eastern societies, Boeke argues that an entirely new and different body of theory is necessary. It will be a much more complicated body of doctrines, he avers, because we are dealing in a dualistic situation with two radically different groups and social systems, touching, influencing each other and clashing in a way quite unlike anything we find in homogeneous societies.
In my opinion, however, the loosely-formulated generalizations Boeke offers hardly amount to an alternative body of theory or a basis for policy prescriptions. He leads on into some quite bizarre explanations of why societies of this character are fated to experience 'static expansion' and inexorable population increase. In three chapters (15-17) on 'the theory regarding the population problem', he seems uninterested in looking at changes in birth rates and death rates, and at the factors that have a bearing on these changes. Instead, he becomes tangled in bogus problems about correlations between the population density of various parts of the country, population growth rates and soil fertility.

The policy implications of the analysis are equally unhelpful, for Boeke is quite despairingly pessimistic that anything can bring any change for the better. 'Village restoration' in some sense is the only solution he recommends — but not through a revival of the rural gentry or following modernized leaders along their western ways. Something else is needed, something entirely indigenous and appropriate to 'eastern' cultures, closer to Gandhism, perhaps, although Boeke's references to Gandhi are too confusingly ambiguous to give us any clue even on that.

THE CRITIQUE OF BOEKE'S THEORY

Although many Dutch critics had taken issue with Boeke's theory in whole or part many years before World War II, no alternative school of thought emerged in opposition to him, and from his chair at Leiden he remained an influential figure from 1929 until his death in 1956. The most succinct summary and criticism of his theory was published by Benjamin Higgins in 1955. In essence, Higgins case boils down to the following propositions:10

1. Dualism is not a uniquely 'eastern' phenomenon. If one is going to categorise societies as dualistic, 'there is perhaps no country in which "dualism" is more striking than Italy, with its industrialized and progressive north and its agricultural and stagnant south'. Even in USA and Canada, similar regional contrasts are observable, because of different degrees of technological advance and social conditions. Many of the characteristics Boeke attributes to 'dualistic' or 'eastern' societies can also be found in the industrialized West.

2. Some of the phenomena which Boeke regards as distinctively associated with dualistic societies can also be quite satisfactorily explained in terms of conventional economic theory and do not require a special set of theories of dualism. Higgins examines several examples, in addition to the backward-sloping curve, including a claim by Boeke that marginal productivity theory provides no adequate explanation of differential rents charged for land. But Higgins shows convincingly that this case is not an unfamiliar one in western economic analysis, although the solution is more complex than Boeke has allowed for.

3. There are many inconsistencies in the evidence that Boeke adduces in support of his theories; for example, alleged immobility of
labour in agriculture, yet low wages in industry because workers flock in from great distances whenever job opportunities arise. He can hardly have it both ways. The whole notion that native agriculture is incapable of competing with the plantations runs against the fact that smallholder rubber producers succeeded in doing so throughout the Depression and made it very difficult for the Dutch to enforce the rubber restriction schemes.

4. Many of the factual observations made by Boeke and cited as evidence of the peculiarly 'eastern' character of Indonesian society are inconsistent with other factual evidence; for example, Boeke's emphasis on 'limited needs' and other evidence (admittedly, from a later period) of a very high marginal propensity to buy consumer goods.

Higgins offers as an alternative explanation of dualism the proposition that 'the relative stagnation of underdeveloped areas can be found by applying the familiar tools of economic and social analysis, within a model defined by appropriate institutional assumptions'. The lack of a complete explanation of under-development is not due to the inadequate time and effort devoted to the problem. This view seems to me so obviously true as to be now almost not worth repeating were it not for the fact that many contemporary critics of conventional economic policies are tending to jump to the same conclusion as Boeke.

THE PLANTATION-PEASANT DICHTOMY

It is worth pursuing the plantation-peasant dichotomy a little further before we conclude, since it illustrates a form of 'dualism' which may well help to explain why Boeke's ideas had such a strong *prima facie* appeal. Boeke certainly regarded the contrast between the large dynamic, 'rational' plantation enterprise at one end of the spectrum and the small, weak, stagnant, 'eastern' subsistence-oriented peasant at the other end as a self-evident illustration of the point he was making. And, indeed, it may have seemed unrealistic in the 1920s to imagine that the twain might ever meet, for the full weight of colonial authority and economic policies was disposed on the side of the plantations and the chances that peasants could ever compete at comparable levels of efficiency must have seemed remote. Hence the widespread (but erroneous) view that peasants belonged to a pre-capitalistic subsistence sector, although this was rapidly becoming untrue even by the 1920s. The export of produce of 'native agriculture' rose remarkably from f. 16 million in 1898 to f. 530 million in 1925, or from 10 to 36 per cent of all agricultural exports. Smallholders' rubber in Sumatra and Kalimantan must have been the main element in this expansion. Even in Java, where estate production of sugar, tea, coffee and some rubber so dominated the agricultural picture that there was nothing like the scope for peasant cultivation of cash crops that there was in the outer islands, smallholder production of tobacco, kapok, maize, tapioca, soya bean and other export crops rose in those years from f. 5 million to f. 101 million. Boeke was not unaware of the fact that even in Java, peasant production of export crops and domestic-consumption cash crops was becoming a significant element in the overall
picture at the very time that he was formulating his theory, but I think his commitment to his own theory blinded him to the significance of it. Others, like van der Kolff, were becoming aware that even peasant production of sugarcane, the least promising of present crops, might have become quite substantial in the 1920s — and have generated significant social change in rural Java, conceivably even producing something like a sturdy independent yeomanry — were it not for pressure by the sugar factories to stifle this development at birth.13

Geertz later spotted the importance of this embryonic development of peasant cash crop cultivation in the twenty to thirty years before the Depression and saw in it, as did van der Kolff and Furnivall, a potentially dynamic change in the patterns of interaction between the Dutch plantation sector and the Javanese peasant sector.14 Unfortunately the Depression nipped that development in the bud. But the polarity depicted by Boeke was certainly becoming rapidly less clear-cut, even though the sugar plantations were expanding greatly in the 1920s. The essential point to notice, however, is that the 'peasant sector' no longer conformed to Boeke's stereotyped picture of a stagnant 'subsistence' world. Even rice cultivation was not necessarily just 'subsistence' production by that stage, as it may have been many decades before. The proliferation of rice mills by the 1930s testifies to the steady, though still small, commercialization of rice farming, a process which has gone much further in subsequent decades.

By the 1950s the possibility that smallholder production of export crops might one day outstrip estate production was no longer an idle dream. It already did so in several export crops and only in the sugar industry (by then in serious decline) did the old hegemony of the estates continue. Government policy in the aftermath of the struggle for independence was strongly nationalist, hence favourable to the promotion of indigenous smallholders rather than foreign estates. And when demand for rubber was buoyant during the Korean War boom of 1950-52, smallholder rubber production expanded far more rapidly than estate production because of its relative flexibility.

Had the trend continued, the notion of a sharp contrast between the estate sector and the smallholder sector might have been gradually eroded away. But things did not work out that way, for a variety of reasons. Yet, paradoxically, the efficiency, dynamism and adaptability of the estates, which had been the outstanding 'western' characteristics which led Boeke to emphasize the dualistic contrast with the peasant sector, also began to crumble after 1958. In general, if one wants to emphasize the dualistic aspects of the Indonesia economy today, it is not the estate-smallholder contrast that one points to, but quite other dimensions of the society and economy. In fact, with the changes in village life injected by the Green Revolution, the village society in many parts of the country is now becoming quite significantly different in many important respects from the stereotype presented by Boeke. Some rich peasants are proving all too dynamic, acquisitive and thoroughly oriented towards money and market forces. Yet at the same time other social polarities are certainly developing — the gap between urban rich and rural poor, between the capital-intensive high-technology enclaves in
industry and mining and the innumerable labour-surplus areas, between modern and 'traditional'. These are not exactly the forms of dualism Boeke was concerned with, but they are indeed manifestations of a different kind of dualism, which do have important policy implications.

In searching for the causes of these polarities or dualisms, as also for their remedies (for they are, in effect, a pathological condition, a source of intolerable inequalities and tensions in the society), we will almost certainly find, as Boeke did, that there are no simple answers and that the roots lead us deeply into many different aspects of the social and economic structure. But that does not mean we need a new and special body of theory to analyse the problems involved. It does mean that the problems are intertwined in a quite fearsome way and that the socio-economic changes required to remedy them will be enormously difficult to accomplish. In a more homogeneous society, planners can often hope to bring about a similar set of responses across a broad band of the social spectrum through a package of changes in fiscal or credit policies; but in a more 'dualistic' situation the responses may not be at all similar and the problems of social engineering are much more difficult, as the Dutch found when they tried to impose a rubber restriction scheme on both the plantations and the smallholder sector in the 1930s, successfully in the former case, quite disastrously in the latter.

Finally, in talking about social dualism, it is all too easy to slip unconsciously into the dangerous area of ethnic polarization in the society, indigenes versus 'Chinese' (whether loosely or precisely defined) or Indonesians versus foreigners. I recently encountered an example of the argument that this is a dualism in Indonesian society that was inherited from the colonial regime and should, by inference, be rooted out as quickly as possible.15 This arose in the context of a defence of anti-Chinese regulations. (In general Indonesian parlance, 'dualism' stands in opposition to 'unity' as a thoroughly undesirable state of affairs.) Insofar as the terminology of dualism can very easily be twisted into an instrument for exploiting racial prejudices, this seems to me a powerful reason for avoiding the word, except in situations where it is absolutely essential to do so for reasons of clarity. For it lends itself all too easily to confusion and obfuscation.
THE CONCEPT OF DUALISM

NOTES

1 J.H. Boeke (1953). This is a revised edition of his two earlier books published by the Institute of Pacific Relations: The Structure of the Netherlands Indies Economy (1942) and The Evolution of the Netherlands Indies Economy (1946).

2 Boeke's doctrines precipitated extensive debate among Dutch scholars throughout the last two decades before World War II, extracts from which have been published, along with an admirably fair 'Editorial Introduction' in van Hoeve (1961). The two most substantial later comments were by Benjamin Higgins (February 1955, pp.58-78) and Mohammed Sadli (December 1957, pp.363-384).

3 See Higgins, (1955, pp.73, 77); also his Economic Development (1959, ch. 14). Geertz's comments on dualism are most fully expressed in Agricultural Involution (1963, pp.48, 62-63, 101).

4 The most devout eulogy of Boeke's theory of 'the contradictions and inherent problems of a society divided...into two sectors, one pre-capitalistic and one capitalistic' is given in a rather bad book by Allan M. Sievers (1974, ch. 13) 'a book in the holistic tradition'. For a more popularized version of his arguments (for example, that 'the static, traditional character of Eastern pre-capitalistic society would have to be consolidated'), see Brian May (1978, pp.314-7, 372-3 and 397-400); again not a book I would otherwise recommend. A more serious treatment of several approaches to 'dualistic development' summarizing Boeke's theory and Higgins critique, can be found in Gerald M. Meier (1964).

5 The 'Editorial Introduction' in van Hoeve (1961) provides a good summary of Boeke's views and the comments they evoked.

6 J.S. Furnivall (1944, ch. 13; 1956, pp.303-12).


8 Sievers, 1974, p.287.


12 Furnival, 1956, pp.320-1


14 See especially Clifford Geertz (1965).

15 Majalah Eksekutif, (September) 1979, p.76.
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(1979) *Eksekutif*, No. 3 (September), p.76.
DUALISM IN LABOUR MARKETS AND LABOUR MARKET SEGMENTATION IN INDONESIAN MANUFACTURING

Chris Manning

Dualism in labour markets was an important aspect of Boeke's (1953, pp. 138-48) general theory of social dualism. Traditional remuneration systems and variable employment in the 'eastern' segment of the labour market were contrasted with fixed wages and stable employment in the 'western' segment. However, this notion of dualistic labour markets in less developed countries (LDCs) did not become well-known in development literature. It was overtaken by the dualistic models of Lewis (1954) and later Fei and Ranis (1964) which stressed the relationship between agricultural and manufacturing labour markets.

The new models overlooked an important contribution of Boeke to the understanding of labour markets in different social economic environments. Boeke had stressed the contrast in methods of labour organization and wage systems in the 'eastern' and 'western' segments. This was a major element in his criticism of neoclassical theory and an important contribution to understanding labour markets in LDCs. But several flaws in Boeke's theory (its racist overtones and his rather superficial analysis of the phenomena of limited wants and a backward bending supply curve of labour) led to its out-right rejection by later writers (see especially Higgins 1955). Paradoxically, Boeke's theme has been taken up 20 years later by writers concerned with the failure of the neoclassical model to explain the perpetuation of low wage segments in modern capitalist economies.

This chapter presents data which indicate the differences in the level of wages and labour management of workers in manufacturing firms in Java. In contrast to Boeke's pre-capitalist-capitalist dichotomy, divisions in the labour market are identified as being linked to the wide range in technologies which exist in Indonesia and many other LDCs. Thus it is noted that cleavages within the labour market are unlikely to be dualistic, but rather differentiated according to the range in technologies. In addition, it is suggested that foreign investment contributes further to labour market segmentation.¹ This segmentation is likely to be inherent in economies which experience rapid technological change mainly through foreign investment. The notion of labour market segmentation has important implications for economic policies which deal with wages and has major consequences for the allocation of labour between different segments of the economy, and rural and urban areas.

The first section of the paper briefly discusses the literature on wage differentials and labour market segmentation. The second looks at the nature and causes of labour market segmentation in three industries in Indonesia. The final section suggests economic implications of labour market segmentation in manufacturing in Indonesia.
LITERATURE ON WAGE DIFFERENTIALS AND LABOUR MARKET SEGMENTATION

Literature on labour markets in LDCs has tended to be preoccupied with labour market imperfections and 'institutional' causes of wage differentials: imperfect information and low levels of mobility, trade union pressures, and minimum wage legislation (Turner 1965; Harberger 1973). It is suggested, for example, that high wages are offered in foreign firms because of strong trade unions, sensitivity to government legislation, 'demonstration effect' of foreign workers or humanitarian considerations of foreign managers (Guiseneger and Irfan 1974; Lim 1976).

An alternative viewpoint is that high wages in foreign firms are a consequence of deliberate policies to encourage high labour productivity (Fields and de Marulanda 1976; Horowitz 1973; Manning 1979; Ch.2). This may primarily be attributed to the high capital intensity of foreign firms. It may be argued that these firms seek to minimize labour turnover and absenteeism in order to overcome costs of under-utilization of expensive capital equipment. Also they are likely to demand certain work habits (for example, high levels of discipline) and specialized skills for the efficient operation of modern technology. In addition to these factors associated with modern technology, foreign firms require certain skills - proficiency in foreign languages and knowledge of different foreign country managerial practices - specifically related to the foreign nature of their operations. At least in the early stages of industrialization many of these scarce 'modern sector skills' will be generated internally. New techniques and work habits are learned through formal and on-the-job training programs organized by the firm. Foreign, capital-intensive firms are likely to recruit younger, more educated, inexperienced workers who are likely to learn new techniques quickly.

The labour-management practices of foreign capital-intensive firms may be contracted with those of labour-intensive establishments. These firms can draw on an abundant supply of labour familiar with traditional techniques. Relatively small capital costs make it less imperative for the firm to adopt wage systems which minimize turnover and absenteeism. Indeed, the instability of operations in small scale firms frequently encourage high levels of turnover and absenteeism. It is reasonable to expect employees in these firms to be closely integrated with the 'mass' labour market, moving between different labour-intensive firms, informal sector occupations and agriculture according to fluctuations in employment and earnings.

Thus, even under conditions where so-called non-economic considerations or institutional factors are unimportant in wage determination, we might still expect quite large wage differentials between both foreign and capital-intensive firms on the one hand and labour-intensive establishments on the other. In many LDCs, including Indonesia, trade union activities in particular are tightly controlled by governments. The persistence of large wage differentials in these circumstances challenges the appropriateness of traditional 'institutional' explanations. In addition, large wage differentials between domestic capital-intensive and labour-intensive firms provides further cause to doubt the paramount role of institutional factors.
Thus the major proposition to be advanced in this chapter is that there are distinct segments in the labour market; the divisions are not merely dualistic and are closely related to technology and foreign ownership. Much of the literature is quite vague concerning the precise characteristics of segmented labour markets. However, four major features may be identified:

(i) large and persistent wage differentials between various segments
(ii) concentration of workers with different characteristics (especially according to experience, education and sex) in different segments
(iii) lack of mobility between segments
(iv) higher labour productivity in high wage segments.

The next section examines aspects of each of these four characteristics of labour market segmentation.

EVIDENCE OF LABOUR MARKET SEGMENTATION: THE WEAVING, KRETEK AND CIGARETTE INDUSTRIES IN INDONESIA.

Evidence for labour market segmentation in Indonesian manufacturing comes from field survey data collected in 1975-76 from 83 firms in the weaving, kretek (clove cigarettes) and cigarette industries. The three industries were selected because they exhibit a wide range in size of firm and technology and also include both foreign and domestic firms. The weaving industry is characterized by diversity in size, technology and ownership. Kretek firms are highly uniform in labour-intensive non-mechanized rolling, trimming and packing of cigarettes. But this industry is noted for the huge range in size of firm (from small scale producers to firms with more than 10,000 workers). The cigarette industry is relatively capital-intensive and includes both domestic and foreign firms.

The survey indicated quite large wage differentials by ownership and technology for machine operators in the three industries (Table 1). These two characteristics, rather than other characteristics (size of firm, industry, location, years of operation), were the major determinants of wage differentials. The table shows that hourly earnings of machine operators were more than four times higher in foreign firms than in non-mechanized establishments. In no foreign firm were earnings less than Rp50 per hour compared with only one non-mechanized firm which paid machine operators Rp50 or more. The contrast between domestic firms of varying capital intensity was also quite marked. Mean wages were highest in relatively capital-intensive firms and lowest in the non-mechanized group.

The value of several fringe benefits not included in our measure of earnings was also very much higher in capital-intensive and foreign firms. These differences were most marked for the value of medical care and annual bonuses. Expenditure on medical care per worker was over 30 times higher in foreign firms than in non-mechanized domestic firms and approximately six times higher than in domestic mechanical labour-intensive firms. Annual bonuses amounted to nearly ten per cent of the wage bill in foreign firms compared with only three per cent in non-mechanized firms and seven per cent in domestic mechanized labour-intensive firms (Manning 1979, Chapter 8).
Table 1

Hourly earnings by capital intensity and foreign ownership, percentage of firms. (operator 1)

<table>
<thead>
<tr>
<th>Wage Group</th>
<th>Domestic Non-mechanized</th>
<th>Domestic Mechanized Low capital intensity</th>
<th>Domestic Mechanized High capital intensity</th>
<th>Foreign</th>
<th>All firms</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;30 Rp.</td>
<td>66</td>
<td></td>
<td>3#</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>30-49</td>
<td>31</td>
<td>41</td>
<td>20</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>50-74</td>
<td>0</td>
<td>41</td>
<td>40</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>75+</td>
<td>3#</td>
<td>15</td>
<td>40</td>
<td>85</td>
<td>24*</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>N (firms)</td>
<td>32</td>
<td>27</td>
<td>10</td>
<td>13</td>
<td>24*</td>
</tr>
<tr>
<td>Mean (Rp./hr)</td>
<td>30</td>
<td>52</td>
<td>74</td>
<td>130</td>
<td>59</td>
</tr>
<tr>
<td>SD</td>
<td>18</td>
<td>19</td>
<td>26</td>
<td>65</td>
<td>46</td>
</tr>
</tbody>
</table>

1) Low capital intensity = capital labour ratio of < Rp 1.5m
High capital intensity = capital labour ratio of > Rp 1.5m
# Less than four firms in category
* Chi-square significant at one per cent level
Source: Java Wages Survey, 1975-76

Not only did capital-intensive and foreign firms pay higher wages but they also tended to employ machine operators with different characteristics to those employed in domestic labour-intensive establishments. Foreign and capital-intensive firms employed a much higher percentage of males, their workers had experienced more years of formal schooling (on average 8-9 years), a high percentage lived in urban areas and fewer had had previous experience in their current job compared with labour-intensive and non-mechanized firms (Table 2). These differences in the characteristics of workers by ownership and capital intensity indicate differences in the approach to labour management in various groups of firms. Foreign and capital-intensive firms tended to recruit young inexperienced male secondary school (mainly SMP) leavers and train them as machine operators. All these firms offered short training courses (three weeks to one month in duration) or formal on-the-job training to their workers. Training was undertaken internally, partly because of the shortage of workers with sufficient technical skills on the external market, but partly these firms were wary of
### Table 2

Worker characteristics of machine operators

by capital intensity and ownership

<table>
<thead>
<tr>
<th>Worker characteristics</th>
<th>Domestic</th>
<th>Foreign</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-mechanized</td>
<td>Low capital intensity</td>
</tr>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>Mean Score</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sex (percentage female)</td>
<td>84</td>
<td>18</td>
</tr>
<tr>
<td>Average age (yrs)</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Average schooling (yrs)</td>
<td>4.2</td>
<td>6.4</td>
</tr>
<tr>
<td>Years of service (yrs)</td>
<td>3.7</td>
<td>4.1</td>
</tr>
</tbody>
</table>

| Percentage of firms with: | | | | | |
|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| More than 75 per cent of employees urban¹ | 3 | 37 | 70 | 64 | 32 |
| External experience: | | | | | |
| <25 per cent of operator 1 | 3 | 15 | 70 | 79 | 28 |
| >75 per cent of operator 1 | 81 | 0 | 0 | 0 | 31 |

| N (firms) | 32 | 27 | 10 | 14 | 83 |

1) All employees
2) All foreign firms were mechanized and all except one were in the high capital intensity category.

* F statistic significant at one per cent level

Source: Java Wages Survey 1975-76
employing experienced workers from more labour-intensive firms because they desired a high level of work discipline and intensive effort. Managers, especially in foreign firms, were sceptical that employees from domestic labour-intensive firms could lose ill-disciplined work habits.

The third characteristic of labour market segmentations - low levels of mobility between different segments - was also a feature of the labour market in the three industries. The policy of recruiting inexperienced school-leavers in foreign and capital-intensive firms is one indication of a lack of mobility of machine operators between these firms and labour-intensive establishments. In addition, foreign firms in particular experienced low rates of labour turnover (Table 3). Rates of turnover in foreign firms were less than half those in mechanized capital-intensive firms and less than one-third the rates of labour turnover in non-mechanized firms. Low rates of labour turnover were partly a consequence of the high wages offered by foreign firms.

Although it is difficult to measure variations in labour productivity directly, absenteeism is one rather crude, simple measure of differences in the productivity of workers. Table 3 also shows considerable variations in absenteeism especially between non-mechanized and mechanized firms, and between foreign and domestic firms. Moreover, although absenteeism (and labour turnover) tended to be high among certain groups of workers (especially female workers and those living in rural areas), it was these differences in technology and ownership rather than personal characteristics of workers which were the major cause of differences in absenteeism.  

Table 3
Mean rates of labour turnover and absenteeism by capital intensity and ownership

<table>
<thead>
<tr>
<th>Capital intensity and ownership</th>
<th>Labour turnover</th>
<th>Absenteeism</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Weaving All firms</td>
<td>Weaving All firms</td>
</tr>
<tr>
<td>Domestic</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>Non-mechanized Low capital intensity</td>
<td>42.6 39.7</td>
<td>13.3 19.6</td>
</tr>
<tr>
<td>Mechanized High capital intensity</td>
<td>22.0 21.6</td>
<td>7.0 7.2</td>
</tr>
<tr>
<td>Foreign</td>
<td>24.3 22.9</td>
<td>7.1 7.2</td>
</tr>
<tr>
<td>All firms</td>
<td>18.3* 11.4*</td>
<td>3.5* 4.4*</td>
</tr>
</tbody>
</table>

* P statistic significant at one per cent level

Source: Java Wages Survey, 1975-76
In sum, according to the four criteria mentioned above (large and persistent wage differentials, concentration of workers with contrasting characteristics in different segments, low mobility between segments and differences in labour productivity), the labour market in the three industries may be described as quite highly segmented. The nature of the segmentation is summarized in Figure 1. Foreign firms exhibited the highest wage rates, low levels of interfirm mobility and low levels of mobility with other segments of the labour market. These firms (and also state enterprises and cooperatives) recruited mainly male secondary-educated urban workers with no previous experience. Interfirm mobility was highest among non-mechanized firms which recruited uneducated rural females who already had some work experience. However, the figure suggests that the labour market may be divided into several rather than two major segments. State enterprises and cooperatives are distinguished from domestic capital-intensive firms and a distinction is also made between domestic capital-intensive and labour-intensive firms. Differentials in wages, mobility and recruiting patterns were not perfectly continuous but they were also not dualistic.

WHAT ARE THE IMPLICATIONS OF THIS PATTERN OF LABOUR MARKET SEGMENTATION?

A first response to our account of the pattern of labour segmentation in the three industries may be to ask: 'What is new?'. It is well-known that foreign firms tend to pay higher wages than domestic firms in LDCs. An inevitable consequence of these higher wages is the employment of higher quality labour in these firms. Workers that receive high wages are also likely to be more committed to working in foreign firms.

However, this is only part of the story. The major finding from our study of the three industries in Java is that wage differentials and labour market segmentation are likely to be closely related to the inflow of new technology into the manufacturing sector. A differentiated technological structure (see, for example, Hal Hill's chapter in this volume, on the weaving industry) is likely to be closely associated with segmented labour markets.

Besides, wage differentials and labour market segmentation do not appear to be merely a consequence of institutional influences. High wages are a central component of labour-management policies adopted by capital-intensive firms to maximize labour productivity through the recruitment of certain kinds of workers and minimization of labour turnover and absenteeism.

Our study suggests, moreover, that high wages in foreign firms are also likely to be more related to some of these economic considerations associated with capital intensity than to institutional forces. The influence of government policies and trade union pressures on wages has been slight in Indonesia since 1967. They certainly cannot account for the large wage differentials between foreign and domestic firms found in the three industries. These institutional influences have probably been given too much emphasis in studies of high wages associated with foreign investment in LDCs.
Figure 1: Wage differentials and labour market segmentation (unskilled and semi-skilled workers)
However, high wages are not only a result of the modern technology used by foreign firms in Indonesia. They may also be partly attributed to economic considerations specific to foreign firms. Foreign investment has only begun to play an important role in manufacturing over the past decade. Skills required by foreign firms—foreign language (especially English and Japanese) and knowledge of the customs and systems of foreign management—are still relatively scarce in Indonesia. Foreign firms pay a premium to retain these scarce, internally-generated skills.

A word of caution should also be added. At no stage have we inferred that there are large differentials in efficiency wages (wages of the same units of labour) between foreign and domestic or capital-intensive and labour-intensive firms. Owing to differences in tasks performed, in the quality of labour inputs and in the performance of workers it is impossible to compare efficiency units of labour. Survey data can compare workers in the same broad occupational groups (for example unskilled or semi-skilled workers) working the same hours of work, but this does not solve the problems of heterogeneous tasks and qualities of workers. Indeed the findings of the survey suggest that differentials in efficiency wages, especially between large and small firms and foreign and domestic firms, have probably been exaggerated in the literature. Once account is taken of differences in tasks performed, the quality of labour inputs and in the intensity of work, differentials per work unit are likely to be much smaller than is implied in much of the literature.

This heterogeneity in wages, characteristics of workers and labour-management systems (all closely associated with technology and foreign ownership) needs to be more closely integrated with the general theories of economic development in which wages in particular play a special role. The data presented above suggest that urban and industrial labour markets are more complex than has generally been assumed in much of the literature on wage determination and labour allocation (especially rural-urban migration) in LDCs. Indeed, the implications of the study are that variations between different kinds of firms in wage rates, systems of remuneration, stability of employment and ease of entry are very great. An aggregate view of urban, manufacturing or 'formal' sector behaviour may be of limited analytical value.

Owing to the wide range in the level of wages in the manufacturing sector, models which specify behavioural relationships based on average wages in urban areas (or for the industrial sector as a whole), may add little to our knowledge of factors which determine the rate and nature of labour allocation in LDCs. It is much more relevant to derive measures of wages which apply to particular segments of manufacturing (or to the urban sector) and to study labour response to these wage rates. For example, high foreign-sector wages are relevant to the supply response of particular groups of job seekers only (such as educated, urban males); aggregate measures of manufacturing wages are not able to identify the relationship between high wages in these firms and the job-search process of different groups of workers.
If human capital and imported labour-management systems associated with new technology result in higher wages in capital-intensive and foreign firms, interfirm wage differentials are likely to result from the particular pattern of industrial development chosen by many LDCs. Viewed in this light capital intensive techniques may be both a cause and a consequence of high 'modern'-sector wages. A relatively unequal distribution of income amongst blue-collar wage earners is also likely to be a major feature of highly-differentiated, capitalist industrial structures.

Given the heterogeneity of wages in manufacturing, the assumption of a uniform manufacturing wage rate may not be valid when applied to these countries. It may not be meaningful, for example, to examine the effect of economic policy changes such as the recent Indonesian devaluation on the manufacturing wage rate. The changes in wages in large-scale modern-sector firms in response to such policy adjustments may differ considerably from those which occur in medium and small-scale enterprises. For example, employees in the latter may not be in a position to demand higher wages in response to increased prices resulting from devaluation. The strikes and wage demands following the November 1978 devaluation in Indonesia are a case in point; these appear to have been made mainly by employees in larger, modern-sector firms. Although we have stressed that the divisions are not merely dualistic, a dualistic framework at least may be required for a realistic analysis of the overall effects of such policy changes.

The data suggest another important policy implication. They indicate that insofar as disequilibrium (unemployment) in labour markets in LDCs is the result of wage differentials (as the recent migration models suggest), labour market disequilibrium is an inevitable consequence of an economic strategy that encourages the inflow of modern technology and foreign investment. It may not be appropriate to blame government or trade unions for improper intervention in the pricing of labour. Rural-urban migration, urban unemployment and underemployment, which occur partly in response to high wage pockets in the urban manufacturing sector, cannot be remedied merely by the removal of minimum wage legislation and control over the activities of trade unions. The emphasis by some economists on removal of factor price distortions in labour markets may, so some extent, be misplaced. Interfirm wage differentials and their broader effects on the labour market are a structural problem associated with the pattern of development chosen by many LDCs.

However, our findings support the results of an increasing number of research projects daling with Java which suggest that rural employees come to the cities mainly to seek low-wage jobs rather than because of the lure of high wages in the modern sector (Temple 1975; Hugo 1978 p. 183). The probability of most rural-urban migrants obtaining modern-sector jobs is small for two reasons. First, they are unlikely to have contacts within foreign or capital-intensive firms (or among more powerful figures in urban areas) which would facilitate their entry into the modern sector. Second, since a high proportion of foreign and capital-intensive firms prefer to employ secondary-educated workers, most rural-urban migrants will not be eligible for jobs in the modern sector. The vital role which contacts play in the migration process and in obtaining any job in urban areas (Jellinek 1978), suggests that high modern-sector wages may be of little relevance in attracting migrants to urban areas.
The survey confirms the findings of research on other countries which suggest that wage differentials are the consequence of relatively rational behaviour of different groups of firms reacting to quite distinct economic pressures. High wages in capital-intensive firms are partly a result of firms maximising labour productivity. In this respect capital-intensive firms in Indonesia react in a similar way to those in Japan or the United States. However, the relationships between new technology, certain labour-management objectives, wages and human capital vary according to contrasting business practices in different countries. Tendencies for wages to be set by factors internal to each firm are not nearly as strong in Indonesia today as they were in Japan several decades ago. Moreover, foreign investment plays a central part in introducing new systems of labour management with the new technology in Indonesia.

Nevertheless, despite the huge differences in the labour markets and broad institutional environment in which firms operated in Japan, North America and Indonesia, there are some major similarities in the way in which wages are determined in certain segments of the labour market in each country. A major challenge of future research on labour markets (especially in labour surplus LDCs) is to identify the extent to which some of the broader influences or wage differentials found in this study are also common in other similar economic environments.

NOTES

1. The term labour market segmentation is borrowed from recent writings on labour markets in USA (see especially Reich et al. 1973; Cain 1976).

2. These relationships were tested with the aid of regression analysis (see Manning, 1979: Chapter 7).

3. The measure of hourly earnings includes overtime payments, the value of meals provided and meal allowances, family and transport allowances, the value of good in kind and various other allowances.

4. These relationships were also tested with the aid of regression analysis (Manning 1979, 361-64).

5. See Manning, 1979: Chapters 5 and 10.

6. Literature on labour markets in Japan during the first half of the 20th century have paid special attention to the explanations of substantial wage differentials between large and small firms.

7. Although there has been some attempt to take account of some of these complexities in more recent models, studies of rural-urban migrations which use the basic framework developed by Harris and Todaro (1970) are examples of such misplaced aggregation.

8. See for example Yasuba (1976); Crawcour (1975).
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Hla Myint (1970, p.128) has defined dualism as 'the continuing coexistence of a "modern" sector and a "traditional" sector within the domestic economic framework of an underdeveloped country'. In discussion of the financial sector, dualism is more often thought of as a distinction between 'organised' and 'unorganised' sectors, or between 'formal' and 'informal' sectors. Of the three sets of terms, I prefer the latter: it is too easy to read 'backward' for 'traditional', and the term 'unorganised' has a similarly negative connotation.

THE NATURE OF FINANCIAL DUALISM

The differences between the two parts of the financial sector most popularly remarked upon are as follows:

(i) The price differential: formal sector finance usually carries much lower interest rates.

(ii) The difference in the kinds of borrowers involved: the formal sector is said to cater to larger businesses, while the informal sector lends to small firms and relatively poor individuals.

(iii) The difference in geographical location: formal sector institutions are city based, while the informal sector predominates in rural areas.

A well-known ILO study exemplifies these popular notions with its description of the financial markets in the Philippines:

A quite highly organised formal market, catering to the large-scale urban industrial sector on the one hand and traditional export crops on the other, exists side by side with an unorganised market mainly serving small and/or new industrial enterprises and small food-producing agriculturalists, i.e. the bulk of the population.

There are enormous disparities between lending rates of interest: whereas the nominal rates at commercial banks are usually from 12 to 14 per cent per year (and effective rates somewhat higher), rates anywhere from 60 to 400 per cent per year prevail in the unorganised market. Access to the more favourable institutional credit terms is more or less an exclusive privilege of firms and families with collateral and/or personal connections. (International Labour Office 1974, p.227).
DUALITY OR MULTI-DIMENSIONALITY?

As with most stereotypes, the ones above obscure or ignore many important aspects. In the present case, this is largely due to the unreality of the 'formal/informal' dichotomisation. There are in fact many and various kinds of financing arrangements to be found in the wide space between these two extremes. For this reason, the formal/informal distinction can be highly misleading and the use of such terms can only be justified as a shorthand method of referring to financial arrangements which happen to lie closer to one extreme than the other. This is the sense in which I shall use them in this paper.

The reason for the existence of such diversity in the finance markets is obvious: the product 'finance' is not at all a homogeneous product. Rather, it differs according to such things as the time schedule, nature and flexibility of repayments, the form of security used, the existence or lack of legal documentation, the time taken to bring a loan to fruition, the amount of disclosure of information required, the place where negotiations are undertaken, the degree to which the loan is tied to a particular kind of expenditure, the procedures which might be followed in case of default, the business acumen and credit-worthiness of the borrower and so on.

Two of the firms I interviewed in Indonesia in 1978 illustrate the multi-dimensionality of financial transactions. The first is a limited liability company which manufactures floor tiles. It desired to expand and modernise its operations, and this required (inter alia) the importing of expensive tile-presses from Italy. To this end it contracted a loan of the order of $A375,000 from Bapindo (the State-owned development bank) in 1978. The loan is for six years, and carries an interest rate of 12 per cent per annum; repayments are made according to a fixed schedule. It is secured primarily by the plant being purchased, but also by other assets of the firm and its three shareholders. In order to obtain this finance, the firm employed an outside consultant to prepare a feasibility study and negotiate with the Government. Agreement to the proposal was notified more than four months after it was submitted.

The second example is of a sole proprietorship bus-line, and refers to an earlier period in its history. The owner had built up a small business from almost nothing by purchasing, repairing and remodelling second-hand trucks and buses. Previously, all such purchases had been for cash, and were financed by reinvestment of profits. However, after having built a reputation as a successful and trustworthy businessman, the owner found himself able to purchase another such vehicle on credit provided by the seller - himself a trader of some kind. There was no formal agreement or contract concerning the repayment terms: the transaction was solely based on trust. The loan and the purchase were all part of the one transaction, so that no interest rate needed to be specified. We may surmise that the arrangements were finalised over the course of a day or two of haggling - perhaps less. Repayment extended over a period of about a year, in accordance with the cash surplus the firm was able to generate from its operations.
These examples clearly show the great differences which may exist between financial transactions; they are also representative of the formal/informal distinction. Further discussion of the same two firms can also illustrate some aspects of the continuum between these extremes: the tile-maker purchases input materials from suppliers on one month's credit, and extends the same facility to some of its own customers. Interest charges are not explicitly stated, while documentation is kept to a minimum and does not encompass the formal provision of security. On the other hand, the bus-line owner later found that he could get State bank credit to purchase new buses and that the suppliers of such vehicles would also provide finance. Both these forms of finance are fully documented and secured, and although supplier finance is nominally somewhat more expensive, procedures are far simpler and less time-consuming.

In the light of these sorts of observations, it quickly becomes obvious that the formal/informal dichotomy should be very carefully interpreted. Let us briefly reconsider the aspects of the popular stereotypes previously noted. In relation to the price differential we can note firstly that some informal sector loans are interest free. This is often the case for loans between members of the same family. In other cases the interest rate is virtually impossible to determine, since it is bound up in the terms of the transaction being financed. Finally, a good deal of informal lending occurs at rates of the same order as those in the formal sector. In 1978 such lending was often transacted at 3 per cent per month, compared with a rate of about 2 per cent per month being charged by private banks.

As regards the kinds of borrowers served by formal and informal finance, we can observe that many borrowers have feet in both camps. This is true of the tile-maker discussed above, and perhaps also of the bus-line (although this requires us to think of credit supplied by the bus suppliers as informal). This observation has certainly been substantiated by interviews with many other firms in Indonesia.

Finally, the degree to which the two sectors are geographically separate is also greatly overstated. Contrary to U Tun Wai's (1977, p.291) assertion that unorganised money markets 'can be equated with rural credit markets', informal finance plays an extremely important role in urban areas. As well, formal sector finance finds its way down to the village level, especially through government-backed rural credit programmes.

SOME OTHER ASPECTS OF DUALISM

While adhering to the point that the finance market has many more facets than the formal/informal distinction implies, I would like to add a couple more points to the broad differences popularly noted.

First, the formal sector is very much more 'visible' or tangible, because the institutions involved are purely financial intermediaries. The collection and disbursement of funds is their prime - usually sole - function. In contrast, informal sector finance is rather nebulous, because it is very often a peripheral activity, albeit often quite significant relative to the more central activity involved. Professional money-lenders probably account for only a small part of total informal
sector lending in Indonesia. There are certainly 'brokers' who keep themselves informed as to who has money to lend and who wants to borrow—just as they also tend to know who wants to buy and sell land and motor vehicles, who wants to rent houses and so on. There are certainly also particular business people who are well-known as possible sources for loans, but none of them is purely a financial intermediary. And, as we have seen, many of the informal sector transactions are directly linked with the purchase of particular goods and services—as, for example, with buses sold on hire purchase.

The significance of this observation about 'visibility' is that it is relatively easy to obtain data if one is interested in research on the formal sector (provided the institutions can be persuaded to assist). Research on the informal sector is vastly more difficult. It is impossible to know all the firms and individuals involved in informal financial transactions. And even if this information were available, it would be a hopeless task to elicit much in the way of hard data, and in particular, to disentangle financial details from other aspects of business transactions.

Second, there is a rather marked difference in the attitudes of policy-makers (and many economists) to the formal and informal sectors, such that it is rare to find anyone advocating the promotion of the latter. The literature is replete with references to the 'exorbitant' interest rates in the informal sector and the 'malpractices' of money-lenders (International Labour Office 1974, p.241; U Tun Wai 1977, p.311). One writer has it that:

[Money lenders in the unorganised sector] create a pattern of interest rates which weigh heavily on those least able to bear the explicit or imputed costs of borrowing... they perpetuate forms of behaviour not conducive to social discipline and responsibility (Rozental 1970, p.18).

Yet in a later passage he manages a rather more objective assessment:

Despite the higher costs of borrowing, investors find the unorganised markets attractive for a number of reasons. These include speed and simplicity of transactions, more flexible collateral requirements, and a strong predilection for keeping loan dealings confidential (p.352).

Other writers also rather grudgingly concede the usefulness and importance of the informal markets. In his study of the *ijon* (informal rural credit) system which exists in Indonesia, Ace Partadireja (1974, pp. 54-55) notes that 'various regulations have declared it illegal on the ground that it is considered injurious to the borrower and likely to lead to debt bondage'. But in his conclusions he argues that it 'plays an essential role in the structure of the rural economy ... ' and that 'A purely negative policy of trying to suppress it is liable to do much more harm than good' (p.71).
FINANCIAL DUALISM AND DUALISM MORE GENERALLY

A well-known text published in 1970 referred to 'the contrast in economic and social organisation between the advanced exchange economy and the backward indigenous economy', and asked, 'How can the absorption of the indigenous economy into an expanding modern economy be accomplished?' (Meier 1970, p.121) (my emphasis). There was in this a clear presumption that the modern sector was the key to development - it had to grow rapidly and take over from the traditional sector. 'Modern' was seen as inherently superior to 'traditional'. This line of thought was very influential in guiding policy-makers - who set about doing all they could to promote the modern sector. This 'analysis' was exceedingly superficial and had virtually no basis in economic logic. Not surprisingly, therefore, the results of such policies were very often grossly disappointing, and this led to some change in popular thinking about dualism.

Thus we now have among development economists an agriculturalist lobby to counterbalance the industrialists, a 'small-is-beautiful' lobby to counter those who 'think big', preachers of the virtues of the indigenous ways of doing things to counter those who think that modern and Western is necessarily superior, and even a few who appreciate the fact that economies do not consist just of agriculture and manufacturing, but also contain a large and diverse services sector.

Unfortunately, in respect of financial dualism, this age of relative enlightenment has not yet arrived, as these old, but not yet old-fashioned, quotations indicate:

Competitive institutions and instruments should be set up in the organised markets which are able to attract lenders and entrepreneurs hitherto confined to the unorganised markets (Rozental 1970, p.355). ... the total scale of financial resources in the organised sector must be greatly expanded so that those who are at present using the unorganised system, and those who have had to rely on self-finance, can be accommodated (International Labour Office 1974, p.242).

The same kinds of prejudices are causing the same kinds of mistakes to be made in the financial markets as have been made and recognised in other areas.

ATTITUDES TOWARDS THE INFORMAL SECTOR

Attitudes towards the informal sector range from benign neglect to outright malevolence. The former attitude is characteristic of people who carry out research into what is termed 'financial structure'. This is concerned with 'the presence, nature and relative size of financial instruments and financial institutions of various types' (Goldsmith 1969, p.26). However, research in this field is hampered by the almost complete lack of data on informal sector instruments and institutions (as noted above). Consequently, such studies are basically studies of the formal
sector only, so that some of the conclusions which have been drawn are in fact unsubstantiated. The conclusion most often cited is that, as economic development proceeds, there is a fairly predictable change in financial structure, with a continuous decline in the relative importance of internal – as distinct from external – finance, and in the relative importance of direct – as distinct from indirect – finance. Such conclusions simply cannot be drawn from a study of data relating only to the formal sector.

This is not to argue that studies of the development of the formal sector are of no use; on the contrary. But is should be made plain that that is what they are – they should not pretend to be studies of the entire financial system. This is by no means a fine debating point. Patrick (1966, p.175) has asked whether we can hasten economic growth by deliberately creating 'financial institutions and the supply of their financial assets, liabilities and related financial services in advance of demand for them'. In other words, is it possible to 'induce real growth by financial means'? Bearing in mind that these speculations were inspired by the financial structure studies we have just been discussing, this line of thought actually translates into questions about whether – and if so, how – we should promote the development of the formal sector. Correspondingly, the question of whether the informal sector should be promoted is – at best – forgotten. At worst, one of the techniques of promoting the formal sector is to suppress the informal sector. The economic principles – and costs – involved are exactly analogous to those involved in trying to build up a modern, import-substituting manufacturing sector by the use of protection.

FORMAL SECTOR PROMOTION IN INDONESIA

The lengths to which the Indonesian Government has been prepared to go to encourage the development of the formal sector can be illustrated by its attempts to reactivate the long-dormant Jakarta Stock Exchange. Companies prepared to issue shares to the public by listing themselves on the JSE enjoy substantial benefits. The tax rate is reduced from 45 per cent to 35 per cent – if at least 30 per cent of their shares are sold – or to 25 per cent if at least 51 per cent of their shares are sold; this tax relief applies for a period of five years. A company which sells at least 15 per cent of its shares within three years after its application for listing is approved, is eligible for relief from tax on gains from the revaluation of fixed assets, which is otherwise levied at company tax rates. Any capitalisation following a revaluation is exempt from the stamp duty levied on paid-up capital at the rate of 0.1 per cent. If the shares owned by existing shareholders undergo an increase in nominal value as a result of the revaluation of the fixed assets of the company, this will be exempt from the assessment of company tax, personal income tax and tax on interest, dividends and royalties. Capital gains from share trading are exempt from personal income tax, and no tax is levied on interest, dividends or royalties received by virtue of share ownership; nor is wealth tax incurred. Finally, investors are freed from any investigation as to the origin of monies used to purchase shares, up to a certain level.
The reopening of the JSE in 1977 followed an earlier initiative intended to promote the development of a long-term capital market in Indonesia. From 1972 to 1974, the Government permitted the establishment of a number of non-bank financial institutions which were expected to hold long-term and short-term assets in the proportions (roughly) 60 to 40. However, it was found that this requirement could only be met by foregoing a great deal of profitable short-term lending, and so Bank Indonesia later adjusted to the realities of the situation by allowing short-term assets to comprise up to 80 per cent of the NBFIs' portfolios.

The stock-exchange initiative has been no more successful, but vastly more expensive. Only two or three companies have 'gone public', despite the costly new arm of the bureaucracy which has been set up to promote the JSE, evaluate listing proposals and so on. There are about twenty-eight members of the Exchange, and it is said that the day's trading is usually completed within ten minutes or so.

A less ostentatious, but vastly more costly, commitment to formal sector promotion is the massive subsidisation of the banking system. The State banks account for roughly 80 per cent of formal sector finance. Their lending rates are all held below market levels, thus increasing the volume of bank loans demanded. In turn, the banks are able to borrow from Bank Indonesia at much lower rates in order to cater to this demand. Rates charged to borrowers range from 9 to 21 per cent per annum, while the corresponding Bank Indonesia refinance rates vary from 3 to 6 per cent. The proportion of particular loans which can be refinanced varies correspondingly from 100 per cent down to 25 per cent. Although I have made no attempt to estimate the total amount of subsidy involved, a moment's consideration of the figures presented above indicates that it must be enormous.

The Indonesian Government also has programmes more directly aimed at supplanting informal sector lenders with formal sector institutions. Under the Kredit Candak Kulak (KCK) scheme, for example, a direct budgetary appropriation is made to the KUDs (Koperasi Unit Desa or Village Cooperatives) which is then used for making loans to petty traders. In the KUD I visited, these loans vary in size from Rp5,000 to Rp15,000 (say, $A7-20) and have to be repaid in 12 equal instalments at 5 day intervals. The interest rate appears to be about ½ per cent per month. As might be expected, loan applicants have to supply a good deal of information - relevant and otherwise (name, address, date and place of birth, occupation, purpose of the loan and so on) - and of course this must be attested to by somebody such as a village official. After consideration by a Loans Committee, the application is accepted or rejected and duly rubber stamped.

It would appear that the Government was not overly impressed by Myint's (1973, p.65) warning:

... government-sponsored agencies have rarely been able to provide the marketing and credit facilities required by the peasants as cheaply and effectively as the existing middlemen and moneylenders. For one thing, the local traders and moneylenders have much lower overhead
costs than the numerous branches which a central agency would have to open to deal with a large number of peasants dispersed throughout the countryside. For another, the moneylenders and middlemen can make quick and flexible decisions in the light of local market conditions, whereas the co-ordination of the decisions between the central agency and its local branches has to be carried out by administrative rules and procedures which tend to be rigid, cumbersome and unadaptable to local conditions.

The new scheme is too new to allow evaluation, but I doubt that it will take over from the more traditional arrangements by which market vendors finance their trading stock. I was told that in Pasar Beringharjo (Yogyakarta's main market) there are about ten money-lenders providing finance to 30 to 40 per cent of all vendors. This finance is similar to a bank overdraft, in that interest (of about 7½ per cent per month, calculated daily) is paid on the outstanding balance - which would typically fluctuate within the range of Rp10,000 - Rp50,000 (say $A17-50). The money-lender makes the round of his clients daily, collecting repayments or making further disbursements.5

FINANCE POLICY IN A WIDER CONTEXT

I have already noted that it is now rather unfashionable among development economists to advocate the promotion of large-scale modern business enterprise. Agriculture and small-to-medium scale business in general are now seen as being of great significance in the overall development process. Finance policy is out of step with this new emphasis. To say this is not to deny that the Government is striving to channel funds to these sectors,6 but rather, that by concentrating all of its efforts in the formal sector, it is ignoring the fact that it is the informal sector which is very often much better equipped to cater to the financial requirements of firms at the smaller end of the business spectrum.

It is clear to me that many of the firms I interviewed in Indonesia had been able to tap informal sources of funds at important early stages of their evolution. A by no means atypical case history would show that the firm concerned received modest financial backing from some member of the owner's family - or from a close friend - to help finance its establishment, after which it depended largely on self-finance for its initial growth. As time passed and the owner established his business and credit reputation, the circle of people and firms willing to provide him with finance widened, and eventually came to include banks and perhaps other formal sector institutions. Thus in the early stages it is the closeness of the parties (deriving from familial ties, friendships and direct and indirect business links) which reduces both the element of uncertainty faced, and the administrative costs incurred, by the lender. This closeness does not exist between the new entrepreneur and the bank, and the kind of business banks choose to undertake involves the costs of legal documentation and detailed accounting procedures which are not incurred in informal transactions. In other words, formal sector institutions cannot produce the 'financial product' competitively.
FORMAL SECTOR REPRESSION IN INDONESIA

It is rather paradoxical to note that the Indonesian Government is doing so much to promote formal sector development while it is also in other ways hampering that very process. The greatest hope for healthy growth in that sector probably lies with the competitive pressure exerted by the private banks and non-bank financial institutions (NBFIs) - both domestic and foreign - on the State banking system. Yet these institutions face important obstacles. Perhaps the most important of these is that they do not have the same access to cheap funds from Bank Indonesia. The domestic private banks have to get most of their funds from their depositors, and they can only do so by offering better service than do their State-owned competitors. The foreign institutions are few in number and are not permitted to have offices outside Jakarta, while the domestic banks may not open new branch offices. The extent to which the private banks can engage in foreign exchange transactions is also greatly constrained. The removal of these kinds of handicaps would do much to improve the working of Indonesia's finance markets.

Of course, it should also be said that the State banks themselves labour under an enormous load of regulations as to what they may and may not do, and how they should do it. These regulations range from very important matters, such as the control of lending rates to all of the various categories of borrowers, to the utterly trivial, such as the requirement that banks must seek Bank Indonesia's permission if they wish to vary the opening hours of even one of their branch offices. One would be hard pressed to demonstrate any benefit to Indonesia's development from this extensive array of regulations.

POLICIES FOR THE INFORMAL SECTOR

The discussion has been mainly confined to the appropriateness and inappropriateness of various policies relating to the formal finance sector only. I doubt that there is much that can sensibly be recommended in regard to the informal sector, other than the very important but purely permissive policy of allowing it to compete on its merits.

To begin, policy intervention can only be justified if it can be demonstrated that the informal finance market is imperfect: that is, that it fails to allocate resources in a socially optimal fashion. Many writers would have us believe that this market is imperfect, but usually they offer little more than unsubstantiated assertions to this effect: '... one has to face the fact that capital markets are imperfect, especially in less-developed countries.' (Corden 1974, p.255). A few claim to have validated the proposition empirically, but I have yet to find a study of this kind that is convincing. For example, Nisbet (1967, p.76) refers to the 'high real rates of commercial lenders' he observed in Chile's informal credit market, but without making any attempt to estimate or even define conceptually what he would consider to be an optimal rate or structure of rates. By the time we reach his concluding remarks, we find that 'high'
has become 'excessive' (p.84), and in his introductory section he goes so far as to call these rates 'usurious' (p.73). Such language reveals more about the author's preconceptions than about the nature of the finance market.

Even if informal sector markets were imperfect, the scope for reducing this imperfection by conscious policy action seems to be very limited. The great diversity of informal financial markets reflects their importance in catering for very wide-ranging financing requirements, but also militates against policy measures to improve them. If it was thought to be desirable to provide subsidies, to whom would they be provided, and to what would their size be related? When financial transactions occur simultaneously with the purchase of goods and services, and when they are not evidenced by any legal documentation at all, the administration of any subsidy (or tax) intervention would seem to be infeasible.

The analysis of my observations leads me to recommend a policy of non-intervention in the financial markets of the Indonesian economy.

NOTES

1 Substantial tax benefits were also involved in the overall government assistance package.

2 The question as to whether this fully documented hire-purchase contract should be considered formal or informal is in itself a further demonstration of the lack of a clear dividing line between the two kinds of finance.

3 The precise legal status of money-lenders in Indonesia is difficult to ascertain, but it is sufficiently dubious that it is very rare to find someone who will admit to following that vocation. In October and November 1978 there was a noisy campaign against them by the government, which included many well-publicised arrests. Most of them would be vulnerable to the charge of operating without a licence, and my feeling is that such a licence would be difficult - perhaps impossible - to obtain.

4 That is, to the fact that the NBFIs were ignoring the 60:40 requirement.

5 If the reader thinks that this interest rate is 'exorbitant', he might find it helpful to recall the multi-faceted nature of the product 'finance' to which I have already drawn attention, and then to ponder the significant differences between these two methods of financing petty traders. If he has been used to thinking in terms of 'monopolistic exploitation' of the little people by money-lenders, he might find it a worthwhile exercise to try to reconcile this notion with the reality of the competitive, open-entry conditions in which these money-lenders operate, and the fact that there is a more formal source of funds (a Bank Pasar or Market Bank) located on the edge of Pasar Beringharjo.

6 It is curious to note that although cheap loans are made to small businesses and to agriculture, equally cheap funds are available for large businesses, and finance for manufacturing too is heavily subsidised.
The private banks tend to have longer opening hours and to be able to effect particular kinds of transactions much more quickly than the State banks.

The only way an individual bank can expand is to take over one of its competitors. This, of course, does not result in any expansion of the overall private bank branch network.

Bank Indonesia circular No. SE6/3/UAO, dated 16-7-73.

It hardly needs to be said that explicit or implicit interest rate differences cannot be taken as evidence of finance market imperfection, in view of the heterogeneity of the product 'finance'. (Of course, it cannot be denied that there are many government-created distortions, but the appropriate policy recommendation here is to remove those distortions, not to add to them.)

The same factor also dooms policies which oppose it to failure. Ways can always be found around regulations and to escape taxation.

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DUALISM, TECHNOLOGY AND SMALL-SCALE ENTERPRISE IN THE
INDONESIAN WEAVING INDUSTRY

Hal Hill

INTRODUCTION

Indonesian weaving is a long established industry in a country whose industrial structure was until recently undeveloped. It is the largest employer of labour in Indonesian manufacturing. The industry has recently experienced a virtual technological revolution.

The purpose of this chapter is to examine the Indonesian weaving industry in the context of two general themes - dualism and equity. In the first two sections we consider the relevance of the concept of technological dualism to the industry (section 2), and some explanations for the coexistence of a wide range of weaving techniques (section 3). Later sections analyse some recent changes in the industry which have important implications for equity and employment (section 4), and explore the prospects for small-scale enterprise in the industry (section 5).

TECHNOLOGICAL DUALISM AND THE INDONESIAN WEAVING INDUSTRY

Technological Dualism

The theory of technological dualism, much used in the literature on developing countries, was first expounded systematically by Higgins (1968) in the late 1950s. His development of the theory arose out of a dissatisfaction with Boeke's (1953) explanation of dualism. Boeke saw dualism arising out of 'the clashing of an imported social system with an indigenous social system of another style' (Mackie, this volume). These two social systems existed as distinct entities, in part because of the indigenous population's limited needs (the 'inverse elasticity of supply').

Higgins disagreed with Boeke's argument, and marshalled much information to contest the assumption of limited wants (Higgins 1968, pp. 233-236). However, he did not deny the existence of dualism in developing countries, which he said were characterised by:

- two clearly distinguishable sectors, one with a capital-intensive and modern technology with high levels of man-year productivity, consisting of large scale manufacturing, plantation agriculture, mining, and the services associated with these; and
- the other 'traditional' sector, consisting of peasant agriculture, small scale manufacturing and handicrafts, and the services connected with these (Higgins 1964, p. 425).

Drawing on an earlier analysis by Eckaus (1955), Higgins argued instead that dualism arose from the limited technological options facing the modern sector. He demonstrated his arguments by developing a simple
two-sector model. Sector 1, corresponding to the modern sector, is characterised by fixed technical coefficients (or at least investors in this sector assume this to be so), hence labour and capital can be combined only in fixed proportions. By contrast, in Sector 2, the traditional sector, technical coefficients are not rigid, hence techniques are available which permit combinations of labour and capital to be used which better reflect factor endowments. The isoquants representing these two sectors are shown in Figure 1. If an output of $O_1$ is produced in the modern sector, only $OL_1$ units of labour are employed. Any excess labour will remain unemployed (for example, if $OL_2$ is available, $OL_2 - OL_1$ units will be unemployed). It follows that relative prices of labour and capital are irrelevant in choosing the technique: whether interest rates are high and wages low (shown by isocost line $DE$) or vice versa (line $AB$) the same technique is adopted. In Sector 2, however, techniques are chosen which correspond to factor endowments. If $OL_2$ units of labour are available, it is not necessary to produce at output $O_2$ (as in Sector 1), since it is possible to adopt a more labour-intensive technique.

Thus, according to Higgins, technological dualism results from three factors: the small amount of investment in the modern sector, the capital-intensive technology used, and a rapidly increasing population. The first two factors limit employment opportunities in the modern sector; the third results in a large workforce, the greater part of which must find employment outside the modern sector.

Figure 1: Diagrammatic Representation of Technological Dualism

In several respects Higgins' analysis of dualism is relevant to developing countries because in some industries the range of efficient techniques is limited. This applies in particular to mining and petroleum and a number of heavy manufacturing industries. However, the theory of technological dualism is open to three main criticisms.
Firstly, an increasing amount of empirical research indicates a range of efficient techniques does exist in many industries. Secondly, a distinction should be made between the core process of production and peripheral activities (for example, packaging and transport). Even if technological options are limited in the former, much labour may by absorbed in the latter. Thirdly, the scope for 'capital-stretching', by intensive use of machinery and sub-contracting to smaller firms, is considerable. Hence, even if the technique is fixed the capital-labour ratio may not be. (These arguments are developed by Ranis 1973.)

The Relevance of Technological Dualism to the Indonesian Weaving Industry

How applicable is the concept of technological dualism to the weaving industry? Two pieces of information suggest it is of limited relevance, and that, in terms both of firm size and technology in use it is more accurate to see the industry in terms of a continuum over a wide spectrum. Firstly, the industry cannot usefully be divided into just two sectors - hand loom and power loom - because the power loom sector is very heterogeneous. In terms of the number of power looms per firm, there are mills of almost every conceivable size in the industry, ranging from very small family enterprises possessing ten or less power looms and more akin in their organisation to hand loom firms, to the most modern integrated mills. The distribution of firms according to the number of looms per firm is shown in Table 1. For the dualistic model to apply, there would have to be a bunching of firms into (say) those of less than fifty looms and those of 500 (or 200) or more looms. Yet this is not the case.

Therefore, technological dualism is not an appropriate concept through which to view the Indonesian weaving industry. The difference between the two techniques at either end of the spectrum is enormous, but there is a wide range of intermediate techniques. Moreover, our research has found that all four of these intermediate techniques are technically efficient, in the sense that no technique requires more of both factors of production to produce a given output compared to any other technique.

In contrast to the weaving industry, technological dualism is of some relevance to the Indonesian spinning industry. There are substantial differences between the spinning and weaving industries, and for this reason it is misleading to regard 'textiles' as a homogeneous industry. Traditionally, spinning has mechanised far more rapidly than weaving during the process of industrialisation. In Indonesia there are almost 800 power loom firms and hundreds of hand loom firms and household weavers, but less than 80 spinning mills. Moreover, there are relatively few 'intermediate' spinning firms. The industry consists of fairly large factories on the one hand and, on the other, hand-spinners in more remote parts of the Outer Islands. There are two main reasons for the differences between the industries. Firstly, the enormous gap in physical productivity between old and new technologies in spinning is not present to anything like the same degree in weaving,
Table 1

Number of Power Loom Firms in Indonesia
by Size of Firm, 1976

<table>
<thead>
<tr>
<th>Firm Size (number of looms)</th>
<th>0-49</th>
<th>50-99</th>
<th>100-199</th>
<th>200-499</th>
<th>500+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Firms</td>
<td>423</td>
<td>180</td>
<td>105</td>
<td>52</td>
<td>15</td>
<td>755</td>
</tr>
</tbody>
</table>

Source: Compiled from list of firms in Indonesia. Direktorat Jenderal Industri Tekstil, 1976

A second reason why the concept of technological dualism is inapplicable is that a range of technologies exists in the industry. For the weaving stage itself, it is possible to identify at least six different types of looms. Ranging from least to most capital-intensive, these are:

(i) Backstrap loom (alat tenun gedogan), the traditional weaving loom, now confined mainly to the Outer Islands, although still used in household weaving enterprises on Java.

(ii) Improved hand loom (alat tenun bukan mesin, labelled here as H), still in widespread use despite the decline since 1966. In 1975 some 65,000 were estimated to be in use, about half of which were in one province (Central Java).

(iii) Non-automatic power loom (M_1), the simplest and most labour-intensive type of power loom. They are manufactured in Indonesia (now in limited quantities) and several other developing countries.

(iv) Semi-automatic power loom (M_2), produced in several Asian countries including Mainland China, India, Japan, South Korea and Taiwan.

(v) Fully-automatic power loom (M_3), which requires less direct labour supervision because the weft (cross-thread) is re-supplied automatically when the shuttle is exhausted. These looms are manufactured in many developed and, increasingly, newly, industrializing countries. Most foreign and very large domestic firms in Indonesia adopt this technique.

(vi) Shuttleless loom, in increasing use in developed countries, but very few have been introduced into Indonesia.\(^1\)
thus the more labour-intensive techniques survive longer. Secondly, yarn is a homogeneous good, well suited to mass production techniques. There is little scope for small spinning firms catering for specific markets with regard to pattern, design and texture in the way small weavers do.

Some Implications of Technological Choice

The most important implication of the existence of a range of technically efficient techniques in the industry is that relative factor prices are relevant to the choice of technique. To ensure that techniques appropriate to factor endowments are adopted, it is essential that wages, interest rates and other prices do not diverge substantially from 'social prices'. As Lipton (1979, p. 73) has observed recently, a policy of 'getting prices right' is supported by economists who have ....a wide range of political attitudes. Free-market liberals see market manipulation as impeding efficient growth. Social democrats stress the damage to income distribution. Marxists fear the artificial strengthening of capitalists (and small, allied labour aristocracies) by their use of State power.

Nevertheless, many writers argue that appropriate pricing policies are a necessary but not sufficient condition for the selection of appropriate techniques. Some go further and argue that relative prices are not very important. For example Stewart (1978, p. 275) maintains:

Neo-classicists have always emphasised relative prices as being of critical significance. But the analysis of technical choice made here suggests a much more complicated process, with relative prices being just one of the selection mechanisms, often of only minor significance.

There are several reasons why a change in relative prices will not necessarily induce a switch to a different (more labour-intensive) technique. Firstly, alternative techniques may not exist, hence a change in factor prices will have no effect on the technique adopted. (This is a variant of the technological dualism argument.) Secondly, even if a range of techniques does exist, the size of the domestic market may be such that more modern techniques are not competitive because they are forced to operate at low levels of capacity utilisation. Thirdly, it is argued that in many industries the quality of products of different techniques differs so substantially that they can hardly be regarded as effective substitutes. Thus the assumption underlying choice of technique studies - that a change in factor prices induces a switch to different techniques - may be irrelevant. A fourth limitation is the assumptions of profit maximisation and perfect knowledge. Many argue that the presence of non-economic goals suggests that maximisation is not an appropriate description of investors' behaviour. Finally, and related to this, the structure of many industries is such that competitive pressures are not great, and hence investors are not compelled to adopt the least-cost technique.
The belief that a change in relative factor prices may not lead to the adoption of different techniques has resulted in what may be called 'technological pessimism' on the part of many writers: that techniques appropriate to developing country factor endowments are not available, and can be developed only if a huge program of research and development is undertaken. However, this scenario is not applicable to the Indonesian weaving industry for two reasons. Firstly, the existing 'technological shelf' is satisfactory because it contains a sufficient range of techniques. Several developing countries (including Indonesia) produce power looms, hence it is not necessary to buy technology produced in the west which is better suited to high wage economies. The international market for used textile machinery - machines which are in good condition but have become economically obsolete because of rapid rises in real wages - is well developed. If the Indonesian government's current prohibition on the import of such machinery were lifted there is little doubt that mill owners would purchase such machinery.

Secondly, the structure of the Indonesian weaving industry is such that competitive pressures are strong (within the protected domestic market). Firms in a competitive industry are compelled to seek out and adopt the lowest-cost technique, and consequently there is less scope for the fulfilment of non-economic goals. (The structure of the Indonesian weaving industry and its implications for technological choice are analysed in Hill 1979, pp. 91-94 and pp. 286-288.)

SOME EXPLANATIONS OF TECHNOLOGICAL COEXISTENCE IN THE WEAVING INDUSTRY

In the previous section we emphasised the technological diversity of the Indonesian weaving industry. The coexistence of a wide range of techniques would not be expected if product and factor markets were perfectly competitive. What factors explain the existence of such a wide range of techniques?

Firstly, a cross-sectional view of an industry hides changes which are in process. As Ranis (1978, p. 18) has observed:

"When we try to explain the coexistence of large and small firms at any moment of time the historical dimension must be brought into the analysis."

The Indonesian weaving industry is experiencing a period of rapid and sustained change, in which the mechanised sector is expanding and the hand loom sector is declining. The continued use of hand looms does not necessarily mean that they are coexisting in any meaningful sense. The transition from the traditional economy to the modern industrial economy is a lengthy process, and hand looms will remain in use for many years. A 'snap shot' picture of the industry obscures this process of transition. To quote Ranis (1978, pp. 9-10) again:
Traditional economic analysis considers technology as a strictly economic issue, that is, within the calculus of the efficiency of resource allocation, factor price distortions, competitive vs non-competitive behaviour, etc. within a particular epoch... the issue of technology choice and change within a developing country, however, is basically an issue within a system in transition from agrarianism to modern growth.

Secondly, factor market segmentation is an important element in explaining coexistence. This is especially so in the case of the capital market, where large firms generally have access to credit at substantially lower interest rates than small firms. Part of these differences can be explained by the higher real cost of lending to small firms. Market imperfections also contribute to the differences, and the lending policies of the state commercial banks in Indonesia are an important element of this. The industrial labour market in Indonesia is also highly segmented, although for different reasons than in the case of the capital market (see the paper by Chris Manning in this volume). The fact that firms of different size face a different set of factor prices in producing a similar product means that a range of techniques is adopted. In the words of Hla Myint (1971, p. 323):

This striking pattern of high interest rates and low wages in the traditional sector and low interest rates and high wages in the modern sector [because of the underdeveloped state of factor markets] would be sufficient to account for a large part of the differences in factor proportions used in the two sectors... What is however more significant is that... the gaps in factor prices arising out of the underdevelopment of the factor markets tend to be widened artificially.

A more homogeneous industrial structure will evolve only as market imperfections begin to disappear.

A third explanation of coexistence is product heterogeneity. Different techniques rarely (perhaps never) produce an identical range of products. In some industries small and large firms produce quite distinct products; in other industries a complementary structure develops whereby large firms sub-contract to smaller firms. Hence these firms coexist only in the sense that they cater to separate markets: they are not in direct competition. Even in the case of the Indonesian weaving industry, where product specialisation (between firms employing different techniques) is not widespread and quality differences between techniques are not significant, the cloth produced by each of the techniques is not a perfect substitute. The more labour-intensive firms tend to produce lower quality cloth for low income consumers. This offers these firms some protection from direct competition from the larger mills, and also slows down the rate at which the traditional sector disappears.

Finally, investors have different goals, in the sense that not all of them are 'maximizers'. Although this is not an important factor in the Indonesian weaving industry, because of the strength of competitive pressures, there are some examples of 'non-economic' behaviour: the purchase of shuttleless looms, motivated by considerations of prestige;
government weaving mills, whose operations continue to be subsidised; and small-scale weavers who are reluctant to leave the industry (and whose price and profit calculations are based only on running costs). Moreover, there are considerable intra-technique variations in business performance. In comparing the average economic performance of different techniques, it is important to recognize that the commercial acumen and business skills of entrepreneurs differ. Therefore, a finding that a given technique is economically inefficient does not preclude the possibility that the technique is efficient in firms whose performance is above average.

EMPLOYMENT AND EQUITY IMPLICATIONS OF RECENT CHANGES IN THE WEAVING INDUSTRY

The past 12 years have witnessed a thoroughgoing transformation of the Indonesian weaving industry. Until the mid 1960s traditional labour-intensive techniques dominated the industry, in particular the improved hand loom (ATBM) which had been developed in Bandung in the 1920s. During the orde lama, private investors were neither able nor inclined to adopt mechanised technology on a wide scale and, despite grandiose plans, few government mills were established. Since the late 1960s, the changed political and commercial climate has ushered in a virtual technological revolution in the industry. The once predominant hand loom sector has shrunk rapidly and been replaced by more capital-intensive techniques, although weaving as a whole is still relatively labour-intensive compared to many other industries. The purpose of this section is to examine two aspects of changes in the industry: the minimal growth of weaving employment in light of the industry's rapid output growth, and the decline of präbunä participation in the industry.

Firstly, on the question of weaving employment, all available evidence suggests that although output quadrupled between the two Industrial Census years 1963 and 1974-75, employment has been fairly stable or increased only slightly. Estimates of power and hand loom employment for 1963 and 1974-75 are shown in Table 2. The data suggest that whilst power loom employment more than doubled, hand loom employment fell by almost two-thirds. Nevertheless, the 1963 figure

<table>
<thead>
<tr>
<th></th>
<th>1963</th>
<th>1974-75</th>
</tr>
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<tbody>
<tr>
<td>Power Loom Employment</td>
<td>32,000</td>
<td>76,720</td>
</tr>
<tr>
<td>Hand Loom Employment</td>
<td>120,000</td>
<td>46,562</td>
</tr>
<tr>
<td>TOTAL</td>
<td>152,000</td>
<td>123,282</td>
</tr>
</tbody>
</table>

*a* Excludes cottage weaving

Source: Hill 1979, p. 84.
for handloom employment is almost certainly an overestimate, hence the suggested decline of almost 30,000 jobs is probably also exaggerated. A range of alternative estimates of employment changes has been obtained using labour-use coefficients for each of the four main techniques in the industry, as calculated from my fieldwork data. On the basis of various assumptions regarding the composition of output (between techniques) for the two years, it is possible to derive 'guessimates' of changes in employment. Using several 'output mix' assumptions, I have concluded that the most likely result has been a modest rise in employment (Hill 1979, pp. 86-89). Clearly it is not possible to obtain a precise estimate of employment trends. The best that can be said is that there has been neither a large increase nor a large decline in the number of jobs.\(^5\)

The minimal growth in employment may appear surprising in light of the fact that weaving is a relatively labour-intensive industry and that output has grown very rapidly in Indonesia since the mid 1960s.

The reason weaving employment has not risen substantially is that the sudden and sustained introduction of mechanised techniques has had a considerable labour-displacing effect, which has only just been compensated for by the rapid growth in output. An illustration of the potential labour-displacing impact of the mechanised techniques is given in Table 3, which shows the number of labour hours required to produce 1,000 square meters of cloth for each of the techniques. The range in labour intensities is enormous - the production of handcraft cloth on hand looms requires more than 40 times the number of labour hours to produce a given volume of output than does a fully-automatic power loom.

For this reason, the weaving industry will not necessarily be a major source of employment growth in developing countries, except of course in countries which successfully penetrate the export market for textiles. Weaving is an 'old',\(^7\) long established activity and, as such, the pre-industrial technology is highly labour-intensive. The introduction of mechanised techniques and the disappearance of traditional technology inevitably has substantial labour-displacement effects. It should be remembered, however, that the jobs created in the modern factory sector offer far superior conditions of employment to those in the traditional sector which are disappearing (Chris Manning in this volume.) By contrast, this labour-displacement effect is not present in new industries, whose products (or close substitutes for them) were not used in pre-industrial society. This is not to argue that the weaving industry should not be encouraged, nor that the process of technological change in it should necessarily be slowed down. Rather one should be less sanguine about the (net) employment creation potential of the industry, at least when it is fulfilling an import substitution role as is the case in Indonesia.
Table 3

<table>
<thead>
<tr>
<th>Labour Hours per 1,000 m² Production by Technique</th>
<th>H</th>
<th>M₁</th>
<th>M₂</th>
<th>M₃</th>
</tr>
</thead>
<tbody>
<tr>
<td>'ordinary'</td>
<td>1,950.6</td>
<td>3,356.3</td>
<td>676.4</td>
<td>494.1</td>
</tr>
<tr>
<td>'handicraft'</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There are considerable intra-technique variations according to the type of cloth produced. Two categories are given for hand looms owing to the very substantial difference between the traditional cloth varieties and what may be called 'handicraft' cloth. Techniques are described on pages 4-5, above.

Excludes government mills.


The second major change in weaving which has important implications for equity in the distribution of income and wealth is the decline of priabumi participation in the industry. Especially since 1974, the government has placed a high priority in its official statements on the development of priabumi entrepreneurship. Weaving has traditionally been an important area of priabumi business activity. However, during the orde baru there has been a steady erosion of priabumi participation in the power loom sector, particularly its modern sector component. Based on Capital Investment Board (BKPM) approvals for firms which had commenced operation by 1978, a clear picture emerges of non-priabumi and foreign domination of the industry. Allowing for the fact that most of the firms of mixed ownership are effectively non-priabumi owned (the so-called 'Ali-Baba' operations), non-priabumi investors have generated almost 60 per cent of the growth amongst firms which have received taxation concessions. Foreign firms have accounted for another 30 per cent. Thus priabumi participation - whether by government, co-operative or private investors - has contributed merely one-tenth (Hill 1979, pp. 71-72).

Because these data apply only to firms receiving BKPM incentives, most of the smaller power loom firms are excluded. There has also been some growth in the small power loom sector since the mid 1960s, and priabumi participation has varied considerably between regions. The differences between the two traditionally important weaving centres - Majalaya (West Java) and Pekalongan (Central Java) - has been very great in this regard. In Majalaya non-priabumi control of the industry, through direct ownership, rental agreements and sub-contracting arrangements, is virtually complete. By contrast, priabumi investors (especially
co-operative mills) have continued to play a significant role in the industry in Pekalongan. (The nature of recent changes in the industry at the regional level and some tentative explanations for regional differences are analysed in Hill 1979, pp. 97-110.)

THE FUTURE OF LABOUR-INTENSIVE TECHNIQUES IN THE INDONESIAN WEAVING INDUSTRY

In discussing the future of labour-intensive techniques in the industry, it is useful to distinguish between four types of enterprises.

These are:

(a) Firms employing relatively labour-intensive mechanised techniques.

(b) The 'factory' handloom sector, consisting of firms employing at least 10 workers, operating throughout the year, and producing traditional cloth varieties (cambric, sarung, selendang, etc.).

(c) Handloom firms producing high quality handicraft products for the export market and a small, wealthy domestic clientele.

(d) The cottage weaving sector, comprising household units producing cloth for part of the year.

One general point in relation to the prospects for small-scale weaving is that the industry as a whole is not well suited to industrial sub-contracting. An extensive literature has examined the importance of sub-contracting for developing countries. Industrial sub-contracting was a major factor explaining the survival of small industry in general in Japan, but it was not practised widely in the Japanese weaving industry (The Smaller Industry in Japan, 1957, p. 101). It is more likely to occur in industries in which the production process is easily divisible into many distinct stages, and the weaving industry consists of relatively few stages. In Indonesia commercial sub-contracting (maakloon) is widespread in the weaving industry, but there is no evidence that this has fostered the growth of small weaving firms. It is usually adopted only as a last resort by small weavers and rarely do firms operating under maakloon recover their commercial independence.

Mechanised Weaving

It should be borne in mind that weaving is a labour-intensive industry compared to most other manufacturing activities with a significant modern sector component. Moreover, the technique which emerges from our analysis as socially optimal for the factory sector – semi-automatic looms – is substantially less capital-intensive than the most mechanised technique in the industry (see the labour-use ratios in Table 3). If Indonesia were to penetrate the export market for textiles using this technique widely, the shift from hand to mechanised weaving could be accompanied by substantial employment growth.
Factory Hand Loom Weaving

There can be little doubt that the hand loom sector producing traditional cloth varieties will continue to decline. Already firms in this sector are switching away from types of cloth produced by the larger mechanised mills and thus are restricted increasingly to certain products not produced in any quantity by the power loom sector. Hand looms will, however, remain in use for many years, both as auxiliary productive capacity for the small and medium mechanised mills and in the production of traditional types of cloth, principally for low income consumers.  

If the government wished to slow down the pace of technological change in the industry in order to provide a short term increase in (low wage) employment and hence ease adjustment difficulties during the transition period, several options would be open to it. It could consider the imposition of a differential sales tax, as has been introduced in other industries in Indonesia. A program to improve worker health in the small-scale sector may well be justified on both efficiency and equity grounds. Another possibility - industrial co-operatives - is given considerable emphasis in the Third Five Year Plan, although the past record of these institutions in Indonesia is not encouraging. In discussing measures to assist small-scale weaving the experience of successive Indian governments in attempting to foster the hand loom sector is instructive: despite a strong government commitment for almost three decades and the absence of a serious division in the business community along ethnic lines, there has been wide-scale evasion of measures to protect the so-called 'decentralised sector'. Ironically, those policies which have encouraged the adoption of excessively capital-intensive techniques in Indonesia (for example, low interest rates, the ban on the import of used machines) have also resulted in factor market fragmentation, and hence prolonged the existence of the hand loom sector.

The Handicraft Sector

Until recently few hand loom firms in Indonesia have specialised in the production of high quality handicraft cloth of intricate design. This is probably a result in part of government policies during the orde lanmuw which encouraged the hand loom sector to produce in direct competition with power loom firms. Consequently, unlike in India and some other Asian countries, this sector of the hand loom industry has yet to realise its full potential.

The encouragement of firms producing this cloth is both desirable and feasible. It is desirable because these firms constitute a labour-intensive sector of the industry, the survival of which does not require extensive government protection or propping up. Further, the production of handicraft cloth is a relatively high-wage activity by the standards of small industry: earnings are two or even three times those in the traditional cloth varieties. It is feasible because significant export
opportunities exist for such cloth, provided its sale is approached in a proper commercial manner. Trade barriers in the West to the import of this cloth are generally low because it is no longer produced in high-wage economies.

Cottage Weaving

Household weaving frequently is seen as an important means of generating counter-seasonal employment and income-earning opportunities in densely populated rural economies such as Java. This is particularly so because used hand looms can be obtained very cheaply, and the necessary technical skills are known. Yet the 1974-75 Industrial Census, which provides the first detailed information on cottage industry in Indonesia, found that weaving constituted less than one per cent of total industry activity (measured in terms of man days) on Java. Whilst household weaving has probably expanded since then, it is still insignificant. There are several explanations for its unimportance. The seasonality of the demand for textiles is such that it would be profitable for cottage weavers to produce only during the months immediately prior to Idul Fitri, the celebrations which mark the end of the Moslem fasting month. And, because the fasting month rotates during the year, the busy textile period may not necessarily coincide with a slack agricultural period when abundant labour is available.

More importantly, handloom weaving differs from most other cottage activities in that all its non-labour inputs are obtained from the modern manufacturing sector. In the traditional model of cottage industry (and peasant agriculture), enterprises are seen as competitive with larger factories partly because of their ability to economise on the need for working capital, in the Ricardian sense of wages not being advanced until the product is sold (Sen 1975, p. 70). However, in handloom weaving, which uses purchased yarn, wages paid constitute a very small proportion of total working capital. Hence, the use of household labour leads to very little saving on working capital. Moreover, rural cottage units using modern sector inputs are likely to generate a value added per unit of output which is significantly below that of larger firms using the same technology. Transport costs can be considerable for small orders to remote villages, pecuniary diseconomies of scale will be associated with such orders, and the selling price may be lower if the producer lacks a knowledge of market conditions.

Cottage weaving in the Outer Islands suffers less from these disadvantages because in most areas it does not face competition from commercial weaving firms.

Thus in the immediate future cottage weaving is unlikely to become important on Java. If, however, there is a switch away from weaving cotton and synthetic cloth to products which do not require modern sector inputs, it may expand. The best prospect is bamboo weaving, with which some weavers are experimenting already.
NOTES

1 In practice the range of techniques is even greater than this, owing to the existence of 'in-plant' technical adaptations and the diversity of techniques used in the preparation stages.

2 For example in Japan spinning was mechanised almost completely by the time of the Russian-Japanese War (1894-95), less than three decades after the beginning of the Meiji Era. By contrast hand looms continued to be in wide use through until the end of the 1920s (see Allen 1940).

3 Several studies of some smaller African economies have concluded that capital-intensive techniques are not competitive because of the small size of the market and the high barriers to international (and, in some cases, domestic) trade. See the articles in the special issue of World Development, 5 (9 & 10) devoted to the choice of technology in developing countries.

4 A good example is the brick industry in developing countries. Low quality hand-made bricks are used for low income housing, the kiln-fired mass produced product for multi-storey buildings (see Stewart 1978, Chapter 10).

5 Several arguments are advanced in this context: investors are said to prefer a 'quiet life' — to minimise labour problems a more capital-intensive technique is chosen than would otherwise be case; prestige is viewed as an important factor, so that the most modern machinery is selected, regardless of whether it is the least-cost technique; the influence of 'engineering man' may lead to the production of goods the quality of which is excessively high for the need or effective demand of consumers in developing countries.

6 An additional set of estimates is the Statistik Industri series, published annually since 1970, which includes only large and medium firms. From 1970 to 1977 a small increase in weaving employment is suggested by these data, but considerable year-to-year fluctuations are present. For a detailed analysis of the Statistik Industri data, see McCawley and Tait (1979).

7 The useful distinction between 'old' and 'new' industries, and its implications for the choice of technology is discussed by Stewart (1978, p. 197).

8 Rising non-pribumi control of the modern sector is by no means confined to weaving. Dick (1977, pp. 127-129) observes that many of the orde lama pribumi firms in the inter-island shipping industry have declined and been replaced by rapidly expanding non-pribumi business interests after 1966. Manning (1979) notes the non-pribumi dominance of the kretek cigarette industry.

9 There is some overlap between these groups, particularly between (c) and (d). For example, most of the famous cloth from eastern Indonesia is produced in cottage weaving units.
A distinction should be made here between industrial and commercial subcontracting. The former refers to large firms putting out one or more stages of the production process to a smaller firm; the latter involves a trader or middleman placing an order with a firm, supplying the necessary raw materials, and paying for the cost of conversion to the final product.

It should be noted that although handloom firms do not face direct competition from mechanised mills for these products, indirect competition comes from the batik industry, which uses cambric produced mainly by the larger mills.

It was, however, very important in some provinces in the Outer Islands, particularly East Nusa Tenggara, South Sulawesi and Southeast Sulawesi.

For example, the price of 1 pak (4.5 kg) of yarn is equivalent to about twenty to thirty days' wages of a handloom weaver.

These points are well made by Reddaway (1962, pp. 74-75) in discussing the cottage textile industry in rural India.

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THE RISE AND FALL OF DUALISM: THE INDONESIAN INTER-ISLAND SHIPPING INDUSTRY

Howard Dick

INTRODUCTION

Social scientists have had little success in applying Boeke's concept of dualism. Like the Himalayan Yeti, its existence is widely believed by those inhabiting the rarified altitudes of high theory but there is no agreement on what it looks like and where it is to be found. Most attention has been focused on the dichotomy between so-called modern and traditional technologies. Dick (1978) has argued, following on from Geertz (1963), that dualism can be seen also in terms of organization and that there is another fundamental dichotomy between so-called corporate and non-corporate forms. Moreover, these two fundamental dichotomies do not coincide but overlap. Dick & Rimmer (1980) have suggested that the way out of this impasse is to set these two dichotomies within the kind of integrated scheme set out in the accompanying figure, which not only makes explicit how they may overlap but also recognizes the importance of ranges in scale and level of technology. In the sense of the coexistence of two sectors sharply differentiated in both technology and organization, dualism then becomes a specific case.

Dualism may, however, be more akin to a chameleon, taking on the appearance of whatever environment in which it is sought. If this is the case, then a better definition or classification alone is insufficient. It is also necessary to specify the context. Are we looking for a simple shorthand concept to describe certain characteristics of the economy, or a guide to the labour absorption potential of alternative development strategies, or labels for a political economy critique of capitalist development? Is dualism to explain or to be explained: Lack of agreement on such fundamentals may account for much of the confusion surrounding use of the term.

The objective of this paper is to help improve our understanding of the historical process of socio-economic change in Indonesia. The existence of dualism therefore cannot be assumed. It is more useful to think in terms of there being at any one time a range of technologies and organizational forms. New technologies and organizational forms are for the most part introduced through foreign contacts. There is as a result continual diffusion, modification and decay, so that the range of technologies and organizational forms is not static but more akin to a slide show. These processes are aspects of underlying social change but must at the outset be studied in the context of specific industries. Only with many more historical industry studies can we safely begin to generalize.

Anyone who visits the crowded small ship harbour of Sunda Kelapa (formerly Pasar Ikan) near the old city of Jakarta is immediately impressed that Indonesian interisland shipping is an obvious industry in which to study dualism. Stretching away for more than a mile is a forest
FIGURE 1

AN INTEGRATED SCHEMA

SOURCE: Dick and Rimmer (1980)
of tall masts, sails drying in the bright sunlight, long bowsprits jutting out over the quay. Here is one of the few remaining parts of the world where sailing vessels still ply a busy trade. The contrast with the modern shipping in the main port of Tanjung Priok is so striking that it is easy to forgo further investigation. Yet, just behind the long line of prahu moored in the river is another harbour crowded with small motor vessels, many wooden-hulled and often rather oddly constructed. The fewer steel-hulled vessels appear at first sight to be merely smaller versions of the interisland ships at Tanjung Priok but closer inspection reveals that cargo handling is still labour-intensive. Much of the cargo is manhandled across a gangplank. Cargo-handling gear is often no more than a single boom with one winch; mechanical power is used for vertical movement but the boom and its load are swung in and out by teams of men hauling on block and tackle. Clearly there is more to the choice of technology than the distinction between sail and motor power and between wooden and steel hull. This view is strengthened if account is also taken of the great differences in the age and condition of ships in the so-called modern sector. Capital-intensity would seem to vary across a wide spectrum. It is doubtful that our understanding is improved by describing this situation as dualistic. If it is to be meaningful, the term dualism must refer not just to marked differences in technologies and organizational forms but also to a lack of articulation between them.

The basic argument of this paper is that dualism was a phase in the history of interisland shipping which lasted from about 1890 to the Japanese Occupation, coinciding roughly with the late colonial period. The introduction of European sailing vessels and, after 1870, of steamships resulted in technological differences but not in dualism. These new technologies were exploited on a wide range of different scales and by a variety of organizational forms. Dualism did not emerge until in the 1890s a few western corporations began to encroach steadily upon the operation of steamships by the non-corporate sector and ultimately to dominate the industry except for sail shipping. Dick & Rimmer (1980) have defined such a process as incorporation,

involving not merely the growth of the modern and corporate sector but also its encroachment upon the traditional and non-corporate sector through displacement, takeover and consolidation. It may be seen as corresponding with the tendencies of accumulation and concentration inherent in capitalist development but in specifically technological and organizational forms.

By the late 1930s dualism was at its sharpest but there were signs of a countervailing process of de-corporation. The introduction of the marine diesel engine in the 1920s had substantially reduced the technical diseconomies of small-scale motor vessels. Following the Japanese Occupation and the independence of Indonesia there occurred a much greater degree of competition in interisland shipping which eroded both the corporate stranglehold and the corresponding dualism. The present structure of the industry therefore bears a considerable resemblance to that before 1890.

The first two sections of the paper explore the spread of European sailing technologies and steamships in the archipelago during the nineteenth century. The emergence of dualism between about 1890 and 1942 is covered in the third section. The last two sections examine the
revival of small-scale shipping in the 1930s and the subsequent fragmentation of the corporate sector. The conclusion considers the importance of competition, monopoly and regulation in explaining the processes of incorporation and de-corporation and discusses the implications for the concepts of technological and social dualism. ²

THE INTRUSION OF WESTERN SAILING VESSELS

Although there had always been many types of vessels and various forms of organization in the trade of the Archipelago, ³ not until the nineteenth century does it make any sense to talk of 'dualism'. By then the Industrial Revolution in Britain had already stimulated both the volume of trade and shipping and the level of maritime technology. Following the British occupation of Java (1811-16) and the foundation of Singapore (1819), western shipping and commerce in the Archipelago began to increase rapidly. ⁴ Dualism manifested itself initially not in the introduction of steamships but in the spread of square and fore-and-aft rigged sailing vessels at the expense of Asian junks and prahus. By the 1840s these were being operated not only by Europeans but also by 'foreign' Asians, mainly Chinese and Arabs. There seem to be three associated explanations of this change. Firstly, as pointed out by Wong Lin Ken (1960, p.124), Chinese traders were coming to appreciate the advantages of marine insurance and this was probably easier and cheaper to arrange for European types of vessel. ⁵ No doubt it was also relevant that the Moro pirates, whose ravages were particularly serious in the middle of the century, were less likely to attack them. Secondly, as Wong Lin Ken (1978, p.60) also recognized, the intrusion of European sailing vessels tended to accompany the extension of Western rules or trading privileges. The capture of the Thai trade with Singapore by European vessels following the Anglo-Siamese Treaty of 1855 provides a prime example (Wong Lin Ken 1960, p.147). Elsewhere, however, cause and effect were probably less direct. By ensuring a stable political and legal environment at certain key points around the Archipelago, the extension of Western rule and trading privileges seems to have encouraged the Singapore Chinese especially to establish their own agents in the Outer Islands. ⁶ With the opening of Makassar as a free port in 1847, for example, Chinese traders chose to establish agents and stock agents there rather than continue to await the annual influx of Buginese prahus with the southeast monsoon. Thirdly, and associated with the last point, it is likely that the increasing volume, sophistication and competitiveness of trade was bringing about the abandonment of the leisurely old monsoonal pattern of trade for which the Asian junks and prahus were so well designed. Square and fore-and-aft rigged vessels would have been both much more efficient and much safer tacking against the monsoon.

Some of the trends are indicated by Table 1. Between 1829/30 and 1865/66, the share of prahu shipping in the total tonnage trading between Singapore and what is now mostly Indonesia fell by half, from 54 to 27 per cent, although the absolute tonnage of prahu shipping was doubled. Further inspection reveals that this declining share was attributable mainly to the growth in the most important Java trade. In Sumatra and Riau, where Dutch rule was less well-established, prahu shipping was able
Table 1

Tonnage of square-rigged vessels (SRV) and Prahus arriving and departing from Singapore for the Archipelago, 1829/30-1865/66

<table>
<thead>
<tr>
<th>Origin/ Destination</th>
<th>Year</th>
<th>Tonnage</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>SRV</td>
<td>Prahus</td>
</tr>
<tr>
<td>i) Total</td>
<td>1829-30</td>
<td>29,200</td>
<td>34,100</td>
</tr>
<tr>
<td></td>
<td>1865-66</td>
<td>170,800</td>
<td>62,600</td>
</tr>
<tr>
<td>ii) Java</td>
<td>1829-30</td>
<td>27,200</td>
<td>4,600</td>
</tr>
<tr>
<td></td>
<td>1865-66</td>
<td>109,950</td>
<td>4,700</td>
</tr>
<tr>
<td>iii) Sumatra</td>
<td>1829-30</td>
<td>550</td>
<td>5,450</td>
</tr>
<tr>
<td></td>
<td>1865-66</td>
<td>2,800</td>
<td>15,100</td>
</tr>
<tr>
<td>iv) Riau</td>
<td>1829-30</td>
<td>1,400</td>
<td>9,400</td>
</tr>
<tr>
<td></td>
<td>1865-66</td>
<td>5,700</td>
<td>20,600</td>
</tr>
<tr>
<td>v) Kalimantan</td>
<td>1829-30</td>
<td>-</td>
<td>6,100</td>
</tr>
<tr>
<td></td>
<td>1865-66</td>
<td>40,100</td>
<td>8,200</td>
</tr>
<tr>
<td>vi) Sulawesi</td>
<td>1829-30</td>
<td>-</td>
<td>3,450</td>
</tr>
<tr>
<td></td>
<td>1865-66</td>
<td>5,150</td>
<td>2,250</td>
</tr>
<tr>
<td>vii) Bali</td>
<td>1829-30</td>
<td>-</td>
<td>1,450</td>
</tr>
<tr>
<td></td>
<td>1865-66</td>
<td>7,000</td>
<td>4,600</td>
</tr>
<tr>
<td>viii) Nusa Tenggara</td>
<td>1829-30</td>
<td>-</td>
<td>3,600</td>
</tr>
<tr>
<td></td>
<td>1865-66</td>
<td>n.a.</td>
<td>7,250</td>
</tr>
</tbody>
</table>

to hold the lion's share of the increasing trade. Particularly revealing, however, is the Kalimantan trade. In 1829/30 the tonnage of shipping, about the same as in the Sumatra trade, consisted entirely of prahus. Over the next thirty-five years the total tonnage increased eight times but the tonnage of prahu shipping increased by just one third. The rapid growth of the trade and the invasion of square-rigged shipping seems to have been generated primarily by the extension of British rule to Kuching (Sarawak) and the free port of Labuan (North Borneo), both of which became trading outposts of Singapore, so that the former trading centre of Brunei was quite overshadowed (Wong Lin Ken 1960, pp. 87-101).

Despite intensifying competition from European sailing vessels, few Indonesians and Malays seem to have abandoned their familiar prahus. During the course of the nineteenth century there was nevertheless a growing willingness to introduce European modifications to hull construction and rig. The outcome of changes in hull construction was a larger and stronger vessel and it seems likely that the innovation was prompted by the increasing flow of cargo and reduced threat of piracy, which made larger vessels more economic. With regard to rig, the main development was the adoption towards the end of the century, by at first the Buginese and Makassarese, of the more efficient fore-and-aft schooner rig—which now typifies the large two-masted pinisi—in place of the traditional large rectangular sail. In the twentieth century there appeared a variety of new hybrid designs. The heavily-crewed and rather ungainly palari pinisi began to be replaced during the interwar years by the one or two-masted fore-and-aft rigged lambo; Horridge (1979a) has demonstrated the heavy European influence in both hull form and construction of the lambo and argued that its rounded stern and rudder were more convenient than the high stern of the palari pinisi (or the single-masted bago) for loading in deep water from the numerous small jetties in Eastern Indonesia. Another hybrid was the Madurese leteh-leteh, built with ribs and floors and a large deckhouse but carrying a lateen sail, which began to replace the very traditional janggolan. It is therefore only in a very loose sense that the prahus of the twentieth century can be described as 'traditional'.

Even quite radical changes in prahu hull and rig, however, were insufficient to prevent a widening technological gulf, which was reflected in the diverging commercial roles between the Europeans, Chinese and Arabs on the one hand and the Indonesians and Malays on the other. This gulf was already opening up in the 1840s, well before the transition to steam. In the early 1820s the Buginese prahu trade, together with the junk trade from China, was the lifeblood of Singapore. By the middle of the century neither was of more than marginal importance. Perhaps the continual growth in the absolute size of the prahu trade distracted attention from the long-term need for change. Moreover, prahu shipping proved itself able to survive the most rigorous competition from the modern corporate sector and as late as the 1970s was able to benefit from a sustained boom in the timber trade. Yet, while prahu shipping with some adaptations has remained a viable technology, since the middle of the
nineteenth century it has had little potential for development. The tragedy is that by the time it had become clear that the modification of traditional prahu technology was a blind alley for the Indonesians and Malays, it was too late to switch to steam because the Chinese and the Europeans had already established commercial ascendancy.

**THE INTRUSION OF STEAMSHIPS**

Although the first steamship in Indonesian waters, the *Van der Capellen*, was assembled in Surabaya as early as 1825, the role of steamships remained marginal for several decades (de Boer 1941, pp.15-16). Initially their main use was in the suppression of what had become rampant piracy, in other words not to supplant but to protect sailing vessels. They were also used to carry government despatches and official passengers. In 1845 the F. & O. extended the steamer mail service from Ceylon to Penang, Singapore and Hongkong, which prompted the introduction by government or chartered steamer of a connecting mail service between Singapore and Batavia. Five years later the government awarded a subsidy of 160,000 guilders to a syndicate to open regular mail and passenger services between Java and Sumatra and between Java, Makassar and Maluku (de Boer 1941, 16-18). This company in 1858 took over the fleet of the British-owned Nederlandsch-Indische Stoomboot Maatschappij (NISM) which since 1853 had operated under contract the Singapore/Batavia mail service. In 1860 the subsidy was increased to 500,000 guilders for a new five year contract but dissatisfaction at such a high outlay caused it to be relet in 1863 at a much lower rate. This time the successful tenderer was the newly-formed Nederlandsch-Indische Stoomvaart Maatschappij, a subsidiary of the British India S.N.Co. which since its formation in 1856 had acquired a virtual monopoly of steam shipping on the coast on India. In 1868 the NISM, with a fleet on fifteen vessels, gained a virtual monopoly of steam shipping in the Archipelago (de Boer 1941, p.20). Apart from a couple of small steamers operated by The Borneo Company between Singapore, Sarawak and Labuan, there were still virtually no other steamers worthy of mention.

The opening of the Suez Canal in 1869 was the turning point in the penetration of the Archipelago by steamships. Although the first regular steamship service between Europe and the Far East was opened in 1866, the difficulty with coaling stations on the long route around the Cape of Good Hope continued to hold back their development until the opening of the Canal (Le Fleming 1961, pp.8-9). From 1870 onwards, however, there was a steady stream of steamers calling at Singapore. Thus, while in 1869 steamships accounted for little more than 40 per cent of the tonnage of western style shipping entering Singapore, by 1872 their share had increased to 70 per cent while the tonnage of sailing vessels had slightly declined (Table 2). In mid-1871 the Stoomvaart Maatschappij "Nederland" (SMN) inaugurated the first regular steamship service between the Netherlands and Indonesia (de Boer 1970, pp.5-6). The establishment of direct steam communications with Europe not only increased the demand for transhipment to and from outports but also led to a sudden influx of small second hand steamers for sale in the Archipelago.
immediate beneficiary of the boom in transhipment was the NISM, which was in any case concerned to upgrade its fleet in order to ensure renewal of the mail contract in 1875, Chinese firms in Singapore were quickly able to take advantage of the new opportunities. By the 1880s Singapore Chinese were operating regular steamship services to most places of significance in the Archipelago from Aceh to Ternate.

Table 2

Gross tonnage of western style sailing vessels and steamers entering Singapore, 1867–79 ('000 tons).

<table>
<thead>
<tr>
<th></th>
<th>1867</th>
<th>1869</th>
<th>1872</th>
<th>1873</th>
<th>1874</th>
<th>1875</th>
<th>1876</th>
<th>1877</th>
<th>1878</th>
<th>1879</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sail</td>
<td>315</td>
<td>347</td>
<td>313</td>
<td>228</td>
<td>261</td>
<td>237</td>
<td>164</td>
<td>252</td>
<td>264</td>
<td>255</td>
</tr>
<tr>
<td>Steam</td>
<td>247</td>
<td>265</td>
<td>748</td>
<td>794</td>
<td>843</td>
<td>1047</td>
<td>1291</td>
<td>1206</td>
<td>1356</td>
<td>1256</td>
</tr>
<tr>
<td>Total</td>
<td>562</td>
<td>622</td>
<td>1061</td>
<td>1022</td>
<td>1104</td>
<td>1284</td>
<td>1455</td>
<td>1458</td>
<td>1620</td>
<td>1511</td>
</tr>
</tbody>
</table>

*Statistics for 1868, 1870, 1871 not available.*

Source: Bogaars (1955, p.139)

One cannot understand why the Chinese were so successful in accomplishing an early transition to steamships without appreciating the paradox that a highly competitive business ethic was combined with a high degree of social integration which transcended individualism. This provided a firm basis for co-operation on matters of common interest. Most of the leading Singapore shipowners of the 1870s and 1880s were men who already owned European sailing vessels, usually ancillary to their trading interests. They had already broken with tradition. Even secondhand steamships were a much larger investment, however, and it was the ability to supplement their own capital from other sources which was the key to their success. The necessary mobilization of capital was probably facilitated by the British convention of dividing the ownership of vessels into sixty four shares, so that each vessel was owned in effect on a joint-stock basis. The registered owner did not necessarily own a majority of the shares and he was not necessarily the operator. The distribution of shareholdings reveals much about Chinese social and business networks. Of prime importance are kinship ties. Some shareholdings were held by important traders in the ports to which ships were intended to operate, as a means not only of raising additional capital but also of guaranteeing custom. Moreover, merchants who had accumulated capital in other fields, such as opium and spirit farms or tin mining, seem to have been willing to invest in ships to be managed by 'up-and-coming' businessmen. Such trust was an integral part of
Chinese business, but the protection offered by British law to holders of registered shares may have provided additional encouragement for merchants to entrust capital to the management of others without the safeguard of kinship.

Over time as successful operators accumulated capital, the fragmentation of ownership tended to diminish and it became increasingly common for operators to hold all sixty four shares. Yet, whether shipowner or merely agent, the private shipping firm in Singapore has never escaped the bonds of family enterprise to achieve the immortality and unlimited horizons of the corporation. Although Chinese shipping firms in Singapore have sometimes built up quite large fleets, their exercise of monopoly power has been constrained by their non-corporate status. In the West, however, once individual ships had become vested in shipping firms as both owners and operators, the next stage was the floatation of those firms as public companies, leading ultimately to a re-emergence of a separation of ownership and control. The firm was thereby transformed into an impersonal bureaucratic corporation with an insatiable drive for monopoly power. It is therefore no accident of history that the emergence of dualism in the shipping of the Archipelago coincided with the intrusion of Western companies in the 1890s. Admittedly the NISM had been established since 1865 and could perhaps have been expected to seek monopoly as aggressively as its parent company in India. From the outset, however, the company had faced strong political opposition as a foreign interloper. Its strategy seems to have been to make hay while the sun shone and it would have been a realistic assessment that any vigorous pursuit of monopoly would have made its position even more precarious. The constraint upon monopoly was therefore probably political rather than commercial.

THE EMERGENCE OF DUALISM

The turning point was the formation of the Koninklijke Paketvaart Maatschappij (KPM) in 1888 to take over the mail contract of the NISM from the beginning of 1891. The new company was founded on a large scale on the initiative of the two Dutch 'home' lines, the SMN and RL, who had long been unhappy that the non-contract services of the NISM were focused upon Singapore and thereby benefited rival British lines. By means of through bills of lading it was intended that the KPM would divert Indonesian cargoes to the two Dutch lines. The first step in this grand strategy was accomplished in 1891, when tough negotiations were concluded to buy out the NISM, thereby avoiding ruinous commercial warfare. The second and much more protracted step was to displace the various Chinese shipping lines. In this war of attrition the main weapons of the KPM besides through bills of lading and outright freight rate competition were the use of contract and non-contract rates, loyalty rebates, and the provision of generous cash advances on the value of goods under shipment. The company was greatly assisted by the extension of direct Dutch rule over the Outer Islands, beginning with the invasion of Lombok in 1894. The government also helped to undermine the trade and shipping of Singapore by investing heavily in the development of deepsea entrepots at Makassar, Surabaya, Batavia and Belawan.
The KPM achieved its monopoly more easily in the East than in Java or the West of the Archipelago. The loss of the independence of Lombok and South Bali and the development of Makassar as the eastern terminus for the Dutch 'home' lines steadily undermined the competitive position of the Chinese firms based on Singapore. In the Java trade the KPM's main competitor, the Tan Kim Tian S.S. Co., was driven into acute financial difficulties by the late 1890s but, unfortunately for the Dutch company, was taken over in bankruptcy in 1903 by the Semarang sugar magnate Oei Tiong Ham, reputed to have been the wealthiest man in Indonesia.\(^{11}\) In 1912 he reorganized all his shipping interests in the Heap Eng Moh S.S. Co., which continued to be a thorn in the side of the KPM until after Oei Tiong Ham's death in 1924.\(^ {12}\) The most stubborn competition, however, was in the river ports and rubber-producing areas of Sumatra and Kalimantan, where commercial ties with nearby Singapore were extremely close. Especially in Jambi, Palembang, Pontianak and Banjarmasin, which emerged as centres of the rubber trade, the Chinese had been established well before the boom in the early twentieth century and were able to acquire a stranglehold over the new trade. Realizing that there was little hope of diverting the rubber trade away from Singapore, the KPM chose instead to compete directly with Chinese shipowners and from 1907 onwards built small ships specially designed for the river ports. The aim was not to drive the Chinese firms out of business, which would merely have cleared the field for new competitors but rather, on the principle of 'better the devil you know', to force those firms into pooling agreements. In this way their share of the trade was pegged, freight rates were maintained at a satisfactory level, and new entrants were discouraged. Although freight rate warfare continued to break out from time to time, on the whole arrangements were amicable — the KPM even provided relief vessels for Chinese ships undergoing docking and sold some older ships as replacement tonnage. In the event of new entry, both the KPM and its Chinese pool partners would seek to tie up shippers in a system of discriminatory contract and non-contract rates with deferred loyalty rebates.

By 1939 the grand scheme of the KPM was a reality.\(^{13}\) Only one engined vessel of more than 100 tons operated in direct competition with the KPM between ports in Indonesia. This one vessel, the 428-ton "Daiichi Tora Maru", survived the most strenuous efforts to dislodge it by virtue of powerful Japanese backing; it was run in effect on a non-commercial basis as a tactic in Japanese penetration of the Archipelago. Between Singapore and Jambi, Palembang, Pontianak and Banjarmasin there were single-ship Chinese firms operating under pool agreements with the KPM. The Heap Eng Moh S.S. Co. and Soon Bee S.S. Co. operated six ships each in several Singapore services, but were virtual subsidiaries of the KPM. The only other firms operating ships of more than 200 tons in Singapore trades were the British Straits S.S. Company, its subsidiary the Ho Hong S.S. Co., and the British P. & O. The balance of the interisland fleet was made up of a large number of small prahus, the 'mosquito fleet' of Singapore-based tongkang carrying mostly timber across the Straits of Malacca, and a few small motor vessels providing local feeder services. The contrast between the fleet of one huge monopoly corporation and the multitude of small wooden-hulled sailing
vessels under highly fragmented ownership, together with the virtual absence of intermediate forms of technology and organization, may reasonably be described as dualistic and represented a dramatic change in the nature of the industry after 1890.

The same trend towards corporate monopoly and dualism was evident in the British sphere of the archipelago where the rise of the Straits Steamship Company can be traced back to the same date. (Le Fleming 1961, pp. 5-6; Tregonning 1967).

By 1939, the shipping of the Archipelago was dominated by two western corporations closely associated with the three main 'home' lines. Each controlled important nominally-Chinese subsidiaries but independent Chinese opposition was virtually non-existent. Important though the Chinese remained in the sphere of trade and commerce, they had been virtually driven out of shipowning except for small wooden-hulled motor vessels and sailing craft. The role of the Indonesians and Malays was, of course, confined to sail shipping and petty trade. Significantly, the ships of the corporate sector were manned by European officers, Chinese engineroom personnel and Indonesian or Malay crew. Such was the late summer of the colonial era.

THE REVIVAL OF THE SMALL-SCALE SECTOR

Against this high tide of incorporation there was during the 1930s a weak offsetting trend in favour of small scale shipping, a trend which nevertheless aggravated the degree of dualism. The collapse of prices for primary exports after the late 1920s greatly stimulated the demand for cheaper interisland shipping than the premium service provided by the KPM. Prahu shipping experienced a boom unprecedented in the twentieth century: in 1939 the tonnage of prahus entering the main port of Surabaya was greater than in 1903 and about four and a half times that in the mid-1920s (Dick 1975a, p. 76). Such growth occurred despite the introduction by the KPM of loyalty rebates of between 5 and 10 per cent and advances to traders of 70 to 80 per cent of the value of goods under shipment (Dick 1975a, pp. 76-77). The Depression also stimulated the construction of small wooden-hulled motorships of less than about 100 tons. Small marine diesel engines, which became available in the 1920s, had represented a substantial gain in efficiency for small powered vessels. Capital costs were lower because marine diesels were much lighter and easier to handle than boilers and steam engines and could readily be installed in wooden hulls built by simple methods. Revenue-earning capacity was higher because much less cargo space was forfeited than for boilers, steam engines and coal bunkers. Until the Depression, however, there was little incentive to take advantage of this new technology.

Competition between small wooden-hulled motor vessels and the large modern ships of the KPM first eventuated in the prosperous copra producing region of North Sulawesi. In the early 1930s several Chinese and Arab firms in Menado and Gorontalo began to use such vessels to accumulate copra from the Sangir-Talaud Islands and the Bay of Tomini for shipment to Europe by non-conference tramps. The three conference lines (SMN, RL and NSMNO) put pressure on the KPM to suppress this competition, resulting
in the minimum inducement for the KPM to load copra being reduced to only 100 tons and the small feeder vessels being forced to reduce their tariffs by about 60 per cent. The struggle was bitter but indecisive. Eventually the KPM realized that the only way to eliminate the competition was, as in the Singapore trades, to compete on the same terms. In 1935 the subsidiary Cekumij (Celebes Kustvaart Maatschappij) was formed to operate a small fleet of specially-designed steel-hulled feeder vessels, manned for the most part by non-European officers and engineers. This strategy was soon successful. The only company able to hold out was Mokumij (Motor Kustvaart Mij), which was supported by the Japanese-backed Celebes Development Joint Stock Company and to which one of the Arab firms had transferred its two ships and become agent. During 1938 three vessels had to be laid up, however, without certificates of seaworthiness and in mid-1939 negotiations were finally concluded for the KPM to take over the fleet.

The monopoly power of the KPM, supported by the enforcement of discriminatory seaworthiness regulations, had temporarily resolved the issue in favour of the corporate sector but, in the long-run, it was forced to yield ground. First, under the 1936 Shipping Act allowance was made for a privileged category of local shipping, being motor or steam vessels of less than 175 gross tons permitted to operate within a radius of no more than 200 miles from port to port under the command of a non-European master holding only a Local Ticket. This was a compromise between those welfare-minded officers in the Dutch civil service who wanted to promote the development of indigenous shipping and the KPM which wanted to ensure that such measures did not give rise to significant competition. The Cekumij ships mentioned above were built to these requirements. Similar concessions applied in Malaysia to vessels of less than seventy five net tons (equivalent to about 200 gross tons) and during the interwar years the Straits S.S.Co. and its subsidiary the Ho Hong S.S.Co. built up quite a large fleet of such small vessels (Tregonning 1967, 79-81).

The KPM's holding operation against the intrusion of small local motor vessels had to be abandoned soon after the Second World War. The declaration of Independence by Indonesian nationalists in August 1945 made it urgent for the Dutch to win the support in Eastern Indonesia for the Negara Indonesia Timur as a counterweight to republican Java. It was therefore expedient to involve community leaders in both North and South Sulawesi in the formation of local shipping companies. In March 1947 the Stichting Gemeenschappelijk Schepenbezit (SGS) was founded as a joint venture between the Dutch Government and the KPM to foster the development of indigenous shipping companies and within a few months Nocemo (Noord Celebes en Molukken Kustvaart Mij) and MKSS (Maskapai Kapal Sulawesi Selatan) had been established in Menado and Makassar respectively with capital subscribed 45 per cent by SGS and 55 per cent by local shareholders. Their fleets consisted of the few surviving Cekumij ships, similar replacement vessels built in the Netherlands for the KPM in 1946 and 1947, and a number of warbuilt motor lighters taken over by the Dutch government from the Allied forces in Eastern Indonesia. These operated feeder services for the Dutch company and were bareboat chartered to the new companies with the KPM providing technical assistance.
A similar transformation was occurring in the Western part of the Archipelago. While on the one hand the large part of the prewar fleet of *tongkang* which had plied across the straits had either been lost or was no longer seaworthy, on the other hand the Japanese surrender had left Southeast Asia strewn with an amazing variety of small motor vessels which had no further military use and in many cases were effectively unclaimed. In 1946 a large number of new Chinese shipping companies sprouted up to operate such vessels and, in particular, to make high profits from smuggling in defiance of the Dutch blockade. Many of these companies disappeared as more normal conditions were restored but others prospered and by the early 1950s were beginning to provide vigorous guerilla competition for the KPM and Straits S.S.Co. Maintenance of an increasingly overvalued exchange rate in Indonesia in the face of accelerating inflation offered small companies lucrative opportunities for smuggling, especially between Sumatra and Singapore, which were not available to the two large corporations subject to more careful public scrutiny. After Independence small war built vessels began to be transferred to Chinese firms in Indonesia while small shipyards in Singapore and Indonesia began to turn out an increasing number of wooden-hulled motor vessels, often fitted with wartime surplus or secondhand engines. By the late 1950s the small-scale motorized sector was thriving.

While the surviving prewar fleet of Chinese-owned sailing vessels gave way almost entirely to motor vessels during the 1950s, in Indonesia the prahu fleet, so severely decimated during the Occupation, was rebuilt to the same technology. Although the total volume of interisland cargo was declining, prahu shipping suffered less than motorized shipping from the shortage of imported spare parts, the breakdown of port and dockyard infrastructure, the proliferation of bureaucratic controls, and arbitrary requisitioning (Dick 1975a, p.81). The erosion of these advantages under the New Order was offset from the late 1960s by a booming demand for the shipment of timber from Banjarmasin and South Sumatra to Java. This trade was taken up almost entirely by prahu and resulted in a corresponding boom in the construction of the familiar two-masted schooner-rigged *pinisi* of between 100 and 150 gross tons. The rate of construction of formerly popular smaller prahu of between about twenty and sixty tons seems to have declined because of falling away in the volume of copra cargoes. The net result was that the level of prahu cargoes was growing steadily but not as rapidly as overall interisland trade, so that the relative share of prahu shipping was gradually declining. Nevertheless, in the late-1970s sail shipping remained commercially viable and, in the case the larger prahu *pinisi*, highly profitable.

Although it might have been thought that the upward trend in oil prices from the early 1970s would have given prahu shipping a bright future, in fact since 1977 motorization has proceeded apace. Lip-service had been given to motorization ever since the colonial government began to pay attention to prahu shipping in the mid-1930s but until the mid-1970s the achievements were negligible. Several prototypes built with financial support from the provincial government of South Sulawesi were regarded as little more than curiosities and few prahu owners had yet committed their own capital to either building or converting motorized prahus. In 1977,
however, the central government made available 100 diesel engines which
prahu owners were eligible to finance by five-year loans at 12 per cent
per annum.\textsuperscript{17} The loans were to so-called 'weak' \textit{pribumi} businessmen.
The availability of such heavily subsidised credit completely changed the
economics of motorization and stimulated the innovation most successfully.
Moreover, once other prahu owners observed that motorized prahu could
make at least twice as many roundtrips per period and also earn a freight
rate premium of between 20 and 40 per cent, they became willing to invest
their own capital without obtaining government assistance. Conversion
was therefore adopted so enthusiastically that by mid-1979 it was
estimated that five of every six prahu entering Surabaya were motorized
prahu and that within two to three years there would be virtually no
large sailing prahu. The impact can also be seen from the statistic
that the share of prahu shipping in interisland trade through Surabaya
doubled from 6 to 12 per cent between the two years 1976 to 1978 (Port
Administration). These figures are somewhat surprising in that they
conflict with the casual observation that Sunda Kelapa and Surabaya are
still crowded with sailing vessels. The explanation seems to be that,
as in the last days of sail in world trade, sailing vessels spend much
longer in port awaiting cargo and therefore appear to play a larger role
than is actually the case.

This sudden revolution in prahu shipping probably foreshadows the
demise of sail shipping in Indonesia, as has already occurred in the rest
of the world. It is the logical culmination of a process which began when
small-scale marine diesels were introduced to the Archipelago in the 1920s.
One can only speculate as to what extent the fifty to sixty year time lag
was attributable to cultural rather than commercial barriers. It may well
be that the cost of capital was too high or that competition with the KPM
causd earnings to be too low to finance motorization. Nevertheless,
it was precisely the low margins from operating sailing vessels which
stimulated the development of auxiliary sailing vessels in countries
like Britain, Australia and New Zealand during the interwar years. The
cost of capital seems to have been important, in view of the effectiveness
of small business credits in generating motorization after 1977; yet the
contribution of cheap capital seems to have been primarily to bring about
an initial demonstration effect. Once the profitability of the
innovation was demonstrated, lack of access to subsidized credit did not
prevent other prahu owners from committing their own funds. One is
therefore driven back to the view that a high level of cultural inertia
was responsible for the reluctance of prahu owners to innovate. It was
the Chinese and to a lesser extent Arabs who took advantage of the new
technology of European sailing vessels in the mid-nineteenth century, of
steamships in the latter part of the century, and of motorships after
the 1920s. Meanwhile the Indonesians clung to their familiar technology,
adapting to it first Western rigs, later some Western hull forms, and now
diesel engines. Like the \textit{pasar} traders which Geertz (1963) studied in
Modjokuto, the prahu owners are highly commercialized but have displayed
little propensity to innovate.
The recognition of Indonesia's Independence by the Netherlands in 1949 meant a change in the ground-rules under which the KPM had been able to dominate the Archipelago. Already in 1946 the Contract of 1931 had been allowed to expire without renewal, thereby freeing the company from its formal public utility obligations. The new Indonesian government was unable either to nationalize the company or to afford to buy it out but its eventual replacement by Indonesian interests remained a national commitment. In 1952 the state-owned corporation Pelni was established to take over progressively the role of the KPM. Government policy was that Pelni would operate liner services on main trunk routes while small private companies such as Nocemo and MKSS would provide local feeder services. Such a clear segregation of the corporate and non-corporate sectors was, however, never achieved. From the beginning the private companies preferred to engage in direct liner services, especially with Singapore, which were more profitable than local feeder services. The private companies were thereby in direct competition with both Pelni and the KPM. In view of its sensitive political situation, however, the KPM was no longer able to resort to predatory tactics to defeat these new rivals. It therefore progressively lost ground, except in Eastern Indonesia where the long distances, lower density of traffic, and smaller proportion of high-rated cargo were unattractive for both Pelni and the private companies. The seizure of a large part of the KPM fleet in December 1957 and subsequent return of the ships on condition that the company cease all operations in Indonesia merely hastened the end of an inevitable process.

Pelni was quite unprepared to take over so suddenly the role of the KPM. Although its fleet was rapidly expanded with both new and secondhand tonnage, the efficiency with which it was operated further declined. New opportunities were therefore provided for expansion of private fleets and the entry of a large number of new firms. In fact there was such a proliferation of new shipping firms that the government in 1964 introduced more stringent licensing requirements, which by the end of 1965 had reduced the number of licensed nusantara (interisland) firms to only thirty six. The majority of these firms were prihumi (indigenous) reflecting the generous assistance the government had given in their favour since Independence. Until absorbed into Pelni in 1952, the foundation Pepuska had carried on the role of the former SGS in fostering the development of small prihumi companies. Then in 1954 and 1957 substantial numbers of smaller Pelni vessels had been reallocated on interest-free hire purchase terms to private prihumi firms. Following the expulsion of the KPM, a large number of new and secondhand ships were shared amongst prihumi firms on ten-year interest-free hire purchase terms. Chinese-owned firms, on the other hand, had to import ships on their own account – if they could obtain the foreign exchange. When it became easier to import ships after 1966, Chinese firms seized the opportunity. As a result both of these imports and the rehabilitation of ships formerly idle through lack of spare parts and of a general decline in the level of demand brought about by the government's tough deflationary policies, there soon emerged excess capacity. Deprived of their formerly
generous government assistance and now facing keen competition, many of the *präbumi* firms began to find themselves in financial difficulties. Inefficient firms began to leave the industry while more efficient and mainly Chinese firms entered. By the mid-1970s all but two of the leading firms were *non-präbumi*. The state owned *Pelni* is now the largest firm in the industry with not quite one-third of capacity (Table 3). If, however, *Pelni* was reformed to become a more effective instrument of government policy and if the government chose to discriminate against the private and mainly *non-präbumi* firms to which it is so latentlly hostile, then the industry would move back towards a more dualistic structure, as envisaged when the state corporation was founded in 1952 to supplant the KPM.

**CONCLUSION**

A survey of Indonesian interisland shipping over the past 150 years dispels any illusion that there has been some unchanging state of 'dualism'. Three great waves of new technology have washed through the Archipelago. By the middle of the nineteenth century square and fore-and-aft-rigged sailing vessels were already replacing the traditional junks and prahu. After 1870 all types of sailing vessels were gradually displaced by steamships. Then, after the mid-1920s, both steamships and the remaining sailing vessels were faced by new competition from small-scale motorships. To say loosely that introduction of these new technologies resulted in technological dualism is merely to state the obvious. The important question is what determined the rate and nature of the spread of these new technologies. The theory of technological dualism, which after almost 25 years is still very much in vogue, is to this end of very little use. It explains differences in factor intensities in terms of corresponding differences in relative factor prices. In the 1870s and 1880s it was not the greater availability of capital to individual Chinese entrepreneurs but their ability to combine in syndicates that was the secret of their rapid diversification into steamships. Only later were a few individuals able to emerge as important shipowners in their own right. In other words, their cost of capital tended to fall with successful accumulation. Instead of emphasizing given sets of relative factor prices, one is therefore driven back to organizational and ultimately social or cultural explanations. The theory of technological dualism provides a neat rationalisation of how different technologies may coexist but it does not constitute an explanation of the phenomenon.

In searching for an alternative explanation, one must take account of the impact of private monopoly and public regulation. The KPM was the healthy offspring of monopoly in the form of the two Dutch 'home' lines, the SMN and RL. Moreover, it was conceived in order to take over a monopoly which was created by regulation in the form of the exclusive mail
Table 3

Shares of interisland shipping according to status of firms, end 1978

<table>
<thead>
<tr>
<th>Status</th>
<th>No. Firms</th>
<th>No. Ships</th>
<th>Per cent</th>
<th>Tonnage</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pelni</td>
<td>1</td>
<td>65</td>
<td>26.2</td>
<td>94,700</td>
<td>31.1</td>
</tr>
<tr>
<td>Other Government</td>
<td>5</td>
<td>10</td>
<td>4.0</td>
<td>11,000</td>
<td>3.6</td>
</tr>
<tr>
<td>Private Pribumi</td>
<td>17</td>
<td>57</td>
<td>23.0</td>
<td>78,050</td>
<td>25.7</td>
</tr>
<tr>
<td>Non-Pribumi</td>
<td>25</td>
<td>116</td>
<td>46.8</td>
<td>120,450</td>
<td>39.6</td>
</tr>
<tr>
<td>TOTAL</td>
<td>48</td>
<td>248</td>
<td>100.0</td>
<td>304,200</td>
<td>100.0</td>
</tr>
</tbody>
</table>

a. Includes licensed interisland firms plus local firms owning more than 1500 tons of ships larger than 200 tons and one specialist firm operating three general cargo vessels in interisland trade.

b. Ships known to have been out of commission for more than one year are excluded.

c. Deadweight.

Source: Calculated from data supplied by the Directorate-General of Sea Communications and the Indonesian National Shipowners Association.
contract renewable every fifteen years, the so-called Great Archipelago Contract. Once the KPM had been established, it was able to use its immense leverage to extend its monopoly to virtually every corner of the Archipelago, taking over or driving out of business most rivals, forming pool agreements with a few remaining firms for the sake of appearances, and strongly discouraging any new firms from entering the industry. Against small-scale shipping which could not so readily be overcome, the company was assisted by government regulations on seaworthiness, which raised the costs of both entry and operation. In this way the industry was polarized between a huge monopoly corporation on the one hand and a large number of small competing sailing prahus and tongkang on the other. Such sharp technological dualism would seem to have been the outcome of the suppression of market forces, that economists are wont to refer to euphemistically as 'market imperfections'. The source of these 'imperfections' lay in political patronage of the corporate sector. The existence of patronage was not, in the case of the KPM, inconsistent with the imposition by the government of various obligations, with regard to routing, frequency of service and the level and structure of tariffs. While these obligations affected profitability, they did not undermine the degree of monopoly. As to the outcome under competitive conditions, the period before the establishment of the KPM and following Independence and the expulsion of the KPM shows quite clearly that, given relatively unimpeded entry, there will result a wide range of organizational forms, firm sizes and levels of technology.

These conclusions both support and undermine the original conception of Boeke (1953, p.4) of social dualism as 'the clashing of an imported social system with an indigenous social system of another style'. They support Boeke to the extent that he recognized dualism to be only superficially a matter of technology and organizational form and fundamentally a matter of social conflict. The Leiden school, of which he was a leading figure, had long been concerned with the process by which Western capitalism penetrated the feudal economy of Indonesia. When he argued that 'the most frequent form of social dualism is to be found where an imported Western capitalism has penetrated into a pre-capitalist agrarian community' he was talking in exactly the same terms as Burger (1939). Both scholars, former civil servants in the Netherlands Indies, were well aware of the socio-economic transformation which had occurred there and thought in a dynamic context. Boeke (1946, Chapter 1) had vividly described the process by which dualism emerged, several years before he coined the term 'social dualism' in his final work. Their understanding ran must deeper, therefore, than the American-trained academic economists Eckaus (1955) and Higgins (1959), whose alternative and professionally more respectable theory of technological dualism in the neoclassical tradition was static and thereby hollow.

Boeke was myopic and curiously inconsistent, however, in his emphasis upon dualism. In 1939 the former British colonial civil servant Furnivall had with great insight labelled Indonesia as a 'plural' society. Why did Boeke, with his great knowledge of Indonesia, not write of pluralism instead of dualism? Perhaps, with his long experience of rural Java he was, like Geertz after him, hypnotized by the so commanding physical presence of the
sugar mills. No doubt he also had in mind the 'Big Five', the great banks, the public utilities, the KPM... But he was certainly aware of the role of the Chinese, especially in rural marketing and rural credit, and it is indeed ironic that, in emphasizing the social aspect of dualism, he overlooked the one obvious feature which would render a theory of social dualism applied to Indonesia (which is the only country to which he did try to apply it) a fundamental contradiction.

By talking of social pluralism rather than social dualism, we may retain the crucial insight which Boeke offered into the process of technological and organization change in Indonesia, namely that it has been the outcome of conflict (and accommodation) between three fundamentally different streams of culture, the European, the Chinese and the Indonesian. Moreover, this process has been heavily biased in favour of the Europeans, who have generated all the new technologies and organizational forms, and against the Indonesians, who have had to do all the adapting. New technologies and organizational forms invariably reflect the culture of the society which gives rise to them. Just as the steamship (or today the fully automated motorship) is an embodiment of western culture, so is the prahu an embodiment of Indonesian culture. The consistency with which Indonesians and Malays assimilated western rigs, western hull forms, western materials and, most recently, western engines to their traditional prahu technologies, as also the long lags in making those adaptations, both testify to a different attitude towards cultural change. Throughout the 1500 years with which we are at least vaguely familiar, the peoples of the Archipelago seem to have been extremely open and receptive to outside influences. Yet elements of foreign technology and organization, as also the social and religious elements of foreign culture, usually appear to be accepted in order to strengthen and not to transform indigenous cultural traditions. Thus, what may appear to the Western expert as an obstinate incapacity to adopt modern technology and organization and an irrational obstacle in the race for development, may be for Indonesians their one means for retaining continuity and protecting their identity, not by preventing change but by slowing it down and directing it. Seen in this light the tragedy is perhaps not that Indonesians missed their opportunities for 'development' but that by the nineteenth century it was no longer they but the foreigners (European and Chinese) who would determine for them the nature and rate of change. The whole thrust of those who have attacked Boeke's concept of social dualism is that Indonesians behave just like (us) Westerners. The kernel of truth is almost certainly that they do not.
NOTES

1This paper draws heavily upon Chapter 2 of my Ph.D. thesis 'The Indonesian Interisland Shipping Industry: A Case Study in Competition and Regulation' (1977) and work in progress on the development of the steam shipping of Singapore from 1870 to the present.

2I am not concerned in this paper to explain why sailing prahus are still able to co-exist with modern shipping. My views on this question are set out with background detail in Dick (1975), somewhat elaborated in Dick (1978, Part 3), and summarized in Dick (1978, p.254).

3Meilink-Roelofsz (1962) is still the best study of the traditional maritime trade of Southeast Asia.

4See Wong Lin Ken (1960) for a detailed study of the origins and development of the trade of Singapore to 1869.

5'European sailing vessels', as they will be loosely referred to below, were not necessarily built in Europe. They were also turned out by shipyards in such places as Rembang and Gresik in Java and Bangkok in Thailand. Because of the excellence of the wood (teak in Southeast Asia) and the cheapness of the labour, European types of vessels had long been constructed in Asia.

6This is not inconsistent with the fact that in some cases the short-term effect of the extension of Dutch rule was to discourage Asian trade. It may be noted that as late as 1830 the Dutch still maintained only fifteen settlements in the whole of the Outer Islands — Padang, Bengkulu and Palembang (Sumatra), Tanjung Pinang (Riau), Muntok (Banka), Sambas, Pontianak and Banjarmasin (Kalimantan), Makassar and Menado (Sulawesi), Ternate, Ambon and Banda (Maluku) and Bima and Kupang (Nusa Tenggara) (Earl 1971, pp.430 ff.).

7It is difficult to be dogmatic, however, because of the difficulty of distinguishing by name between Indonesians and Malays on the one hand and the foreign Muslims known vaguely as Arabs on the other. The latter played an important role in westernized sail shipping in the latter part of the nineteenth century.

8The convention was not, however, essential to the outcome. A separation of ownership and control was an established part of junk shipping in China and a basic element in the non-corporate form of organization described in Dick (1978, Part 2).

9The following generalizations are based upon details of the ownership of steamships on the Singapore Shipping Register from 1870 to 1941, supplemented by information from Song Ong Siang (1967) on many of the individuals involved.
The background to and the formation of the KPM are well covered in the official history by de Boer (1941).

A 50 per cent share in the company was taken up by the Straits S.S. Co. (see below) in 1898 but it briefly regained its independence in 1900 (Laxon & Tyer 1976, p.39; Tregonning 1967, p.39).

In 1928 the company took out a mortgage with the powerful Netherlands Trading Company (NHM) and agreed to sell its two newest ships (completed in only 1926) to the KPM. In 1931 the company was reorganized with the NHM taking up a large shareholding and the KPM supplying a European manager. In 1935 Heap Eng Moh took over as a subsidiary of the Soon Bee S.S. Co. (Tregonning 1967, p.139; Singapore Shipping Register).

The following summary is based upon Dick (1977, 14-15 and Appendix 2A).

The history of this company is told in Tregonning (1967).

The following details are taken from Dick (1977, pp.18-21) and based on fieldwork carried out in North Sulawesi in April 1974.

For details see Dick (1977, pp.21-4).

The following details are based upon information obtained in Indonesia in mid-1979.

The decline in the KPM's share of the traffic is documented in Dick (1977, 27-31).

Publication of this doctoral thesis entitled 'The Unlocking of Java's Interior to World Commerce' was prevented by the Second World War. Its essence was expounded in an inaugural oration in 1948, published in Indonesian in 1948-49, and largely translated in two Cornell monographs in 1956-57. A full version was finally published in the Dutch language in 1975 with an excellent historiographical introduction by Wigboldus.

I am grateful to David Penny for encouraging me to draw out this point.
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ABBREVIATIONS

Cekumij: Celebes Kustvaart Maatschappij
EIOSSC: East India Ocean Steam Ship Company
KPM: Koninklijke Paketvaart Maatschappij
MKSS: Maskapai Kapal Sulawesi Selatan
Mokumij: Motor Kustvaart Mij
NDL: North German Lloyd
NHM: Netherlands Trading Company
NISM: Nederlandsch - Indische Stoomboot Maatschappij
Nocemo: Noord Celebes en Molukken Kustvaart Mij
NSMO: a Dutch subsidiary of Alfred Holt and Company
OPEC: Oil Producing and Export
RL: Rotterdamsche Lloyd
SGS: Stichting Gemeenschappelijk Schepenbezit
SMN: Stoomvaart Maatschappij 'Nederland'
SRV: Square rigged vessels
INTRODUCTION

The international community of development scholars and practitioners is deeply divided at present over the issue of poverty: how much attention should be given to shorter-term anti-poverty objectives over longer-term growth objectives? On one hand are those who call for radical new approaches to development problems to assist the poor directly. Proponents of this view tend to support, inter alia, a 'basic needs' strategy. 1 On the other hand are those who take the view, expressed in the recent Harries Report, Australia and the Third World, that such an approach 'involves a mixture of cynicism and misplaced humanitarianism' and that the basic needs model '...amounts to a "band-aid" approach and overlooks the fact that long-term growth prospects will depend on resources being directed not in terms of suffering but of the capacity to use them productively' (Harries et al. 1979, pp.156-57).

The argument advanced here is that much of the opposition to 'basic needs' strategies is based on the mistaken view that there is necessarily a conflict between 'welfare' and 'productivity raising' goals in developing countries. Both those who argue that growth must be put before equity and those who wish to place equity before growth are wrong; it is not necessary to make the choice. For one thing, many people in the poorer developing countries such as Indonesia live in a permanent state of semi-illness and malnourishment, and welfare expenditures are likely to raise the productivity of these people quite rapidly. But there is a broader argument in favour of increased attention to welfare in developing countries, and it is the more general case which will be emphasized in this paper. Many developing countries such as Indonesia are passing through a period of accelerated social and technological change, and unless there is a fair sharing of the benefits in the short-term it is quite unrealistic to expect the mass of the populace in rural areas to be receptive to the myriad adjustments that are needed for sustained stable growth. It is not simply a case of aiming to forestall violent revolution; one of the main challenges facing the Indonesian government is the need to mobilize the energies of the rural populace and channel these resources into productive areas. It is difficult to avoid the impression that the Indonesian government has not been very successful in this endeavour; the main reason is, quite simply, that the majority of people in rural areas are not yet convinced that development 'is for them'. Development plans are things imposed 'from above' by vague paternalistic authorities; but few tangible benefits in the form of jobs or medical centres or schooling are felt by the rural poor. It is because of the need to enlist the commitment of the rural populace to development through persuasion rather than the need to avoid revolution that greater attention needs to be paid to welfare in Indonesia.
All of this may appear to have little relevance to a comparison between Indonesia and China. Rural development in China, however, appears to contrast markedly with the situation in Indonesia in a number of respects which bear directly on the relationship between new technologies and employment and welfare policies in rural areas. In a situation where many changes are interrelated, and when it is often not at all clear which way causal relationships run, it is hazardous to draw firm conclusions. Nevertheless, despite an apparent emphasis on welfare as well as growth in rural areas in China, it is not obvious that rural development in China is proceeding at a slower pace than rural development in Indonesia; indeed, it appears that, welfare policies in rural China may well contribute to better overall performance rather than hamper it.

RURAL INDONESIA

In order to assess the relevance of the Chinese experience for Indonesia, it will be useful to survey briefly some of the main social and economic problems as they have emerged in Indonesia during the past decade. Generalisations about the situation in rural areas in either Indonesia or China leave much to be desired because in both countries one of the main characteristics of rural areas is the great diversity between regions, but provided this is borne in mind it seems worthwhile risking some broad statements. In the sections below, a series of interrelated problems will be discussed before turning to outline the situation in China under the same headings.

Poverty

It is clear that by any sensible standards, a substantial proportion of the people in rural Java is very poor indeed; using a modest poverty line of 240 kilograms of rice equivalents per capita per annum, Booth and Sundrum (1980) have calculated that about 39.5 per cent of the population in rural Java was below the poverty line in 1970, and that the figure was almost unchanged at 39.8 per cent in 1976. Many millions are so poor that their daily calorie and nutritional intake levels are markedly below reasonable minimum levels; they are almost certainly not capable of carrying out sustained hard work for, say, a seven or eight hour working day. Many of these people are in need of additional work opportunities, but it is doubtful whether they could take on much extra work, or at least substantially increase the intensity of their work, unless their food intake was simultaneously increased and attention was given to other health and nutrition problems which impair their productivity.

Underemployment

It is also clear that for parts of the year in many rural areas surplus labour is available for off-farm employment. One cannot estimate the amount of 'surplus' labour available with any high degree of accuracy, but labour force data show that about 25 per cent of the working population in rural areas work for less than 24 hours per week at their primary job.
In addition, many of those at present working longer hours are earning very low incomes in low productivity jobs, and would probably gladly take up alternative higher paying work.

Nevertheless, it cannot automatically be assumed that all of the surplus labour is available for wage employment (such as public works) for a full man-day. Just as there are social obligations in rich nations which, for example, often make it difficult for mothers to take up full time employment until their children have reached the age of eight or ten, so there are constraints on the availability of labour in rural areas in Indonesia. In other words, there are sometimes rigidities in local labour markets on the supply side which can only be overcome either by adjusting the nature of the work to be done so that it fits in with the availability of labour, or by adjusting social institutions (such as childminding arrangements) so as to free the surplus labour at the time that the work needs to be done. However, adjustments of this sort are not necessarily easily made. Appropriate local social and administrative institutions are needed which are able to respond in a flexible way so as to maximize the use of local resources. There is a lack of such institutions in rural Indonesia today.

Need for investment

Paradoxically, the availability of surplus labour in rural areas in Java coexists with an almost unlimited need for construction and public works activity; further, much of the work that needs to be done can be carried out with highly labour-intensive technology combined with relatively small amounts of other resources which are generally available. The kinds of directly productive investment that are needed include local irrigation canals, small bridges and roads, and agricultural warehouses. Other construction, such as buildings for medical centres, schools, housing and offices is less directly productive, but contributes in a broader manner to lifting productivity; for example, government extension services are likely to be more successful and able to be carried out more cheaply if farmers are literate. It immediately needs to be noted that during the 1970s much more rural investment of this sort has been carried out than was the case during the previous decade. Under the stimulus of the various Impres schemes, especially, a program of labour-intensive public works has had a marked impact in rural areas through improving rural feeder roads, markets, schools and other infrastructure (de Wit 1973).

Nevertheless, despite the improvements of the 1970s, an enormous amount of relatively simple investment remains to be done. If the labour is available and few other resources are needed, why is more investment not carried out? The instinctive reaction of the economist is that there must be a shortage of savings with which to finance the investment. At the national level, this does not appear to be the case, and neither, for reasons discussed below, does the explanation that there is a surplus of foreign resources but a shortage of domestic resources seem satisfactory. Further, at the local level, untapped potential savings exist in the form of potential taxes (to be paid in kind, including labour) on underemployed
labour. However, both at the national level and the local level there appear to be institutional difficulties which hold back utilization of the existing or potential savings.

Technologies

For thirty years before the late sixties, much of the Indonesian economy experienced relatively little technological change. An appreciation of this situation is important in understanding the problems of technological change which are now besetting Indonesian rural areas. In the agricultural foodcrop sector, the Green Revolution had not yet arrived; in the plantation sector, there had been little new research and development since the 1930s; and in the main industries in the non-estate manufacturing sector (textiles and kretek cigarettes), there had been little technological change for thirty years.

In the last decade, much of this has changed. New technologies have been flooding through the Indonesian economy bringing with them major problems of structural adjustment. To the casual observer, the Indonesian rural scene may seem largely unchanged from ten years ago, but in fact, fundamental technological, social and economic changes are occurring at a dizzy pace. There are few studies of the effects of these changes, but it is clear from the little information which is available that the strains imposed on rural traditional societies must be extremely unsettling.

One of the fundamental technological changes of the last decade is the coming of the Green Revolution to Indonesian villages. In 1964 rural extension schemes began in Java; by 1968 the government-supported Bimas mass intensification program had begun to expand rapidly and large quantities of high-yielding variety seeds, fertilizers, credit, and insecticides had begun to flow into rural areas. Accompanying the program, inevitably, was increased official intervention in economies as the government established procedures to control the distribution of inputs to villages and to procure the crop. Since the government—interventionist by inclination—often tried to set both prices and quantities for both inputs and product, at times elaborate (and only partially successful) administrative arrangements were made. It was also unfortunately inevitable that in a country such as Indonesia where administrative skills are in short supply, sometimes the government's regulatory arrangements turned out to be inflexible, perhaps heavy-handed, and unsatisfactory from the point of view of the villagers.

A second important technological change was the rapid introduction of small rice mills and hullers in the early seventies. Whereas about 80 per cent of the rice crop was still hand-pounded in the mid 1960s, by the mid 1970s about 80 per cent was processed in mills. As is the case with almost all new technology, there were benefits and costs from the change. The benefits were that productivity rose and the cost of processing rice fell; this was a social gain. The main social cost was that a traditional activity of poorer women in rural areas (hand-pounding) almost disappeared within find employment elsewhere.
Similar problems are arising from the introduction of other new technologies as well. Within the last few years small hand-held tractors have begun to appear throughout rural Java, and although they are not yet common, their use seems bound to grow rapidly during the next decade (Sinaga 1978). And since 1973 when new government regulations controlling the assembly of motor vehicles in Indonesia were introduced, the number of light one to one and a half tonne 'colt' commercial vehicles used for both freight and passenger traffic has increased dramatically to the point where in some areas they make up about 25 per cent of the four-wheel vehicles on the roads in Java. At a more humble and less visible level, the rapid growth in the quantity and range of plastic products is another reflection of the impact that new technologies are having in rural areas. A wide range of simple village products made from local materials such as bamboo, rattan and clay (a variety of household utensils, ropes and various types of rough earthenware pottery) is being replaced with plastic goods.

Several points may be noted about these new technologies. Firstly, in the longer term, it is desirable that the changes come. The older technologies that are being replaced have, generally, extremely low levels of productivity, and for so long as the majority of the Indonesian population lives with these old technologies, they are bound to be poor. Secondly, the new technologies do bring problems of structural adjustment, and these costs can be severe in traditional rural societies which are both unaccustomed to change and simultaneously having to cope with important social changes. Where will the people who are displaced from their old jobs find new employment? Who will be the initial beneficiaries from the introduction of the new technologies? How confident can we be that the market will handle all of these changes smoothly and equitably? Are the existing rural institutions adequate to cope with the new strains that the changes are bringing? There is a real danger in egalitarian societies (such as rural areas in Java) where social mechanisms for sharing out the benefits of real growth are weak that the immediate impact of the new technologies may be to widen income differentials and strengthen the position of local elites. Social institutions need to be developed to spread the gains from the new technologies in an egalitarian way.

Social Institutions and Attitudes

Throughout Indonesian society, from poor landless labourers to the President, there is concern about the apparent inadequacy of existing social and economic institutions. It is easy to dismiss the millions of words and the hundreds of workshops, seminars and lectures on the importance of cooperatives as empty rhetoric — but it would be a mistake to do so. When former Vice-President Hatta talks, as he has done for over 30 years, of the importance of cooperatives he is reflecting the deep-seated conviction held throughout Indonesian society that stronger and more egalitarian institutions are needed so that rural communities can function as integrated and efficient economic units to raise standards of living. As Soedjatmoko (1978, p.5) put it:
It is becoming obvious that unless social relations in the rural area are democratized, through countervailing policies and legislation, but especially through socially effective organisation of the small farmers, the traditional hierarchical structures will continue to exercise important constraints on initiative and productivity.

This is not romantic idealism, but reveals the basic wisdom that societies which are divided and unfair are unlikely to be able to harness effectively the commitment of their members to further their common interest.

It is clear that Indonesia is still groping for suitable social institutions which will operate successfully in rural areas; it is widely believed that cooperatives are the key, but as yet few cooperatives in Indonesia can really be regarded as a success. During the 1970s the Government has devoted considerable resources to the promotion of the Badan Usaha Unit Desa (BUUD) organisations which are seen as fledgling rural units that it is hoped will develop into fully-operative cooperatives known as Koperasi Unit Desa (KUD), some of which have already been formed in rural areas.

However, it is unlikely that the establishment of formal institutions of this sort will have more than a marginal impact unless there is also a marked change in social relationships in rural areas. However, there is no sign that the government is keen to upset established hierarchical structures in villages. At present, rural social relations tend to be 'feudal' (to use a word which is often used by Indonesians themselves) in that relatively wealthy land-owning families are usually powerful in village politics and maintain paternalistic attitudes towards the populace under their charge; rural officials such as the lurah (village headman in Java) and the camat (district head) hold a great deal of power in rural areas, while the status and influence of the bupati (regency head, many of whom are now concurrently military officers as well as civilian officials) is somewhat akin to that of the indigenous aristocracy during the colonial era.

Presumably the hierarchical social and bureaucratic structure in rural areas would not matter if it posed no impediment to development; indeed, the stability provided in a hierarchical society might assist the development effort under some circumstances. But this does not seem to be the case in rural Java. Rather, it encourages feelings of helplessness, and the idea that the forces that determine one's life are largely outside one's control; it encourages the feeling that there is little point in planning for the future, in accumulating, and in working hard (except as it is necessary to live for today), because it is the vague forces of the paternalistic bureaucracy and the even vaguer forces of a wider fate that determine the course of one's existence and of the existence of one's loved ones. There is, in the final analysis, little that one can do to control the future; it is set by Tuhan (God) and nasib (fate).

The Indonesian anthropologist Professor Koentjaraningrat (1978, pp. 256-57) has described the situation as follows:
Indonesian peasants do not speculate much about life, and have no tradition of thinking much about it: but in their often poor and humble existence they greatly rely on the concept of fate. Most Javanese peasants, for example, consider life to be a series of sufferings of which they are continually aware... The concept of fate also determines the Indonesian peasants attitude towards nature. He conceives his existence as only an insignificant tiny particle floating on the oscillations of nature's tide... Most of their plans, decisions and orientation of action are focussed on perception of the present, and there is little interest to plan for the future... Indonesian peasants and in particular Javanese peasants, also have a great fear for superiors, especially for administrative officials or civil servants from the city...

This passive acceptance of fate and of the power of the bureaucracy on the part of the Indonesian peasants, and of their own powerlessness, is clearly inimical to social and economic development.

Centralization

Combined with the hierarchical social relationships, and indeed reinforcing them, is a very high degree of centralization of authority in Indonesia. The importance of the military in Indonesia today presumably contributes to a reluctance to decentralize authority and promote egalitarianism, but historical and feudal social influences — the legacy of the paternalistic colonial period, and the traditional relationship between the abangan and priyayi social groups — underpin the centralization. In other words, the tendency towards centralization and hierarchical social relationships is a very strong one and will probably only be broken either by a mighty effort of political will or by steady erosion as other countervailing sources of influence (the media, trade unions, religious groups, farmers' organizations, educational institutions) gain institutional strength.

The centralization of authority is important in the present context because it acts to stifle initiative and hamper development. Almost any sizable investment in either the public or the private sector must, in principle, be submitted for approval to various authorities through a cumbersome administrative process. The upshot is that the administrative environment does not encourage local investment, but instead it tends to raise the financial and non-financial costs of undertaking self-initiated rural projects. It is, naturally, not the intention of the government that the system should operate in this way, but in practice this is often the result.
Welfare

It has become fashionable for economists in Western countries to decry government intervention; the welfare state is said to have grown too big, and government regulation of markets has gone too far. This attitude is carried over into prescriptions for developing countries, despite the fact that the institutional environments in poor countries are entirely different from those in rich nations. Governments of poor countries, it is said, should not try to set minimum wages laws, and should not emphasize the 'basic needs' of the population at the cost of growth. In fact, it is of immense importance that, in marked contrast with the high productivity countries of the world, Indonesia is not a welfare state; far from there being excessive attention paid to government welfare services in Indonesia, there is actually very little attention paid to welfare policies at all. Apart from a commitment to provide some education, some emergency aid in extreme circumstances, and perhaps some medical services, government in Indonesia takes very little responsibility for guaranteeing the basic human needs of the population.

Firstly, government-provided welfare services as they are known in rich nations are almost entirely non-existent. Secondly, in welfare states the government supports wider 'quasi-welfare' systems designed to stabilize incomes and assist people to deal with unexpected difficulties; examples of these are the extremely elaborate price and income stabilization arrangements established to assist agricultural producers, and structural adjustment programs for industries facing problems. The Indonesian government has been moving tentatively in this direction, but agricultural and industrial stabilization programs are still in their infancy in Indonesia. Thirdly, in welfare states, when the ordinary welfare and quasi-welfare mechanisms prove to be quite inadequate, such as in times of national disaster, the state almost invariably steps in with large-scale aid. In contrast, in Indonesia national emergency aid is usually sparse and slow in coming. These three sets of policies, taken together, are reasonably (if not entirely) effective in Western countries in setting a form of 'social safety net' in terms of standards of living below which few people are allowed to fall. In addition, there are extensive and stable insurance and assurance schemes provided through the private sector. In Indonesia, however, formal institutions to provide social guarantees of this sort (whether in the private or the public sector) are almost non-existent.

In the absence of government-supported welfare programs, individuals and families are thrown back on informal arrangements provided through the local community for help in time of need. Provided local social ties are strong — provided a sort of local 'welfare state' exists — then the absence of national systems matters less. But the scattered indications that are available suggest that traditional social ties are rather inadequate and may be loosening; we really know very little about current social trends in rural areas, but it does seem that with existing
social institutions much of the new technology is more likely to loosen traditional social ties than strengthen them (Collier and Soentoro, op. cit.). If this is the case, then the next generation of the rural poor in Java may be caught in the transition from local informal 'welfare states' to the emergence of the national welfare state. With the introduction of such policies as, *inter alia*, moved towards the establishment of minimum wages, a gradual extension of health services to rural areas, and the setting of floor prices for more rural produce, the Indonesian government has embarked on a long revolution which seems likely within perhaps a century to lead to much greater egalitarianism within Indonesian society. But for the poor, the transition from the old welfare systems to the new might be the most difficult period of all; they may well be caught in a process of change somewhat akin to the enclosure movement and the industrial revolution in England, when the backward security of the village was being replaced with the turbulence and uncertainty of the young industrial state. In the transition, the costs of social change were largely borne by the newly-formed industrial proletariat.

The Issues

This survey of emerging problems in rural areas in Indonesia, especially Java, has centered round a number of themes: poverty, underutilization of labour, the need for rural investment, new technologies, the need for strong rural institutions, and the importance of welfare policies to bring about a 'created harmony'. China faced similar problems after the Revolution in 1949, and is continuing to grapple with them as social institutions are transformed and new technologies are introduced in the effort to modernize. How has rural China dealt with the changes? Bearing in mind that Indonesia is not China, that institutions are not easily transplanted between countries, and that communism is quite unacceptable in Indonesia today, what lessons (if any) can Indonesia learn from China? In the next section we will survey the situation in China before turning, in the last section, to draw some broad conclusions.

RURAL CHINA

To the outside observer China appears to have been somewhat more successful in tackling the interrelated series of problems of rural development than Indonesia has. The explanation seems to be that the formation of small strong rural cooperatives, generally known as production teams (PTs), which have a good deal of economic independence, has made it possible simultaneously to maintain modestly decent minimum standards of living in rural areas and mobilize surplus labour for local public investment projects and other activities; this system of economic organization has facilitated a good deal of productive rural investment, has made it possible to absorb small amounts of new labour-saving technologies without creating unemployment, and has allowed the establishment of mini 'welfare states' which go some way towards guaranteeing the provision of basic needs.
Poverty

China is obviously still a poor nation, and the drabness of living conditions is everywhere evident. But the Chinese Revolution with all of its costs does appear to have yielded one quite extraordinary benefit—the miserable depths of poverty appear to have been largely eliminated. Certainly the poverty which is visible on all sides in Indonesia is almost completely absent. Many recent visitors to China, with experience in other parts of Asia, have recorded the same impressions; two agricultural economists from the Stanford Food Research Institute (Falcon and Nelson 1978, p.5) summarize the position as follows:

The common perception of China as a nation struggling to provide sufficient calories for its population does not appear consistent with the casual impressions of nutritional status gained on the trip, nor with the best available data on the Chinese economy...the present gross grain availability in China is more than 1.75 pounds per capita per day. Relative to the more impoverished nations of Asia this is a very large amount—greater by a factor of nearly two as compared with Bangladesh...China's basic calorie problem has been solved.

Another recent visitor to China, Peter Timmer, who is also experienced in other parts of Asia, had much the same to say (Timmer, 1976, pp.53,67):

That China has solved its food problem is the universal story brought back by medical, agricultural, and other scientific observers who have recently toured China...The wonder and magnitude of this accomplishment—of transforming one of the world's poorest and malnourished nations to one of the most adequately fed—in today's hungry world must not be lost in polemics or adulation. Hard work, sensible and sensitive policies, and an amazing pragmatism and flexibility in the face of failures are the ingredients of China's success.

Nevertheless, these writers are perhaps over-enthusiastic in concluding that the food problem has been 'solved'. There are several considerations which should be borne in mind before reaching such strong conclusions.

Efforts to calculate food consumption patterns in developing countries are notoriously difficult. Even when acceptable data relating to grain production are available, how can one allow for consumption of non-grain foods such as vegetables and fruits, for which data is usually exceptionally sparse? Nevertheless, despite data problems it does appear that several things can be said about the food supply situation in China with a reasonable degree of certainty.

Firstly, it does seem that the Chinese people are, on the average, decently fed by Asian standards. Audrey Donnithorne has prepared some careful estimates (Donnithorne 1977) which suggest that we can be fairly
confident that this is the situation (Table 1). Secondly, throughout the period since the early fifties, food consumption per capita has remained fairly constant — in other words, the rate of growth of food production has just matched population increases (Donnithorne 1977). Further, as Donnithorne (1977, pp. 63) points out:

the superiority of the Chinese per capita grain production over that of many other developing countries is not just a recent phenomenon. Throughout the twentieth century in general, output of grain in China is thought to have been roughly comparable to that of the grain surplus countries of South East Asia.

In other words, it does not seem that the reforms following the Revolution led to an increase in the long-term trend rate of growth of food production (although, of course, the return to peace encouraged a short-term jump in food production).

Table 1

<table>
<thead>
<tr>
<th>Food Staple production per capita, 1972</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Staple equivalent (million tonnes)</td>
</tr>
<tr>
<td>-------------------------------------------</td>
</tr>
<tr>
<td>1. Thailand 10.792</td>
</tr>
<tr>
<td>2. China (mainland) 201.887</td>
</tr>
<tr>
<td>3. Taiwan Province 3.448</td>
</tr>
<tr>
<td>4. Korea, Republic of 6.404</td>
</tr>
<tr>
<td>5. India 96.533</td>
</tr>
<tr>
<td>6. Pakistan 10.392</td>
</tr>
<tr>
<td>7. Indonesia 18.937</td>
</tr>
<tr>
<td>8. Bangladesh 10.733</td>
</tr>
</tbody>
</table>

Source: Donnithorne, 1977.

Thirdly, on the distribution side, there is much evidence that within local production units in rural areas there has been an increase in equality since 1949 (Donnithorne 1977, p.66). Reports from many visitors to rural areas are consistent with this, and certainly such a change would be expected as a result of the institutional reforms introduced in the country-side. Finally, reports from visitors and, in addition, our knowledge of the Chinese economic system, also suggest that both between
production units in the same region and between regions, a good deal of inequality still exists. This suggests that there may well be areas of the nation, rarely if ever visited by foreigners, where local food supplies are barely sufficient to meet daily needs and presumably well below the national average. One recent report suggests that '200 million peasants are permanently malnourished' and that these people were only 'half-fed' (Liu 1979, p.46). Further, it was noted that 'the general understanding is that China's average food consumption is only just above essential nutritional needs' (Liu op. cit.).

Nevertheless, even if it is perhaps too early to say that China's food problem has been solved, compared with much of the rest of Asia China's achievements in eliminating the very worst types of rural poverty seem substantial. How has this been possible? The answer, in its essentials, is simple. Firstly, on the supply side, members of PTs are under strong moral and economic pressure to undertake productive work; highest priority is given to food production, with surplus labour reallocated to other productive tasks only when not needed in agricultural activities. Secondly, on the distribution side all workers are guaranteed a fair share of the total output of the PT, their precise share being determined according to well-understood and relatively egalitarian principles. Thirdly, in order to guarantee minimum incomes, local 'poverty lines' are set within PTs which ensure, consistent with the capacity of the PT at any particular time, that basic needs will be met. A knowledge of the practical details of this system is necessary in order to understand why it has been relatively successful, so some further explanation is in order.

All Chinese in the labour force of the 'collective economy' in rural areas must belong to a PT; there is no choice in this matter. The nature of work is decided through the PT, and income is earned through the PT; the PT is the so-called 'basic accounting unit'. Within the PT people work at the activity they are assigned to (whether they want to or not), and are paid in 'work point' accounting units. During the course of a year workers accumulate work points (an able-bodied man earning an average of 10 work points per day for, say, 300 days would earn 3,000 work points) which are largely responsible for determining their individual share of the total real income of the PT at the end of the year. The annual real income of a worker is jointly determined, then, by the total number of work points earned, and by the total output of the PT for that year; clearly each worker has a personal interest both in working hard, and in seeing the average productivity of the PT rise.

In operation, this system seems to be reasonably flexible. Firstly, although people are more or less conscripted to work, the best interests of the PT will be served if they are allowed to specialize in activities at which they are skilled. Secondly, since people generally earn the same number of work points whatever they are doing, there is no personal loss involved in being transferred from agricultural activities to other work such as road building. Thirdly, the number of work points earned in a day can be reduced by agreement within the PT if a person is believed to be lazy, and may be increased if the particular task is especially onerous. It appears that peer group assessment is usually important in determining these matters.
The distribution of the total real income of the PT (after taxes) is decided on the basis of work points, tempered by needs. An example will best illustrate the system. Once a year, at the end of the main harvest, the total income of the PT is calculated; the total gross value of all production from communal activities is estimated and certain taxes are deducted to obtain a net figure. Before the net figure can be distributed, however, a further deduction must be made for agricultural needs for the coming season and local reserve food stocks must be replenished. The remainder is then available for current consumption; the accounting value of this amount (expressed in yuan) is divided by the total number of work points earned within the PT, and the value of one work point for that year is then known. If a worker has accumulated, say, 3000 work points during the current year and each work point is worth 0.1 yuan, then the worker is entitled to an income from the PT of the equivalent of 300 yuan. The income owing to a household will be determined by the total number of work points owing to the workers in the household.

There is one further step in the process which simultaneously acts partly to 'close off' the local PT economy from the outside world and ensures basic needs. Before a worker receives the cash income owing to him, he and his dependants are provided with sufficient basic rations (in kind) to last them for the coming year. The actual composition of the rations varies considerable from area to area, but a typical allocation would appear to be something along the lines of the following.

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grain (unhulled)</td>
<td>275 kg</td>
</tr>
<tr>
<td>Oil</td>
<td>2.5 kg</td>
</tr>
<tr>
<td>Vegetables</td>
<td>300 kg</td>
</tr>
<tr>
<td>Cotton (spinning)</td>
<td>1 kg</td>
</tr>
</tbody>
</table>

A food ration of this amount is certainly quite adequate to provide for basic food needs by the standards prevailing in many Asian countries. For accounting purposes these rations are valued at about 70 yuan per capita, and the total value of rations provided to a worker is deducted from whatever income is owing to him.

There are several aspects of this system which are worth noting. Firstly, under this arrangement the work point becomes a form of currency, the real value of which varies from year to year within one PT and between neighbouring PTs in any one year. Secondly, great emphasis is given to meeting basic needs, both in the production process and in the distribution of the product. PTs are encouraged to be self-sufficient in food production, and the supply of basic food needs is given first priority in the internal division of the net product. If necessary, the accumulated food reserves of the PT will be run down to meet basic needs. Thirdly, if a household has a high ratio of non-working members (young, sick or aged) to workers, then it can happen that the yuan income for the household is insufficient to pay for the basic rations. Under these circumstances, the family is supplied with food and other essentials from the social fund of the PT. Finally, under present arrangements the advantages of the PT structure are obtained by sacrificing the economic benefits of specialization. There are not inconsiderable restrictions on trade...
between regions: as mentioned, PTs are encouraged to be self-sufficient in food production, local 'work point currencies' are used, and labour is not free to move at will between PTs or to urban areas.

Now that the basic economic system of the PT has been sketched, it is possible to turn to consider related aspects of the Chinese village economy more briefly.

Underemployment

While widespread underemployment is reported to exist in urban areas in the 'state' economy, there is less evidence of underutilization of labour in rural areas. In fact, it is not unusual to be told that 'in this area we have a shortage of labour'26 and one of the main reasons that agricultural mechanization is being promoted so strongly is so that labour can be transferred from agriculture to other activities, especially rural public works and construction (Perkins *et al.* 1977, pp.209-218). For the visitor from Java the situation is remarkable; far from fearing the advent of mechanization because of the unemployment it may cause, the thrust of policy is to introduce mechanization as quickly as possible so that 'scarce' labour can be used in non-agricultural activities!

Need for Investment

There is a widespread awareness within rural areas in China of the need for more public investment in agriculture-related activities and other construction. As in Indonesia, the potential for useful labour-intensive investment in rural areas seems almost unlimited. One important activity is consolidating land, an activity that often involves re-terracing. Now that most land is communally owned it is possible to consolidate several smaller fields into one large field; the advantages, in terms of introducing mechanization are substantial. Another important activity is the construction of irrigation canals and reservoirs, and during the last few years in some areas emphasis seems to have been given to the construction of buildings and housing in rural areas. To appreciate the scope for labour-intensive rural investment, it is only necessary to consider how much work would be required to replace the existing stock of housing and provide reasonable living conditions for around 700 million people.

Three points may be noted about the rural public investment programme in China. Firstly, it is very labour-intensive. It is obvious that a great deal of productive investment can be carried out in rural areas using labour, local materials such as rocks, and very little else. Secondly, there does not seem to be a sharp distinction between directly productive investment (such as irrigation canals) and buildings for schools, housing, and so on. Investment in the social infrastructure is regarded as necessary both to maintain commitment to development goals, and to raise longer term productivity through improving health and education standards. Thirdly, the system of payment using work points makes it easy to reallocate labour between tasks, and therefore between economic sectors
within the rural economy. It is common for workers within PTs to move in and out of agricultural activities depending on the labour requirements in agriculture, and to spend their 'surplus' time in small-scale rural industry or in public works. The market failures and institutional barriers that frustrate free movement of this sort in other poor Asian countries are circumvented by arranging for the transfer of labour to take place 'within the firm' — that is, within the PT.

Technologies

Agricultural mechanization has been taken somewhat further in China than in Indonesia, and the difference is particularly noticeable in two areas.27 Firstly, the use of small hand-held 'walking' tractors of about fifteen hp is extremely common in rural China, both for soil preparation work and for hauling loads of all kinds. Tractors of this sort are only just beginning to be used in Indonesia, and already there is concern about possible displacement of labour. Secondly, widespread rural electrification has taken place in China since the late fifties — the contrast with Indonesia in this respect is most striking — and this has in turn facilitated the use of small electric motors (between 4 kw and 12 kw) for many tasks in rural areas. Although electricity is also used for consumption purposes in rural areas, the emphasis is on the use of power for productive purposes and it does seem that generally well over 50 per cent of electricity supplies to rural areas is used for production. By far the most common purpose to which electric motors are put is irrigation, but electricity is also commonly used in small food processing mills, in workshops, and to operate threshing and winnowing machines.

Nevertheless, in view of the emphasis given to the importance of mechanization, it comes as something of a surprise to find how little mechanization has yet taken place; rural China is still technologically quite backward, and many extremely laborious tasks are still carried out with animal or human labour. But in contrast to Indonesia, the introduction of new technologies in rural areas in China does not seem likely to pose serious social problems. New capital goods such as tractors and electric motors embodying the new technologies may not be privately owned in China; instead, they are purchased by the PTs and collectively owned. The productivity gains resulting from the new technologies raise the average output of the PT, which in turn raises the average real value of work points earned by all members of the team; in other poor Asian countries, rural labourers usually receive very low wages and are threatened by the introduction of new labour-saving technology.

Social Institutions and Attitudes

In contrast to the situation in Indonesia, the main social institution in rural areas in China — the production team — seems robust and able to fulfil the main economic and social needs of the population. It has already been noted that most PTs are surprisingly small (average size being
thirty three households), and the outward indications are that there is a reasonable degree of egalitarianism within the teams and of commitment on the part of members to advance their mutual interests, although the situation doubtless varies greatly between PTs.28

The PTs are perhaps best thought of as extremely strong cooperatives, the cohesion of which is reinforced by social, cultural, political and economic factors. Outside the PTs, the cohesion seems much more tenuous, and it appears that for the ordinary Chinese peasant the people's commune is a rather vague organization, while the state and the government is distant indeed. The relative success of the PT system demonstrates the advantages to be gained from cooperative action in rural areas in Asia, and it becomes easier to understand why so many Indonesian leaders believe that some sort of strong rural cooperative movement is a necessary part of the solution to Java's problems.

Two features of the PT system — the existence of a reasonable degree of egalitarianism within the PT and of economic freedom in production and investment decisions — are important in fostering attitudes of independence and self-reliance.29 Further, these attitudes are reinforced both by official rhetoric, and by the government's actual practice of expecting local units to utilize their own resources as much as possible. The disadvantage of such a policy is that the trend towards local autarky tends to sacrifice advantages of specialization and, inevitably, sometimes the stress on self-reliance is taken to extremes.

On the other hand, one valuable advantage of this approach is that it counters the types of attitudes of fatalism and resignation which are found in rural Java. The Chinese rural population has been told, quite clearly, that much of the initiative for rural development must come 'from the bottom up'. This provides a strong incentive both to mobilize their own resources (because if they do not, other resources will not be forthcoming), and to seek out opportunities for local innovations which will raise productivity. It seems likely that at the relatively low levels of rural development at which Indonesia and China are, there is considerable scope for increasing productivity through local and relatively cheap innovations by using 'appropriate technology', and the Chinese appear to have found a reasonably effective way of encouraging village initiative.30

Centralization

In China, the general macroeconomic environment within which the PT 'firms' make their decisions is closely regulated: all important input and output prices (excluding rural work point wages) are fixed and are generally held constant for long periods of time; the movement of labour is strictly controlled; and informal credit markets with exorbitant interest rates are apparently not important. The economic environment external to the PT, then, is reasonably stable. Within this framework, PTs and PBs have a good deal of independence in both production and investment decisions.
In Indonesia, the relationship between the scope for local decision making in rural areas and the wider economic and administrative environment is almost the reverse. By Chinese standards, markets are left to function relatively freely, with frequent changes in input and output prices, few effective controls on labour movement, and extensive informal credit markets. As in China there is antipathy to allowing market forces too free a rein so the Indonesian government does attempt to intervene in some markets, but the effect generally is that the broad economic environment is marked by instability, with much uncertainty created by government macroeconomic policy and arbitrary government intervention. Within rural areas, the government's attempts to intervene — though usually unsuccessful in some directions because black markets develop and other informal arrangements are entered into — are often felt quite heavily. Paradoxically then, the Chinese system allows more decentralization and local initiative in several important directions affecting agricultural production and investment decisions than does the Indonesian system. To put it another way, although the indirect government control over the Chinese rural economy is quite pervasive, the hand of government seems to be more directly felt in rural Indonesia.

Welfare

It is clear from the earlier discussion that the distribution system within PTs is both productivity and welfare oriented; in effect, mini welfare states are established with their own internally determined poverty lines. Thus the emphasis on the provision of basic needs in rural areas is much more pronounced than in Indonesia. It is not, however, evident that the attention to welfare as well as productivity has acted to retard economic growth in rural areas in China. Firstly, some attention to welfare is necessary in order to maintain a reasonable degree of worker commitment to the PT. Secondly, the productivity of workers is raised when they are provided with adequate amounts of food and with medical care. Thirdly, the long term productivity growth rate of the rural societies is raised when there is investment in the education and health of children.

LESSONS

It would obviously be foolish to suggest that the details of the Chinese approach to rural development can or should be transplanted to Indonesia. At a broad level, however, the Chinese experience does seem to support the notion that rural development will proceed most smoothly if it is an integrated process, with social, institutional and technological change all designed to reinforce each other. This may seem obvious to some, but it is not the strategy being adopted in Indonesia today. Rather, the various government policies designed to promote rural development tend to be uncoordinated and often overcentralized and thus rather inflexible. To some extent criticisms of this sort can be made of most government policies in most countries; so the question arises of what changes in Indonesian government policy might help.
Firstly, there needs to be recognition of the speed with which changes are taking place in rural areas and the disruption that the changes are bringing. Secondly, social and institutional mechanisms need to be established which will assist rural people to adjust to the changes, and in particular which provide them with a reasonable opportunity to earn enough income to cover their basic needs. One practical way of going about this would be to place more emphasis on the need to create jobs in rural areas, perhaps through a decentralized public works programme leading to the construction of rural infrastructure. In a recent lecture on agricultural development policies in India, Sir John Crawford (1979, pp.6-7) referred to the importance of 'welfare employment' investment, and in pointing to the importance of off-farm rural employment, he said '...any examination of the quality or equity content of economic growth does point to a significant priority for welfare employment investment in, e.g., basic human needs in rural areas'. Certainly, as Sir John pointed out, increased public expenditure of this sort would need to be balanced by an increased supply of food to contain inflationary pressures, but with international reserves at present high and rising, Indonesia could now afford to import substantial amounts of food to fund public works programmes. Sir John's comment that he would '...certainly go all the way with the (Indian) Planning Commission's proposals for investing in basic human needs' (op. cit., p.22) seems equally appropriate for Indonesia.

Thirdly, in addition to job-creation schemes a range of other measures designed to benefit lower income groups and raise productivity needs to be implemented. Much public expenditure in Indonesia favours the urban elite, and there would seem to be no good economic argument for not redirecting a good deal of this towards rural areas. Further, within rural areas programmes need to be carefully designed so as to reach down to lower income groups because there is a tendency for programmes to bypass the rural poor.

Perhaps the most general lesson to be drawn from a comparison of rural development programmes in Indonesia and China is that beneath some of the overenthusiastic rhetoric about 'basic needs strategies', there is a sound element of common sense. The social fabric in many developing countries, including Indonesia, is fragile and under great strain in the wake of the tremendous changes presently occurring, and one major objective of rural development policy must be to narrow the differences that exist within rural societies — not exacerbate them. A programme which invests in the provision of jobs and basic needs for the poor in rural areas need not conflict with longer term growth objectives, and is an investment in the stability of the nation.
NOTES

A good deal of the very substantial literature on the 'basic needs model' has been published in the *International Labour Review* during the past few years. Much of the literature is of a very general kind which lays out broad principles but is rather sketchy on practical details. As the well-known Indonesian intellectual Dr Soedjatmoko (1978, p.5) put it in a detailed critique of the basic needs model, '...while there is considerable consensus about the direction of...policies, there is much less certainty about how such policies should or could be implemented.'

For a discussion of the pros and cons of this issue in Indonesia, see Strout (1973) and Arndt and Sundrum (1973).

For a detailed study of some of the changes occurring in Javanese villages, see Collier and Soentoro (1978). Collier and Soentoro discuss the relationship between new technologies and the decline of traditional village welfare institutions.

For details, see Leon Mears and Sidik Moeljono (forthcoming).

The effects of the introduction of this new technology were discussed in Timmer (1973) and Collier et al. (1973).

One of Indonesia's most well-known economists, Mohammed Sadli, described the process as follows: 'Nowadays, villages are humming with small, Japanese made machines milling paddy; they are called rice-hullers. These innovations profit the landowners or the owners of the paddy. The rice is better polished, less broken, and hence fetches a better price. It can also be stored a little longer than the handpounded rice. Yet, many female working hours at handpounding are foregone with consequent distributional effects. These shifts in employment and income distribution will probably never be registered in a census on account of definitions of employment, but they can shake the foundations of a village's life' (Sadli 1974, p.366).

These comments refer more to the situation in Java, and in particular Central and East Java, than in the Outer Islands. Outside of Java, particularly in Sumatra, social relations in rural areas are rather different.

The best discussion of the *abangan* and *priyayi* social groups remains the brilliant study by Clifford Geertz (1976) in the late 1950s.

The main exceptions being the welfare benefits provided to government employees, especially higher ranking employees, and the relatively generous benefits provided by foreign companies operating within Indonesia.
The beneficial effects of welfare policies in rich nations in contributing to national harmony are discussed in detail by Gunnar Myrdal (1957).

Assuming, probably quite unrealistically, that there will not be a dramatic change of policy in the meantime.

The term is Gunnar Myrdal's (1957, p.47).

This statement refers to a specific set of issues and should not be taken either as an unconditional endorsement of the Chinese development strategy or as a condemnation of Indonesian development efforts over the past decade. It does not, in itself, imply anything about industrial or urban development in China, nor about overall human rights in the two countries.

For an extensive discussion of economic organization in rural areas, see Crook (1975). Crook explains that '...aside from the family, the production team today is still, by far, the most important institution in rural China...It is the institution which controls most of the means of production in China's countryside...No other institution in rural China so deeply affects every major aspect of the lives of China's rural population' (Crook 1975, pp.394-95). Very roughly akin to the kecamatan (district), kelurahan (village), pedukuhan (hamlet) administrative system in Java, rural China's main administrative structure below the county (xien) level consists of people's communes (PCs), production brigades (PBs), and production teams (PTs). Of course, the function of these units is different to the mainly administrative function of the kecamatan-kelurahan-pedukuhan in Java, and the Chinese units tend to be smaller; in the mid 1970s average size of a PC was around 14,720 people (3,346 households), while the corresponding figures for the PBs and the PTs were 980 (220 households) and 145 (33 households) respectively (Crook 1975). It is important to appreciate that the PTs tend to be quite small cohesive units.

On the other hand, other carefully collected data suggest that Donnithorne's data may overstate the difference between China and some other Asian nations, particularly Sri Lanka. Dasgupta has estimated the net food consumption in terms of calorie-intake per day as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Intake</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>c. 1975</td>
<td>2300</td>
</tr>
<tr>
<td>India</td>
<td>1969-70</td>
<td>1990</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1970</td>
<td>1920</td>
</tr>
<tr>
<td>South Korea</td>
<td>1969</td>
<td>2490</td>
</tr>
<tr>
<td>West Malaysia</td>
<td>1970</td>
<td>2190</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1969-70</td>
<td>2410</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>1970</td>
<td>2340</td>
</tr>
<tr>
<td>Thailand</td>
<td>1964-66</td>
<td>2160</td>
</tr>
</tbody>
</table>

(Dasgupta 1979, p.7).

See the extensive discussion in Donnithorne (1972), especially pp.616-17; Crook also notes that: 'Team and per capita income levels were found to vary from region to region, and even within the same brigade' (Crook 1975, p.402).
Malnourishment, of course, is not inconsistent with sufficient supplies of starchy foods being available.

The other part of the Chinese economy is the 'state' economy. Bureaucrats, teachers in tertiary and secondary institutions, workers in state enterprises of all sorts including state-owned farms, and other people usually working for wages and not paid in work points (see below) belong to the state economy and are not included in the systems described here.

In some 'more advanced' areas, the 'basic accounting unit' is at the level of the PB, although this is not common. Income is also received from private plots of land but this source of income is apparently not usually very important.

In several PTs that I visited in September 1978, systems of peer group assessment were used. In a small cohesive group such as a PT, it is fairly easy for people to judge each other's work. In his detailed studies of Liu Ling, a PB near Yenan in Northern Shensi, Jan Myrdal describes how peer group assessment systems work in Chinese rural areas (Myrdal 1965 and Myrdal and Kessle 1973). See also Watson (1972, p.143).

A detailed description of the distribution of the total product in a hypothetical team is given in Crook (1975, pp.398-400).

In Liu Ling in 1977, for example, total grain production was 440 tonnes; this was converted to a cash accounting figure by valuing the produce using a fixed price set by the state for 'second class trading grain' (Information provided during a visit to Liu Ling in September 1978.)


See Myrdal & Kessle (1973, pp.51 ff) for a discussion of the 'five guarantees' of food, clothing, fuel, a funeral, and education, in Liu Ling.

Donnithorne has noted that 'At present the country seems composed of a myriad of small discrete units...the picture given is of a large number of highly protectionist states each minimizing its imports while trying to push its exports...the disadvantages of local self-sufficiency arise from the neglect of the principle of comparative costs, of economies of scale and of benefits of specialization and division of labour' (Donnithorne 1972, 605, 611, 612).

The American Rural Small-scale Industry Delegation that visited China in mid 1975 noted '...surprisingly, we did not hear a single comment indicating any fears of unemployment through agricultural mechanization' and that the Chinese were '...unconcerned with the question we kept raising about whether mechanization would not eventually put people out of work. The Chinese maintain that mechanization only frees people for more important tasks and that more and more work will remain to be done' (Perkins et al. 1977, pp.118, 212).

These are brave generalizations, especially since there are around five million PTs in China. These assertions are based on quite extensive discussions during fieldwork in different areas about the social mechanisms available to control local leaders and on other reports; for example, Norman Macrae writing in *The Economist* reports that: 'The (production) teams are usually small enough to act entrepreneurially with some degree of togetherness' (Macrae 1977, p.16). See Myrdal (1965) and Myrdal & Kessle (1973) for detailed accounts of the day-to-day operations in Liu Ling PB in Shensi.

It goes without saying that the same self-reliance and independence is not encouraged in political or social matters.

Examples of local innovation in China (some, doubtless, really disguised failures) abound. See, for example, the report on the ingenious irrigation scheme developed in the Xia Xin PB near Xian, Shensi Province (Watson 1972). I visited this irrigation project, which is something of a show piece, in August 1978, and found it operating apparently quite successfully and every bit as ingeniously as Watson's account suggests.

Myrdal and Kessle (1973, p.88) provide an entertaining account of the debate in Liu Ling PB in the late sixties over the introduction of a local health insurance programme. The debate centered on the same issues that the Medibank proposals raised in Australia — the desirability of fee-for-service and the dangers of overutilization within a universal health insurance scheme.

In a recent *World Development* issue, 'Capitalist and Socialist Agriculture in Asia', Keith Griffin noted that: 'The importance of institutional arrangements in determining the pattern of technical change and the distribution of income is well illustrated in the papers (on India and Japan). The creation in Japan of an effective communal institution, namely irrigation associations, facilitated technical innovation...' (Griffin 1979, p.359).

for a review of the results of a Moroccan employment-creation programme of this sort, and a discussion of the theoretical justification for such an approach, see Jackson and Turner (1973).

The various *Inpres* programmes in Indonesia (de Wit, 1973) have been carried out much along these lines. The possibility of substantially expanding them might be considered.

An extensive discussion of the way in which rural electrification programmes said to be designed to assist the poor are likely to fail to do so is in McCawley (1978).
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Soroako is a village idyllically located on the shores of Lake Matano, in the centre of the island of Sulawesi. In the nineteenth century, the rugged mountains and jungles of the region ensured a degree of isolation from its neighbours, and freedom from the influence of the Dutch colonial authority or the traders who visited the coastal regions nearby. At the turn of the century, the inhabitants were still 'pagans and headhunters' often engaging in war against their neighbours. They were nominally vassals of the kingdom of Luwu, but this had little consequence for their lives. An early European explorer to the region in 1902, commented that the area was in a state of war, 'like in our middle ages' (Abendanon 1915-18, I, p.1352, quoting Sarasin).

Shortly after this visit, the events of the modern world began to catch up with the people of central Sulawesi. The conquest of the kingdom of Luwu by the Dutch in 1906 brought the villagers into the orbit of the Dutch colonial system; warfare was ended, the people were encouraged to adopt a recognized religion, and to begin wet rice cultivation. Their remote lake became a target of Dutch mineral exploration, and eventually, in the 1930s, a small-scale nickel-mining industry began. This transformation was ruptured by the Japanese Occupation and the events of the struggle for Independence. For the Soroakans, this period led into the events of the Darul Islam rebellion of the 1950s. Only a few years after peace was finally restored in the area in 1965, the people of Soroako had to face a new transformation, different in kind from any hitherto, because of the Indonesian government's opening up of the area to a large foreign-owned mining company. This paper is concerned with the nature of the 'development' engendered by the activities of this company.

A superficial glance, at the Soroako situation could lead us to think we were dealing with a local economy exhibiting the features of dualism. The mountains surrounding the village are exploited both by the heavy machinery of the mining company, and the axes, hoes and dibble sticks of the local swidden agriculturalist. In the village, (soon after the dawn prayer) the peasant-cultivators go off to their gardens on foot. Not long after, the men who work for the company board trucks and buses to go to their places of work.

The village, in many ways identical to the other peasant villages in the region, is enclosed within the modern company-town, which has air-conditioned bungalows and supermarkets. The superficial impression is that of two economies, one industrial, one peasant, existing side by side, even in parallel. However, to accept this at its face value is to misapprehend the fundamental character of the development occurring in Soroako. The basis of the pre-existing peasant economy and the relation which the villagers had to the means of production have been totally transformed by the company's presence, in the main by the government's
expropriation, on the company's behalf, of the villagers' prime agricultural land. The majority of traditional inhabitants of the village, in the first instance deprived of the basis of their livelihood, have not yet found a stable alternative livelihood.

To understand the changes which are transforming the lives of the traditional inhabitants of the village of Soroako, it is necessary to understand the current situation not as one exhibiting a 'dual social structure', where one social and economic order exists alongside but separate from the other, but rather as an instance of a social structure which has been transformed by the presence of a large enterprise conducted in terms of capitalist rationality. This gives rise to a local instance of a particular social formation, an odd breed, neither truly capitalist nor pre-capitalist, but exhibiting features of what has been referred to as a 'neo-colonial social formation'. There are not two societies—just a single social formation with characteristic features.

PRE-COMPANY ECONOMY AND SOCIETY

Soroako village is located a a wide plain. It is this plain which the people of Soroako transformed into sawah, at the behest of the colonial government in the second decade of this century. Behind this plain rise jungle-clad mountains, which, for as long as the villagers can remember, their ancestors have cleared for swidden plots in which they grow numerous varieties of rice, some corn, vegetables, tubers, bananas, and other crops. These plots continued to be cultivated, as well as the sawah.

The jungle has also been the source of a variety of produce: items of food, wood and other building materials, and, since the turn of the century, dammar resin and rattan, which the villagers traded for goods like sugar, salt and cloth. This is the economy which was beginning to get back into operation when the company arrived on the scene.

The residents of Soroako describe themselves as forming a single kin-group descended from Tosali, who is said to have founded the present village. His direct patrilineal descendants have always provided village leadership and are regarded by the rest of the villagers as legitimately having this role by virtue of their descent. The other prominent families in the village are: the descendants of the traditional ruler of the Lake, the Mokole Matano, whose power was bolstered by the Dutch institution of indirect rule; and the descendants of the original Muslim religious leader of Soroako, who converted them to Islam in the second and third decades of this century. The people of Soroako, the descendants of Tosali, regard themselves as a distinct ethnic group, who take their name from their place of residence—hence they call themselves orang Soroako (Soroako people). The defining characteristic of this group is common language, the residents of another village across the lake also being regarded as orang Soroako, though they are not considered to be Tosali. The other two prominent families are Bugis in origin, though in both cases they have intermarried with orang Soroako. The population of Soroako, in the late 1960s, was estimated at 750.
It seems that in Soroako in pre-company days, these prestigious families were also the wealthy, differentiated from the others on the basis of owning more *sawah*, more buffaloes, having finer houses and more furniture. They were also the traders. However, the difference between them and the other villagers was one of degree, not of kind. Almost all families had some *sawah*, and the jungle was open to all, whether for the creation of swidden plots or for the finding of jungle produce to consume or sell. Moreover, the 'poor' were related to the 'wealthy' and so could ask for help in times of privation. The village leaders were expected to relate to their following as patrons to clients, and to consider their interests. For example, the village headman was entitled to a number of days free labour from the villagers, but his duties were to resolve their disputes, to organise *gotong royong* (collective labour) for the construction of their houses, and so forth.

The colonial period had contributed to an elaboration of these differences. The opening up of *sawah* and its apportioning added an element of stability to the economic differentiation which probably was not there under swidden cultivation, when a family's economic fortunes could change quickly. Also, the traditional leaders of the village became rulers under the Dutch: instead of organising village life on the basis of decisions established through consultation with the villagers, they became the bottom rung of the colonial bureaucracy, implementing decisions made by higher level officials.

**INCO IN SOROAKO**

In 1967, the New Order government awarded an exploration contract to Inco of Canada. A small workforce, never exceeding 1500, was employed in the exploration phase which lasted till 1972. The company's operations were centred at Malili, a riverine port some sixty kilometres from Soroako, but some of the Soroakans were employed, mainly as labourers in the exploration teams.

By 1971, it was clear that the lateritic nickel deposits were sufficient to sustain a mining and processing facility, and that this would best be situated in the Soroako area. From 1973, contracts were signed with two large American construction firms for the construction of the plant and the necessary infrastructure. In addition to the plant, this entailed the construction of a port facility at Malili, a township to house foreign and Indonesian personnel, and roads which would connect these facilities and give access to the mining areas, a series of mountains behind Soroako plain (see Map 1). The system of mining would involve the clearing of forest from the assayed hills, the removal of the topsoil, which had to be retained for later reforestation, and the trucking away of the ore-bearing layer of soil to be processed. A hydro-electric scheme on the nearby Larona river was to supply the electricity needed for the processing of the nickel (see Map 1).

In the planning stages of this development, the company hired a number of consulting firms to advise on the siting of the facilities. A report on the siting of the town advised that it ought not to be built
on the Soroako plain, the villagers main agricultural and pastoral land. It was stated that this site, in between the lake and the hills of the mining area, would preclude further expansion of the new town, and there was the possibility that the lake, the water source for a new town sited, would eventually become polluted by the waste from the plant and run-off from the mining areas. This advice was not taken, and the company requested that the Indonesian government expropriate this land on their behalf.

The construction of a road to service the mining area of the town had already begun in 1973. This road cut across the irrigation channels of the villagers' sawah. The opening up of the hills had also resulted in a lot of run-off to the water courses of other sawah. The villagers claim some farmers lost their rice crop in 1973 as a result of these activities. In late 1973, the villagers' land was expropriated for the company. This meant a total transformation of the local economy.

To this point we could perhaps say that the local economy was dualistic in nature, wage labour providing an optional extra source of income to a people whose basic livelihood still derived from their fields. The expropriation of their lands left them without a stable subsistence base, as the swidden fields remaining could not provide yields to compare with the sawah, and so could not provide a stable basis for an agricultural economy. From that moment the fortunes of the people of Soroako became tied up with the fortunes of Inco.

Now only wage labour can provide a livelihood as secure as that provided by the sawah in the past, but, this is not available to all households.

The kabupaten (district) government negotiated on the villagers' behalf the payment of compensation totalling Rp. 40,220,000 (about US$100,000). This amount was considered insufficient by the villagers, who engaged a lawyer who negotiated with the provincial government and eventually secured a decision from the Governor that it should be increased by a further Rp. 33,000,000. These negotiations were completed in November 1977, but the bulk of the money had still not been received by the villagers when I left in March 1979.

A peak number of 11,000 jobs was available in 1975-76. The majority of these jobs were for unskilled labourers, recruited 'on site', from among people who came under their own steam from other parts of Sulawesi. It was the policy of Inco and its contractors to provide housing only for skilled, managerial and professional staff. Thousands of people poured into the existing centre of the village of Soroako. They built houses from whatever material came to hand — old packing crates and other cast-offs from the company, and jungle materials. No census figures are available for this early period of expansion, in 1975-76; however, by some estimates as many as 10,000 people were crowded into the village, many under slum conditions. Many of these people rented space from, or boarded with, the Soroakans, and this rent was an important source of income for many families.
The influx of these migrants greatly changed the village from one of less than a thousand people, all regarded as related in some way, to one of over 3,000 (the size at which is eventually stabilized) with a population comprised of many different ethnic groups.

The formerly quiet village, served by only a few local traders, attracted a large number of traders from other parts of Sulawesi, who came selling rice, sugar and other daily requisites, as well as clothes, fabric and other luxury goods to entice the wage-earners each pay day. Even the wealthy Soroakan families did not have the capital to begin large-scale trading immediately; so the majority, and certainly the wealthiest, of traders in the village are migrants from elsewhere — especially from Bugis areas.

At the same time as these transformations were occurring within the village, people from all over Indonesia and indeed from all over the world, were moving into the company town, which today accommodates a further 4,000 people. The villagers found themselves being incorporated into an even larger and more complex community.

CONSEQUENCES OF THE PROJECT FOR THE INDIGENOUS SOROAKANS

My research was carried out between July 1978 and March 1979. This period saw the end of the 'boom' period, with the end of construction.

To give some idea of the fortunes of the indigenous Soroakans in this period, I am going to discuss the results of a census carried out in December 1977, and a survey of sources of household income, carried out in October and November 1978. This reveals how the fortunes of the villagers, now no longer independent peasant producers, are integrally related to the fortunes of the company, and how their daily existence is dependent on decisions and factors of which they have no understanding and little control.

Table 1 shows that in the period between the two surveys the number of households with wages as a component of income declined from 62 per cent to 54 per cent. This reflects the fact that between mid-1976 and the end of 1978 about 7,000 people were retrenched.

<table>
<thead>
<tr>
<th>Components of household income of Indigenous Soroakans</th>
<th>(Percentage of households.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages</td>
<td>62</td>
</tr>
<tr>
<td>Agriculture</td>
<td>42</td>
</tr>
<tr>
<td>Rent</td>
<td>59</td>
</tr>
<tr>
<td>Trade</td>
<td>8</td>
</tr>
</tbody>
</table>

Table 1
In 1977, many households had already been hit by this running down of the workforce. In 1978, I found a total of sixty-four former workers, forty-three of them being household heads. Many of the indigenous population feel cheated, as well as alarmed, by this situation. They claim that at a public meeting held in 1975 company management promised that in employment they would be given preference over immigrants. The management denies having given such an undertaking. In any case, the villagers feel that the company has taken their land and hence their livelihood, and so has a moral obligation to guarantee them work. They say, at their most bitter, that they have been dianaktirikan (treated like step-children) in their own land. At their most optimistic, they say that if only the company would give all able-bodied men jobs, then their situation would be rosy. In the period when the contractors were winding up, Inco was also pruning its workforce, partly as a response to a decline in the world price of nickel and partly because the exploration division was being wound down. This created great unease among the villagers, who have no way of understanding the operation of a large corporate enterprise and tend to view their relations with the company (or rather, with those individuals who are their bosses) on a 'patron-client' model, entailing reciprocal rights and duties. Hence, if they are retrenched, it is often seen as personal betrayal by the bosses and by the company.

Another significant change, between 1977 and 1978, is shown in Table 2: about the same number of individuals received wages in the two years, but in 1977 more were in permanent, rather than casual, employment. Casual workers are employed on a daily basis, can be sacked at any time, and the take-home pay, at the rate of Rp. 1000 per day, is less than the average take-home pay of the permanent employee. (The average for Inco labourers was Rp. 40,000 per month in 1978. The take-home pay for contractor employees, who worked a sixty-hour week—twenty of those hours being compulsory overtime—was even higher.) In addition, casual employees, or employees of the small Indonesian contractors, are not eligible for free medical treatment at the company hospital.

<table>
<thead>
<tr>
<th>Employment of indigenous Soroankans</th>
<th>(numbers of people)</th>
<th>1977</th>
<th>1978</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inco</td>
<td></td>
<td>65</td>
<td>61</td>
</tr>
<tr>
<td>Large contractors</td>
<td></td>
<td>48</td>
<td>29</td>
</tr>
<tr>
<td>Total in permanent employment:</td>
<td></td>
<td>113</td>
<td>90</td>
</tr>
<tr>
<td>Small contractor offering casual employment</td>
<td></td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Inco casual</td>
<td></td>
<td>n.a.</td>
<td>17</td>
</tr>
<tr>
<td>Total in casual employment:</td>
<td></td>
<td></td>
<td>24</td>
</tr>
<tr>
<td>Household servant</td>
<td></td>
<td>10</td>
<td>5</td>
</tr>
</tbody>
</table>
We can also see from Table 3 that in 1977, the majority of households with income from wages have other sources of income; in particular income from rent, and, increasingly, from farming. The decline in importance of rent—a component of income in 59 per cent of households in 1977 but only 30 per cent in 1978—reflects the general running down of the workforce in this period, and the returning home of many migrant workers.

Table 3

<table>
<thead>
<tr>
<th>Sources of household income of indigenous Soroakans</th>
<th>(Percentage of total)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1977</td>
</tr>
<tr>
<td>Wages</td>
<td>18</td>
</tr>
<tr>
<td>Wages/agric</td>
<td>6</td>
</tr>
<tr>
<td>Wages/agric./rent</td>
<td>10</td>
</tr>
<tr>
<td>Wages/rent</td>
<td>25</td>
</tr>
<tr>
<td>Wages/trade</td>
<td>2</td>
</tr>
<tr>
<td>Wages/trade/rent</td>
<td>1</td>
</tr>
<tr>
<td>Agriculture</td>
<td>10</td>
</tr>
<tr>
<td>Agric./rent</td>
<td>12</td>
</tr>
<tr>
<td>Agric./rent</td>
<td>-</td>
</tr>
<tr>
<td>Agric./rent/other</td>
<td>3</td>
</tr>
<tr>
<td>Agric./rent/trade</td>
<td>1</td>
</tr>
<tr>
<td>Rent</td>
<td>3</td>
</tr>
<tr>
<td>Rent/trade</td>
<td>3</td>
</tr>
<tr>
<td>Rent/other</td>
<td>1</td>
</tr>
<tr>
<td>Trade</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
</tr>
<tr>
<td>No apparent source of income</td>
<td>1</td>
</tr>
<tr>
<td>Total:</td>
<td>100</td>
</tr>
<tr>
<td>Size of sample</td>
<td>187</td>
</tr>
</tbody>
</table>
The other group seriously affected by this decline in the work force is the traders. Only a few of the Soroakans are large traders; most of the indigenous traders sell a limited range of goods to supplement other forms of income. Seemingly paradoxically, there were more indigenous households with income from trading in 1978 than in 1977. As a group, the indigenes were slow to take up trading, mainly because of lack of capital. Many people adopted this as part of their strategy to survive, after having been retrenched. All workers received a sum of money related to length of service on termination of employment, and they used this as capital. However, they have been a little too late—the market has shrunk with the decline in the work force. Many of these small shops serve more as a way of circulating money among kin rather than as serious business enterprises. We can only speculate on how different the fortunes of some may have been if the land compensation had been speedily paid, providing them with capital for business enterprises.

The greater percentage of households with income from farming in 1978 reflects that this, too, is a pursuit to which many return after retrenchment. What this figure does not show is that not all these people are growing rice: some lost their jobs at a time inappropriate, in terms of the local agricultural cycle, to begin clearing and planting their swidden plots. Many of these people grow mainly bananas and vegetables for sale in the village; others fish. Just after the survey was carried out, the price of rattan had risen (partly as a result of the devaluation of the rupiah on 15th November); this rise made its collection a more attractive possibility to many. However, those households whose primary income is from farming are generally the poorest in the village. Many live almost permanently in the swiddens, returning to the village only for Friday worship at the mosque. Few can grow enough rice in the swiddens to meet all their subsistence needs; so in addition they must seek casual work, sell vegetables and so forth, to make ends meet. Many families survive by obtaining goods on credit from a trader who is neighbour or kin, and then seeking casual work to pay the bill. Much of this supplementary activity is dependent on the company's presence: the selling of foodstuffs; the renting of rooms to company employees; casual labour for the company, a small contractor, or in the fields of a company employee; and so forth. So even these supplementary sources of income are ultimately dependent on the activities of the company.

Many families have used the time of the household head's employment, or the opportunities offered by income from rents, to great advantage. Most have acquired furniture and other household items. Sewing machines, once a luxury item, are now in many homes. The amount of new building and renovation occurring in Soroako is remarkable. Many people have taken advantage of interest-free housing loans available to company employees. And many people have used their termination payments to buy engines for their boats, to set themselves up in a store, to establish clove gardens, and so forth.

During the time I was in Soroako, seven of the indigenous Soroakans, as well as a number of the immigrants, made the pilgrimage to Mecca. These people were all either traders or contractors to the company. It is interesting that all but one of the hajis are from the old influential
families of Soroako. They are doing well in the current situation, whether they have jobs or not. Some of the other villagers have become wealthy through successful promotion in the company, and are challenging the higher social status of the old leaders.

So within the village we can see new patterns of social stratification emerging. The traditional leaders are still among the wealthiest, and still command the legitimate right to positions in village government. However, the rupturing of the basis of the old economic order is paving the way for the restructuring of these relations. Significant in this is that real power in the area is now held by people from outside the old Soroakan society. The spheres where the voice of the traditional leaders has an impact are shrinking. Traditional leaders no longer dominate the local economy and the dispensation of largesse which accompanies that domination.

THE COMPANY COMMUNITY

The villagers may be differentiated among themselves, and the degree of social differentiation may be increasing, but in terms of the new overarching social order which has been established in the community comprising the village and the company town they are incorporated into the bottom rungs, whether it be as farmers, as wage labourers, or as small traders. The general form of this wider social order is given by the structure of the company work force.

Company employees are divided into four broad categories. At the present time, about 56 per cent of the work force are casual labourers (pegawai biasa), about 26 per cent are skilled workers (pegawai menengah), about 9 per cent are lower level technical professional and managerial employees (pegawai staf), and about 2 per cent form the highest level of technical professional and managerial employees (pegawai tinggi). In addition, about 6 per cent of the work force are foreign employees. (These foreigners are gradually being phased out, their jobs going to Indonesian employees in accord with the Indonesian Government's regulations about 'Indonesianisation'.)

There are substantial differences in wages between these groups. The average monthly wage for a labourer is Rp. 41,000 (A$60), for skilled workers, Rp. 82,000 (A$117), and for the two highest groups the average is Rp. 260,000 per month (A$371). Foreign employees are paid at rates calculated according to salary levels in their country of origin.

The distribution of other privileges and benefits increases the stratification of the company community. Fundamental to the structuring of the community is the allocation of housing. The majority of workers, the labourers, are not eligible for company housing. The rest of the work force are segregated into different areas of the company town, there being a separate area for each of the three classes of employees. The areas for the two top levels (pegawai tinggi and pegawai staf) also house foreign personnel. The standard of housing improves with rising status, the largest gap being between housing for pegawai menengah and pegawai staf.
In response to the situation of drastic overcrowding which developed in Soroako with the influx of migrant workers, traders and others, the company urged the provincial government to develop a plan for the re-ordering of Soroako, with planned streets and uniform-sized house lots, as a place of residence for the indigenous population only. At the same time town plans were established for two nearby centres, to take the excess population (these are the centres Wawandula and Wasuponda). Company employees can obtain interest-free loans to build houses in these three centres. Many of the houses in Soroako village are much larger and grander than the company housing in the nearby area for skilled workers, with the important difference that the village houses do not have running water and are only beginning to be electrified. However, the other company housing is luxurious even by Australian standards.

Other privileges are available only to residents of the company town: in particular, access to the two company schools, and the rights to shop in the company store, where certain goods such as soya sauce, coconut oil and sugar can be obtained more cheaply than in the village market. However, all company employees and their spouses and children are eligible for free treatment at the company hospital.

The differential access to these and other privileges, the differences in income between these different levels of company employees, and the segregation into different housing areas, underpin differences in lifestyle and mitigate against mixing between all these groups. Over 90 per cent of the unskilled labourers come from South Sulawesi, about 40 per cent being from the land shortage area of Tanah Toraja. The undeveloped state of the provincial economy means that the company has no trouble attracting unskilled workers, who come unsolicited, seeking work. However, the majority of technical managerial and professional employees, and a third of skilled workers, come from outside the island of Sulawesi (this is the situation in 1978). The company has to provide good salaries and conditions to attract and keep these higher level employees, but there is no need for such incentives to attract unskilled labour. Hence the differential valuation of the sectors of the work force, and the highly stratified nature of the community.

THE COMPANY'S ROLE IN DEVELOPMENT

Soroako is situated in kecamatan Nuha (Nuha Sub-district), the most remote corner of kabupaten Luwu, the largest and most sparsely populated kabupaten in South Sulawesi. The company has had to develop all the infrastructure necessary for the development and running of the project. For example, it has built a new road connecting Soroako with Malili. There is an air strip, and there are daily commercial flights to Ujung Pandang, the provincial capital. The world outside the area of the lake is now readily accessible to the villagers. The company has built a shopping centre and a market, the stalls being let out to traders.

However, the company's presence has not attracted more government attention, or funds, to Soroako. Quite the contrary. One can imagine that the Bupati (district head) takes the attitude 'Inco is in Nuha', and
so directs his meagre funds elsewhere. (The only income the kabupaten has obtained from the project is royalties for sand and gravel.) This lack of government activity is evident in the poor quality of government facilities in the village, in particular the government clinic and the school.

Only company employees and their dependants were eligible for treatment at the company hospital; in Soroako this only accounts for 45 per cent of the population. The rest had access to the tiny village clinic of Balai Pengobatan (First Aid Post) status. This clinic had no equipment and was open for, at best, a few hours a day. The villagers had little faith in this clinic, and their hopes were directed towards the company hospital. However, the charges made for treatment were beyond the capacity of most of the non-employees in the village. Some of the company managers were sensitive to the problem of having a restricted access hospital in an area where the general level of medical care was poor. It was decided that those villagers who could produce a surat miskin (letter certifying inability to pay) signed by the village head-man could receive treatment free or at reduced cost. Unfortunately this system did not work smoothly. People were often not told of the possibility of such consideration, and people bearing these testimonials would often still encounter demands for payment from the hospital staff.

When I spoke to senior management about such problems and pursued the question of why they did not supervise the implementation of such policies with more rigour, I was told: 'Well, ultimately we are here to make nickel'. Company personnel would often express the view that they did not wish to become the alternative government of the region.

The non-employed villagers were hopeful of gaining access to the company hospital, but did not see it as a denied right. However, those employees whose children were not eligible for the company school did feel resentful. The village school is overcrowded, having been built for 200 pupils and now housing around 400. As well as feeling resentful of exclusion from the company school system, the teachers and parents say that the 'extras' are mainly children of Inco workers, and they feel very strongly that the company ought to be more generous in its support of the school. There is particular resentment that village and especially village employees' children cannot attend the company's junior high school, the nearest public one being at Wasaponda.

The villagers are aware of the benefits which the company has brought. They know many of them are more affluent than before. Employees value the excellent medical care they receive. They speak with pleasure of the new experiences now opening up to them, and of the fact that their village has gone from being sunyi (quiet) to ramai (lively, crowded). However, they are also aware that the company has brought new problems, like the overcrowding of the school. One of the most contentious of these problems is the pollution of the lake, the main water source for the village, through run-off from the denuded hills and the pumping into the lake of sewerage from the company town. One of these outlets is in the centre of the village. The sewerage is supposed to be treated, but the treatment plants have not functioned properly.
The problem is exacerbated by the overcrowding in the village, which was of town size with village-style sanitation. This overcrowding is also felt to be the company's responsibility. The low profile of the government in the area means that there are no well-established channels through which the villagers can articulate problems and demands to the company. In the case of the water, a meeting was arranged in 1975, through the intermediary of a foreign employee, between the villagers and company management. At this meeting the company promised to install forty-two standpipes, to bring chlorinated water from the town water supply into the village. About six pipes were immediately installed, but these have not proven sufficient for the villagers' needs. They are still waiting for the rest to be installed. Good ideas, like the water pipes, the garbage collection services, or the *surat miskin* referred to above, are constantly being put forward and accepted as company policy, but the style of implementation usually leaves much to be desired. The problem is usually that the lower level employees charged with carrying out the policy fail to do so; the bosses do not pay the same attention to the implementation of decisions in these areas as they do in the case of policies more directly involved in the mining of nickel. At a meeting in 1978, which further discussed the problem of the water supply, the people representing the company did not seem to be aware that the earlier promise had been made.

This lack of awareness points to a fundamental problem with the kind of development which derives from the operation of foreign companies. The company's mode of operation is tied to an expectation of a strong role by the state in welfare and in the development of infrastructure. They are caught between this expectation, that matters like public health are government matters, and the reality of the low level of government services. They resolve it by providing services for their employees, and this causes dissatisfaction among the villagers.

In Soroako, it was clear that this resolution was in conflict with the moral principles of some of the foreign personnel. There are numerous instances of managers making humane decisions aimed at improving the lot of the villagers, which were never carried out. The kind of development which occurs in this situation brings affluence to some and brings a new degree of insecurity into the lives of many others. The major beneficiaries are not the indigenous population of the area.
NOTE

Tables 1, 2 and 3 are based on censuses which I conducted in Soroako in 1977 and 1978, and cover the administrative section of the village where most of the indigenous population live. The tabulations present here are the result of a preliminary computation of this data.

REFERENCE

The volume of goods and services produced in Indonesia has expanded rapidly since the late 1960s, following almost four decades of stagnation from 1930 to 1967. The growth has been most rapid in the natural resource based industries, mainly petroleum and timber but also other mining. The expansion of the natural resource based industries has provided much of the impetus for growth in other sectors of the Indonesian economy, but so far the benefits of that growth have been heavily concentrated amongst the small although rapidly growing part of the population that is employed in modern economic activities.

This chapter explores the impact of the expansion of the natural resource based industries on other components of the economy and on employment and incomes in Indonesia. It analyses the linkages between the natural resource based industries and other economic activities as a basis for a more general and qualitative assessment, focussing most closely on how 'dualism' or 'segmentation' in the Indonesian economy may have affected these linkages.

DUALISM AND SEGMENTATION

Mackie (1980) has described Boeke's (1953) characterization of the Indonesian economy as a 'dual economy', comprising one modern, dynamic, capitalistic, high-wage and highly productive sector and one traditional, stagnant, low-wage and relatively unproductive sector. Within this schema, exploitation of natural resources for export was archetypal modern economic activity, the expansion of which could be expected to have little or no impact on the traditional sector in which most Indonesians found their livelihood. One feature of the colonial economy from which Boeke drew his inspiration has been changed fundamentally by political independence: the independent Indonesian state has been able to appropriate and spend within Indonesia much of the rent of natural resources, whereas the colonial state was generally prepared to leave the greater part of the rent from such activities in the hands of operating enterprises, to be remitted to the owners of those enterprises in the advanced industrial countries. (Natural resource rent is income generated in natural resource projects, in excess of that which is necessary to induce the supply of all goods services and factors of production that are used in the projects). This change is potentially of great importance to the impact of the natural resource based industries on the economy.

Recent research has demonstrated that the Indonesian economy is better characterized as a series of segments, each with its own distinctive labour market conditions and technology, than as the two-sector economy defined by Boeke. Boeke's two sectors were separated by fundamental differences.
Ross Garnaut

of culture and race. The various segments of the more complex economy described by Manning (1980), Hill (1980), McLeod (1980) and Dick (1980) are formed and separated by the combined effects of differentiated technology, employment and formal educational experience of the work force, wage levels, labour stability, ease of entry, access to credit, nationality of ownership, susceptibility to regulation by the government and vulnerability to trade union pressure. The presence of segmentation does not depend on differences in psychological propensities between various groups in the resident population, such as Boeke's differences in preferences between income and leisure and between risk and certainty. It follows that within the segmented economy, individuals can be recruited from participation in one to another of the segments when there is sufficient time for adjustment and when objective economic conditions are favourable. Strong economic growth in one segment can cause labour to be drawn from others.

The components of the segmented economy can be represented as occupying places in a spectrum of economic characteristics between two polar extremes that have much in common with Myint's (1970) 'traditional' and 'modern' sectors. At one extreme are economic activities using largely traditional and labour-intensive technologies. Enterprises in this segment are smaller-scale and Indonesian-owned and have access only to relatively expensive credit. Indonesians employed in these activities earn low incomes, have relatively poor nutrition and health and relatively little experience of modern education. Other characteristics of these segments are ease of entry, high labour turnover and absenteeism, and sometimes low intensity of work effort.

At the other extreme are economic activities with more modern, complex, mechanized and capital-intensive technology, large scale of operations, high levels of foreign ownership, access to relatively cheap credit from the Indonesian banking system or from abroad, high incomes, better nutrition and health often supported by the provision of medical services in kind by employers, intense experience of modern education, strong barriers to entry into employment, low labour turnover and absenteeism, and high intensity of work effort.

The various segments of the Indonesian economy have technological, labour and other characteristics that lie between these extremes. The natural resource based industries are at the modern, high income, capital-intensive end of the spectrum. Most of the Indonesian work force continues to participate in segments close to the traditional, low income, labour intensive end of the spectrum.

It helps exposition to aggregate the various segments of the Indonesian economy into two groups: a group of the more traditional, labour-intensive and low income activities; and another of the more modern, capital-intensive and high income activities. These are described in this paper as traditional and modern groups of activities. Some analytic insights relevant to the present problem are lost in this aggregation; these are considered briefly in the concluding section of the paper. The modern activities can be thought of as including the national bureaucracy and military, the large agricultural estates, all foreign-owned, large and mechanized enterprises engaged in manufacturing, construction or the supply of services, virtually all mining and forestry other than the gathering of
timber for subsistence purposes, and all large scale and foreign-owned fisheries enterprises. The traditional group can be thought of as including all other activities.

THE ORIGINS AND DIMENSIONS OF THE RESOURCES BOOM

After a decade of stagnation, Indonesian exports of natural resource based commodities grew strongly from the mid-1960s. Petroleum exports alone have increased almost fifty times in dollar terms since the mid-1960s, and in real purchasing power by over twenty times. Petroleum contributed about one third of the value of total exports in the mid-1960s, and consistently over two thirds after 1973. The share of timber in the total value of exports increased to almost one quarter in 1973 from negligible proportions in 1966. The share of all natural resources based commodities in the value of exports rose from about two fifths in the mid-1960s to over four fifths in the mid-1970s.

The increase in the value of exports of natural resource based commodities reflected both expanded volumes and higher prices. After low growth in mining output and a large decline in forestry output from 1960 to 1966, the volume of output from these industries expanded very much more rapidly than gross domestic product in constant prices from 1966 to 1973 (Arsjad, 1980, Table 8.1).

The volume of output from the natural resource based industries has expanded more slowly in less buoyant international economic conditions since 1973. However, higher oil prices have caused continued increases in the share of mining in gross domestic product, from 12 per cent in 1973 to 19 per cent in 1977 (Arsjad, 1980, Table 8.2) and towards one quarter in 1979.

The increased natural resource based production since 1966 has been located almost entirely in the outer islands: petroleum in Sumatra, Kalimantan and Irian Jaya; timber mainly in Kalimantan but also in Sumatra; and hard minerals in Sulawesi, Irian Jaya and islands off the east coast of Sumatra.

The recent growth in natural resource based exports has had three main causes. Firstly, the more relaxed attitude to direct foreign investment of the Soeharto government, symbolized in the Foreign Investment Law of 1967, facilitated rapid growth in the productive capacity of the mining and forestry industries. Secondly, the huge expansion in Northeast Asian import demand for industrial raw materials through the 1960s, with rapid industrial growth in Japan and, later, elsewhere in Northeast Asia, transformed the commodity composition of exports towards minerals and timber in all of the Western Pacific countries which were relatively richly endowed with natural resources: Malaysia, Indonesia, the Philippines, Australia and Papua New Guinea (Garnaut and Anderson, 1980). Thirdly, the dramatic changes in the world petroleum market after 1973 caused the value of petroleum exports to continue to increase strongly despite slow growth in the volume of exports.
THE IMPACT OF THE RESOURCES BOOM

The expansion of the natural resource industries affect other parts of the economy through two channels: through the increase in demand for goods and services required as inputs into the natural resource based production; and through the expenditure of the natural resource rents. The expenditure of resource rents makes an additional contribution to total demand for goods and services, and also provides benefits of a more direct kind to its immediate beneficiaries.

Since Indonesian petroleum, hard mineral and timber resources are owned by the state, natural resource revenues usually accrue in the first instance to the state. Once received into the revenue, they are available to support the expansion of any of the activities normally financed from the budget of the state. It sometimes happens, however, that the resource rents are not identified and collected for the revenue, instead being dissipated in inefficient resource exploitation or diverted into the hands of the operating enterprise (in Indonesia, often state-owned corporations), corrupt officials, or domestic users of the materials who are given access to them at less than an economic (world market) price. This diversion of natural resource rent through the latter means has led to the expansion of industries which use the materials in production, for example timber processing, and fertilizer, cement and steel production. The diversion of petroleum rents into the income of the state oil company (Pertamina) in the first half of the 1970s spurred the establishment and expansion of a range of capital-intensive secondary and tertiary industries. This expansion of possibly uneconomic industries, mostly in manufacturing, has been another means by which demand for goods and services has been increased in the Indonesian economy as a whole.

The greatly increased incomes from the natural resource industries from the late 1960s allowed the accumulation of foreign exchange reserves and supported the free convertibility of the rupiah into other currencies. This removed the periodic shortages of imported raw materials, machinery and parts which had plagued Indonesian industry in the decade to 1967 (McCawley, 1978), and so made a further contribution to the acceleration of growth in the Indonesian economy as a whole. The balance of payments was strengthened by the resources boom to the extent that the increased incomes were not fully spent.

The increased demand for domestic inputs into resource exploitation itself has been small relative to the value of production. This is most obviously true with petroleum, where total costs of production are less than 5 per cent of the value of output, and where most costs represent payments for imported goods and services. Costs of hard minerals production are a higher proportion of the value of output but, again, imported goods and services represent the greater part of costs. Domestic costs are rather more important in the timber industry (Manning, 1971; Ruzika, 1979).

As much demand for domestic goods and services has probably been generated in downstream processing and manufacturing as in resource exploitation itself. The availability of low-cost petroleum fuels and feedstock has been a major factor behind the strong expansion of the cement and fertilizer industries and, recently, the establishment of an integrated steel industry. Processed timber exports have expanded rapidly in the place
of log exports in recent years, following more strict enforcement of a
requirement that 40 per cent of log production be processed in Indonesia.
Exports of sawn timber rose from $50 million in 1977 to annual rates of
$62 million in the first half of 1978, $119 million in the second half of
1978, $187 million in the first quarter of 1979 and $240 million in the
second quarter of 1979 (Garnaut, 1979).

But the major contribution to increased demand for goods and
services has been made by the expenditure of resource rents. Within the
petroleum sector, about one quarter of potential profits are diverted to
domestic users of petroleum in the form of lower than world market prices,
and over 85 per cent of realized profits before tax now accrue to the
revenue of the Indonesian state. The petroleum sector contributes directly
almost three quarters of domestic revenues collected by the national
government. The real purchasing power of petroleum revenues is now
several times total government expenditure in the 1960s. The resources
boom has financed a huge expansion of public expenditure, including public
investment. 3

To sum up, the resources boom caused rapid expansion of domestic
demand, and provided the foreign exchange earnings that made the
satisfaction of this demand consistent with balance in foreign payments
and currency convertibility. Much of the growth in the manufacturing,
construction, public utilities, transportation and communications and
other services sectors in the period from 1968 to 1977 (Arsjad, 1980,
Table 8.2) can be traced to this growth in demand. In addition, the
resources boom financed a large expansion in the quantity, and improvement
in the quality, of public administrative services, transport and
communications infrastructure, and other public goods.

THE IMPACT ON RELATIVE PRICES AND INTERNATIONAL COMPETIVENESS

The expansion of domestic demand in the resources boom generated a
price and cost inflation in those segments of the Indonesian economy most
directly affected by it. The prices of goods that were freely traded
internationally were at first pegged by competitive pressures so that the
price inflation was first evident in industries producing goods and services
which Indonesia neither exported nor imported. The abundance of foreign
exchange derived from the expansion of resource exports enabled Indonesia
to maintain a constant exchange rate against the United States dollar
despite the domestic inflation. As the increase in costs began to reduce
the competitiveness of import competing industries, the Indonesian
authorities readily granted protection against imports for manufactured
goods, allowing the domestic price inflation to extend into internationally
traded goods whose prices would otherwise have been kept down by import
competition.

Relative to trading partners and competitors, the Indonesian price
level increased by about 50 per cent after adjusting for exchange rate
changes (that is, there was an appreciation of about 50 per cent in the
'real exchange rate') between 1971 and 1976 (Garnaut, 1979, Table 8).
This meant that any Indonesian industry which sold its product on world
markets, or in competition with imports without increased protection in
domestic markets, and the costs of which moved more or less in line with
consumer prices, suffered a large loss in competitiveness over this period. Ricegrowers and manufacturers were broadly protected against this deterioration in competitiveness, but the position of the agricultural export industries deteriorated substantially from what it would otherwise have been. Cyclically high prices for some export crops, especially rubber and coffee, over part of this period, mitigated the effects of the reduced competitiveness on incomes in these industries.

By 1976 the resources boom had lost much of its strength, as a result of recession in the international economy after 1974, and after absorption of the increased oil revenues associated with the price increases of 1973/74. This reduced the upward pressure on Indonesian prices. Inflationary pressures were further reduced by the gradual removal of bottlenecks in the supply of many inputs into production of modern goods and services that had emerged in the resources boom, including managerial, technical and otherwise experienced manpower, and urban housing. In an economy in which unskilled labour was in surplus, the huge expansion of modern sector economic activity over this period gradually increased the supply of suitably experienced manpower and other domestic inputs into production. This could not have happened without permanently increasing labour costs in a labour-scarce economy. These effects were strengthened by reductions in the costs of operating modern sector enterprises with the improvement in communications and in efficiency in public administration through the 1970s, itself financed partly from the increased oil revenues. The Indonesian 'real exchange rate' against major trading partners depreciated considerably after 1976 (that is, the Indonesian price level rose less rapidly after adjusting for exchange rate movements), and had returned almost to its 1971 level by October 1978.

The large rupiah depreciation of November 1978 temporarily removed what remained of the cost disability vis-à-vis Indonesia's East and Southeast Asian competitors that had emerged during the resources boom, and temporarily placed Indonesia in its strongest competitive position of the 1970s, vis-à-vis major trading partners. But the competitive benefits conveyed by the devaluation were eroded rapidly by high Indonesian inflation through 1979. By the end of 1979, the real exchange rate vis-à-vis major trading partners had returned to the level immediately prior to devaluation, although a substantial part of the devaluation-induced gain in competitiveness against ASEAN and East Asian competitors remained.

Comparing the situation in 1979 with that at the beginning of the decade, the resources boom had raised the real Indonesian exchange rate relative to major trading partners and competitors. The decline in international competitiveness was most severe between 1972 and 1976. Domestic rice producers and import-competing manufacturers were more or less completely protected against the resulting increase in import competition. The profitability of the agricultural export crops industries was reduced considerably by the appreciation of the real exchange rate, but for several important commodities this affect was obscured by unusually high world market prices (Dick, 1979). The higher Indonesian cost level in itself inhibited the emergence of Indonesia as a large scale exporter of labour-intensive manufactures, but increasingly this was offset by improved communications and public administration, and from about 1976 by increased supplies of manpower experienced in modern sector activities. As the real
appreciation of the rupiah was eroded after 1976, at first with lower inflation in Indonesia than in other countries and then (temporarily) with devaluation, labour-intensive manufactured goods for the first time made a significant contribution to Indonesian exports (Garnaut, 1979). The resources boom probably delayed this important development, but by the end of the seventies the boom's negative effect on exports of such manufactured goods as textiles and clothing through the raising of the general price level was possibly fully offset by the improvement in infrastructural and modern sector skills and by the reduction of administrative impediments to the export of manufactures.

**IMPACT ON MODERN AND TRADITIONAL SEGMENTS**

The effects of the resources boom were concentrated heavily in modern activities. Despite its huge impact on the statistical aggregates, the resources boom probably had small net effects on traditional activities.

There were three main types of linkage between the resources boom and the traditional segments of the Indonesian economy. Firstly, the increase in aggregate demand within the high-income modern sector caused an expansion of employment within that sector, thus raising the incomes of those persons recruited from traditional activities. Secondly, the various demand pressures changed the terms of trade in commodities between the traditional sector on the one hand, and the modern and wider international economy, on the other. Thirdly, persons employed in traditional activities received some benefits from the expanded supply of government public goods and transfers.

The whole of the increased demand for goods and services in resource exploitation and processing and most of the increased demand generated by expanded public expenditure was concentrated in the modern sector. Even when public goods were provided for use by persons employed in the traditional sector, they were commonly made available through the national bureaucracy and their provision required substantial use of modern sector inputs.

Thus the huge expansion of aggregate demand through the resources boom led in the first instance to an expansion of modern employment and incomes. The tendency for the expenditure of modern incomes to be concentrated on modern goods and services would have ensured that the indirect effect of this initial impact on demand for labour was also concentrated within the modern sector. The resulting expansion of modern economic activities required the recruitment of large numbers of employees who would otherwise have experienced periods of unemployment, or much lower income traditional employment. Substantial numbers of Indonesians came to enjoy substantially higher material standards of living in urban modern sector employment.

But although the expansion of modern employment provided greatly improved economic opportunities for a large number of Indonesians, the expanded employment opportunities in the modern sector do not seem to have been large enough to have a major impact on the overall balance of supply and demand for labour in the traditional sector. In a few of the resource exporting provinces, regional labour scarcities developed and caused wages to rise, but in most of Indonesia real wages in the traditional sector do not seem to have risen at all through the 1970s (Manning, 1979).
There are now several examples of countries in Asia that have succeeded in substantially raising real living standards of the poorest groups in their workforces mainly though rapid expansion of high productivity modern employment. Increased scarcity of labour has raised incomes in the traditional sector towards those earned in modern activities and caused the amount of output from traditional activities to decline. But in the Indonesian case, starting with a small modern sector in the late 1960s and with a huge population engaged in low productivity rural and urban employment, a decade of very rapid modern sector growth made little impression on the balance of supply and demand for labour in the economy as a whole, and therefore had little effect on the incomes of persons who remained in traditional employment.

While employees in the traditional sector gained little or nothing in higher wages, traditional producers of cash crops for export received lower real incomes as a result of the resources boom, as discussed above. Traditional producers of goods and services for domestic markets could have been expected to suffer lower terms of trade and real incomes, given that the commodities that they sold to the modern segments (principally rice) were generally traded internationally. However, this tendency in Indonesia in the 1970s was substantially offset by protection for domestic rice production and direct subsidies for fertilizers and some other inputs into farm production.

Some Indonesians in the traditional sector benefited from the resources boom through access to subsidies and public goods financed by the huge increase in natural resources revenues. Some benefited from cash subsidies to the rice consumers and to users of fertilizer and fuels. The second five-year plan, from 1974 to 1979, provided for substantial expansion of kabupaten and village works programmes, primary schools and other rural facilities. However, the great bulk of the expansion in public expenditure, apart from the commodity subsidies, appears to have been concentrated on activities that provided few direct benefits to Indonesians in traditional activities. There is stronger commitment to expansion of the public goods and services available to persons within the traditional sector in the Third Five-Year Plan which is to run from 1979 to 1984 (Booth, 1979). However, difficulties in the implementation of a more rural-oriented strategy and concern about the possible inflationary consequences of increased rupiah expenditures have led to slow implementation in the first year of the new plan.

In sum, the resources boom was mainly a modern sector boom. It increased the number and raised the incomes of persons employed in the modern sector. There does not seem to have been an improvement in standards of living of the Indonesians who remained within the traditional sector. The terms of trade effects of the resources boom caused net gains to some groups within the traditional sector and net losses to others, but there was no apparent overall net gain to traditional sector producers from this source. In these circumstances, only large transfers or provision of public goods directly into the traditional sector could have ensured that persons on lower incomes were substantial beneficiaries of the resources boom, alongside participants in the modern sector who obviously did very well indeed. This has been recognized officially, especially in the Third Five-Year Plan, but there has been little progress so far on the correction of what are seen as weaknesses in past patterns of development.
CONCLUDING REMARKS

It remains to comment briefly on how recognition that both the modern and traditional sectors are themselves segmented is likely to have affected the general conclusions of the previous section. The failure of the huge increase in domestic expenditure through the 1970s to raise real wages in the traditional sector can perhaps be explained in terms of the extent of underemployment in the traditional sector and the huge size of this sector in comparison with the expanding modern sector, but the outcome was aided by the segmentation of both the modern and traditional sectors. The benefits of those few additional public goods that were made available to participants in traditional activities probably went disproportionately to individuals and enterprises in segments of the traditional sector in which more capital intensive techniques were employed.

The segmentation of the Indonesian economy would have caused patterns of gains and losses for various groups from changes in terms of trade to have been more complex than the earlier discussion would suggest. It would probably cause both inflation and unemployment resulting from large changes in relative prices, such as those associated with the resources boom and the subsequent 1978 devaluation to be larger than would otherwise have been the case. The combination of large increases in demand for the products of some segments and declines in demand for others could be expected to generate both inflation and unemployment in the segmented economy in the short term, whereas it might have been expected to promote large movements of labour without unemployment or inflation in a perfectly integrated national economy.

The response of the Indonesian economy to the resources boom can be contrasted with that under similar circumstances of economies in which labour is more or less fully employed in relatively high productivity activities (perhaps Australia in the late 1960s and early 1970s), or in which the traditional sector lacks Indonesia’s abundance of labour that is underemployed in low productivity activities (perhaps Malaysia or Papua New Guinea over the past decade). In the former case, a large increase in natural resource exploitation and production has a large positive impact on real wages more or less independently of the manner in which resource rents are spent. In the latter, the modern sector could expand only with increases in real wages since the increased labour requirements would have had to have been recruited amongst groups where rural alternatives were progressively more favourable.

The high growth in modern sector demand for labour through the period 1968/78 has made little impression on the overall surplus of labour in Java. It is possible that the high growth of the recent past can be maintained through the 1980s despite the reduced impetus to growth from the resources sector, with the expansion of manufactured exports playing a major role. One of the surest means of raising living standards for the great bulk of the population is to make labour scarce in the process of economic growth. But the experience of the recent past suggests that the improvement of the welfare of most Indonesians by means of increasing demand for labour in the modern sector of the economy would require strong growth well beyond the end of the coming decade.
The alternative to relying on increased scarcity of labour is to do more with transfers and public goods directly into the various segments of the traditional sector, financed by the resource revenues which are still being made available in large and increasing amounts to the Indonesian authorities. Whether the Indonesian political system is able and its operators willing to effect these applications of resource revenues is a question that is taken up in other papers, especially in Part II of this volume.

NOTES

1 For discussion of the concept of economic rent is applied to natural resource based industries, see Garnaut and Clunies Ross (1975). The concept is applied to the Indonesian timber industry in Ruzicka (1979).

2 For an account of the growth of the timber industry over this period, see Manning (1971).

3 The contribution of Gross Capital Formation in Gross Domestic Product rose from 8.8 per cent in 1968 to 18.9 per cent in 1977 and the overwhelming bulk of the increase represented public investment. The share of Government Consumption Expenditure in Gross Domestic Product increased from 7.5 per cent to 10.9 per cent over the same period.

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GROWTH AND POVERTY
GROWTH AND EQUITY OBJECTIVES IN ECONOMIC THOUGHT ABOUT INDONESIA

H.W. Arndt

The history of thought, as of everything else, in or about Indonesia naturally falls into two parts: before and after independence. The first half of this paper, therefore, will deal with thought, mainly Dutch thought, in the colonial period, the second with thought, mainly Indonesian thought, since independence.

THE COLONIAL PERIOD

Equality. Colonial society is quintessentially unequal. For three hundred years the Dutch were the masters in Java and later also in the Outer Islands. The inequality between them, the white rulers, and the 'Natives' completely swamped and almost hid from view the continuing social gradations within the native Indonesian society, the feudal structure of sultans, nobles, chiefs, headmen and others. Although it played some part because the Dutch used the native aristocracy as agents of indirect rule, inequality within native Indonesian society did not become an issue until after independence.

Neither, however, was inequality between rulers and ruled an issue, in the sense that it was widely discussed. Until Dutch rule came to be challenged by Indonesian nationalism, and of this there was little before the 1920s, the colonial situation was taken for granted. The voluminous and intellectually vigorous history of Dutch thought about the political economy of the Dutch East Indies is almost wholly concerned with development, not equality. The questions at issue relate to the desirability and possibility of economic development, in something like the western sense of Material Progress, for the native Indonesian population.

The Desirability of Development. The motives which propelled the European expansion and from the sixteenth century onwards imposed white domination over much of the non-white world were mixed. But Dutch motives were less mixed than any others. The Dutch were not out to convert heathens, like the Spanish and Portuguese, nor were they much worried about glory, a not insignificant motive in the creation of other colonial empires, nor about their Civilizing Mission, like, above all, the French. They did not seek markets for their manufactures, like the British (indeed, right to the end, they feared British penetration of the Indonesian market); nor raw materials for their own needs, like the Japanese — the produce of the Dutch East Indies was sold in world markets. It is not even plausible to argue, as Sukarno once did,¹ that Dutch imperialism exemplified the Hobson-Lenin thesis, 'finance capitalism' seeking outlets for investment capital. Investment in transport and other infrastructure and in plantations was no more than a necessary means. The end was profitable trade.
If, as can plausibly be argued, development in the modern sense of rising living standards was the ultimate objective — throughout the colonial era it would have been called Material Progress — it was always, in the last resort, as in all colonies, development for the rulers, not for the ruled. Until well into the nineteenth century, Dutch policy for native Indonesian society was to leave it as untouched as possible. As Geertz has nicely put it, 'Dutch policy aimed at bringing Indonesia's crops into the modern world, but not her people'. And indeed, the dominant trade motive made this a less obviously unattainable aim than a proselytizing or 'civilizing' or even a market-creating motive would have done. But trade, and colonial rule for the sake of trade, did in fact impinge on native society and welfare, directly and indirectly, to an ever-increasing extent and in many respects in increasingly damaging ways.

The process began even before colonial rule was formally established. 'The Netherlands East Indies Company did not want much in the way of land or political power in the Indies — all they wanted was profitable trade — but what they felt necessary for their trading operations they took readily enough.' And more and more, political power and land and labour, seemed necessary. Boeke and his contemporaries among Dutch scholars, Furnivall, Geertz and others have described how, first under the culture system then under the banner of laissez faire, the notion that it would be possible 'to draw a commercial profit from Indonesia while leaving its inhabitants unharmed, even, in any fundamental sense, untouched' proved increasingly unrealistic. Not only did the hunger for land and labour of the plantation system impose heavy economic burdens on the peasantry, but colonial rule and the intrusion of Western ideas and techniques persistently loosened the bonds of the traditional village society. Most seriously in the long run, the importation of Western public health practices, by reducing death rates, accelerated the rate of population growth and towards the end of Dutch rule raised the spectre of Malthus in much of rural Java.

By the end of the nineteenth century, official Dutch opinion came to acknowledge that laissez faire was not enough, that the economic and social condition of the indigenous population was deteriorating and that the colonial administration had to assume more active responsibility for native welfare. To cite Geertz again, when 'the peasant subsidization of the export sector through low rents and wages became...altogether oppressive...articulate Dutch moralists would arise to stir Holland's Calvinist conscience'. It was the beginning of the Ethical Policy which, with much the same purpose as the 'Dual Mandate' of British colonial theory, led in the following decades to a variety of policies, programs and experiments designed, in the much-quoted words from a speech by Queen Wilhelmina in 1901, to counteract 'declining native welfare'.

It was a change from relative indifference to relative concern, a concern for native welfare which had undoubtedly motivated many conscientious and humane Dutch colonial administrators in their day-to-day work but which now also became a major feature of official policy. It still fell well short of the development objective as it came to be interpreted after World War II. That economic development, in the sense of a sustained rise in the living standards of the Indonesian people,
was desirable would probably have been denied by few Dutchmen had the question been put to them. But it was not a question that was asked much in Western countries, or one which the more philosophically inclined and those with most personal knowledge of the Indies would have answered without considerable reservations.7

What Indonesian people thought about the desirability of economic development we can only infer from limited evidence. The great majority, as in all traditional societies, while resenting exactions, oppression and humiliation, and taking advantage of such opportunities for improving their lot in small ways as presented themselves, rarely, it is safe to assume, conceived the possibility of a fundamental change. An emerging urban middle class of small officials, traders and intellectuals, as it came increasingly under the influence of Western values and attitudes, began to think in Western terms about material progress as well as about national independence from colonial rule. In Wertheim's words, 'although the desire for freedom and patriotism naturally go deeper than the simple striving to better one's position in life, nevertheless, the wish to supersede the leading social strata of colonial days, played an important role with this group'.8 On the other hand, as Wertheim has also pointed out, 'the reaction of Indonesian society to Western penetration often assumed an escapist character... Javanese court culture... was characterised by a certain ossification and by the exclusion of foreign influences'. Nor was this reaction confined to the nobility. 'The great mass of the peasants also tended at first to react to the disturbing dynamic influence of the West by a flight into the rustic past... a retreat into magic and mysticism and the expectation of a Saviour,... the ratu adil, the just Prince.'9

The Possibility of Development. Disappointment with the failure of the Ethical Policy to make any significant impact on the poverty and apathy of the Indonesian masses led one school of Dutch thought in the early years of this century towards pessimism about the very possibility of economic development in Asian societies, such as that of Indonesia. The leading figure in this school was the colonial economist, administrator and writer, J.H. Boeke. His famous theory of dualism, in its first formulation, is very different from economic and technological dualism, the contrast between modern and traditional sectors of developing economies, familiar in modern development economics. Boeke, contemporary of Kipling, had come to the conclusion that the root cause of the problem was to be seen in 'profound differences between Western society and colonial Eastern society'.10 'The basis for the divergence between Western and Eastern economic theory must be sought in the restrictedness of needs', more specifically of 'economic needs' (for goods and services) as contrasted with 'social needs' (for prestige and status).11 The lack of economic needs implies that Western economic theory with its model of Economic Man does not apply to the native people of Indonesia. Their characteristic reaction to economic opportunities is described by what economists nowadays would call a backward sloping supply curve: 'When the price of rice or coconuts is high, the chances are that less of these commodities will be offered for sale; when wages are raised, the manager of the estate risks that less work will be done;... only when rubber prices fall does the owner of a grove begin to tap more intensively... This inverse elasticity of supply should be noted as one of the essential differences between Western and Eastern economies.'12
When Boeke first propounded this theory, his chief concern was to warn against undue optimism about the prospects for economic development in Indonesia, in much the same spirit as Frankel and Bauer fifty years later. In diametric contrast to our latter-day Maoists, Boeke thought the first need was to create among the Indonesian people a desire for increased welfare. This, he thought, was a problem of education, a slow, laborious process demanding a great deal of patience. The first duty of the colonial authorities should be to create an indigenous elite. Only such a group would be capable of stimulating the Indonesian masses to greater activity by their example.

The debate started by Boeke has never ended. Dualism has undergone successive re-interpretations. Boeke's hypothesis of a preponderantly backward-sloping supply curve in Asian societies soon provoked dissent and has, in general, been rejected by most development economists. They tend to agree rather with the other great figure in colonial economics, J.S. Furnivall. In his great book *Netherlands India* (1944), he pointed out that, 'in the early days of Dutch rule, the people took to new crops where these were profitable, and that a rise of price for any commodity increased the supply to an extent that was sometimes embarrassing' and argued that 'these circumstances make it difficult...to acquiesce in [Boeke's] view as to the absence of the economic motive in the native society'.

For the first two-thirds of this century, the history of Indonesia tended to bear out Boeke's pessimism about the prospects of economic development. Writing in 1966, Benjamin Higgins had ample grounds for including among his case studies of economic development the case of 'Indonesia: The Chronic Drop-Out'. But the diagnosis of the problem has generally been rather different from Boeke's. Furnivall, in so far as he conceded that weakness of the economic motive had been a major obstacle to Indonesian economic development, attributed this weakness not to any inherent differences between Western and Eastern society but to the fact that the Dutch, in their anxiety to conserve the native social order, 'omitted to cultivate the development of economic activities among the people' and, more particularly, that 'the motive power of labour was compulsion and not profit' so that the Indonesians' 'economic sense grew feeble even than it had been under native rule'.

Other Western students of Indonesian economic history — admittedly mostly non-Dutch — have even more strongly put the blame on Dutch colonial rule. Geertz, in his well known book *Agricultural Involution*, contrasted Java with Japan. In Japan, practically all the increase in the labour force between 1872 and 1940 was absorbed in non-agricultural activities. There was little change in the size of the rural population. Japan, in short, did not involute. Why? 'Where Japanese peasant agriculture came to be complementarily related to an expanding manufacturing system in indigenous hands, Javanese peasant agriculture came to be complementarily related to an expanding agro-industrial structure under foreign management.' In Japan, the industrial sector, once under way, re-invigorated the peasant sector through the provision of cheap chemical fertilizer, more effective farm tools, support of technical education and extension, and, eventually, simple mechanization. 'In Java, most of the invigorating effect of the flourishing agro-industrial sector was exercised upon Holland and its impact upon the peasant sector was...'
But, though this is to anticipate, the conditions demanded by Geertz—a growing industrial sector mainly in indigenous hands—have been met in the past twenty-five years, with much less success than in Japan, although perhaps twenty-five years is too short a testing period. Higgins gave a more fundamental reason why Dutch colonial rule must bear the blame. 'In essence, the Indonesian tragedy is a story of repeated nipping off of a budding entrepreneurial upsurge by a political elite essentially hostile to it.' The Sultans of Mataram had shown no reluctance to 'sully their hands in trade' but were crushed by the Dutch. Raffle's reforms might have generated a take-off had they been pushed for fifty years instead of five. 'The latent entrepreneurial and labor skills, which were to be disclosed and then repressed by the Dutch, might have found scope for development.' The culture system demoralized the Javanese aristocracy by converting them into low-grade NEI civil servants. 'The "ethical system", with its bevies of enthusiastic do-gooders in the civil service, completed the process of demoralizing the Javanese aristocracy. For under the ethical policy, Dutch officials felt it to be part of their job to protect the Indonesians from their own chiefs.' Finally, the Great Depression stopped the sugar boom which might have had some westernizing effects on Javanese society and led to an even more highly regulated economy, a disastrous legacy to independent Indonesia.

INDEPENDENT INDONESIA

Nothing illustrates so strikingly the westernization of Indonesia, as indeed of most of the Third World, as the extent to which its political thought, across the spectrum from conservatism to communism, has been derived from the West. While the practice of politics and administration and social behaviour has moved away from traditional patterns only slowly and patchily, the main strands of Indonesian thought about society, including thought about development and equality, have been almost entirely echoes of Western thought, and have differed only in a little local colour from the same ideas in other developing countries, from India to Egypt and Mexico. The fact that the politics and economics of Indonesia have been the subject of voluminous writings by foreigners has, of course, reinforced this tendency.

The scanty pre-1945 literature of the Indonesian nationalist movement had very little economic content. The emphasis was overwhelmingly on national identity and national liberation. To awaken national pride, it was more helpful to look to the past than to the future. 'We had a glorious past', said Sukarno in 1930. 'The story of those beautiful times' includes even 'a healthy feudalism'. But 'no man can accurately foretell the future... Not even the Marxists were able to predict the exact form which a socialist society would take'. On the eve of liberation from colonial rule, Sukarno proclaimed the Pancasila, the five principles of nationalism, humanity, democracy, well-being and belief in God, which has remained formal state philosophy ever since. But the fourth principle he was able to expound only in utopian images of 'a new world in which justice did prevail', where 'the people who have felt that they lacked enough to eat, enough to wear', would 'live in comfort'. In its first manifesto, the nationalist leadership was hardly more specific about its
economic program. 'Citizens and residents of Indonesia will be the beneficiaries of the reconstruction program we plan to put into operation. All groups of the population...will be guaranteed the opportunity to engage in any legitimate form of work they may desire.'

The nationalists, to a man, called themselves 'socialists'. They unanimously rejected capitalism and 'liberalism' which, in its Dutch colonial shape, they held responsible for all the country's ills. 'The deeper capitalism penetrated into the Indonesian community, the worse became the living conditions of the people.' 'Liberalism' was associated in their minds with 'exploitation of man by man' and 'devil take the hindmost' and was—and remains to this day among Indonesian intellectuals—a dirty word.

As in most Western socialist thought before World War II, what the Indonesian nationalists meant by socialism had little to do with 'development'. Poverty was due to exploitation, in this case by foreign capitalists. The solution, not perhaps the whole solution but the first large step, was to overthrow capitalism, in this case through national liberation from the colonial yoke. Neither was there at first much explicit thought about equality. During the years of revolutionary war, and for some years after formal independence was achieved, the inequality uppermost in Indonesian minds was that of colonial domination. Nationalist resentment of Dutch and other foreign exploiters left little room for views about equality within indigenous society, although in parts of the Outer Islands the revolution turned also against indigenous rulers, with wholesale massacres of local sultans and nobles. But from the day that Indonesians assumed responsibility for the future of their country, development and equality have, in Indonesia as throughout the Third World, been the two objectives contending for supremacy in the political arena, 'development' being given successive connotations much in line with intellectual fashions overseas, and 'equality' being interpreted with varying emphasis on different kinds of divergence of wealth and income, status and power.

One facet of inequality which, in Indonesia and other countries of Southeast Asia, has given a special dimension to almost all problems of development has been the presence, and after the expulsion of the Dutch the increasing dominance in the country's business life, of overseas Chinese. It is a problem—perhaps the most conspicuous outcome and symptom of what Higgins defined as the Indonesian tragedy—which fits neatly neither into the traditional categories of anti-colonialism nor into conventional Marxist ones of class conflict. How to strengthen the 'weaker economic groups' of pribumi (indigenous businessman) vis-à-vis the Chinese with their superior business skills and resources, how meanwhile to retain the indispensable contribution of the Chinese to the nation's commercial life, and how to prevent communal tensions from erupting into open friction: the sum of these has been a major element in all policy-making in Indonesia in the past two decades. But it is not readily handled in the context of the development-equality dichotomy and must therefore be left with this brief reference.
Although 1965 constitutes a much less clear watershed in thought than in policy, it is convenient to summarise the main strands separately for the two periods before and since that climacteric.

The Sukarno Era, 1950-65. The Republic of Indonesia was born in the post-war years of enthusiasm for and optimism about economic development. Western economists thought they knew, at least in broad outline, what policies were needed to bring about a 'take-off', and some went to Indonesia as advisers. There were, among Western-trained Indonesian intellectuals, not a few who shared this outlook and, for a time, their views were influential in policy. Sjafruddin Prawiranegara, President of the Central Bank through most of the 1950s, exemplified this group. Writing in 1953, he analysed the cause of declining production, listing among others the 'feelings of hatred and aversion evinced by the Indonesian community in regard to foreign enterprises', 'highly idealistic views' which are 'definitely not practicable', and 'the unwieldy centralization of authority in Djakarta' which he identified as 'a brake on economic development'.

In 1954, Soedjatmoko, one of the outstanding Indonesian intellectuals of his generation, arguing against traditionalists on the Right, stressed the urgency of development. 'It is necessary that there should exist a realization of the speed with which measures for economic development must be put into effect. There must no longer be any moral equivocation as to the virtues or disadvantages of economic development... The concepts of our traditional philosophies and of the \textit{wedhotomo} ethics, whatever the nobility of values these embody, were rooted in a feudal-agrarian pattern which can no longer endure now that the old structure is collapsing.' In the following year, Widjodo Nitisastro, then a recent graduate, argued against the simplistic egalitarianism of the Left. While careful to concede that 'in the course of economic development both of these ends, redistribution of income and increasing of per capita income, should be realized concurrently', he warned that 'redistribution of income, unless accompanied by efforts directed toward raising the level of per capita income, would almost certainly act as a restraint on initiative and thus result in a general decline in the rate of expansion of production'.

But this was a minority view which lost out increasingly as parliamentary democracy gave way to 'Guided Democracy' and the economy drifted into chaos. Sukarno, as he once frankly admitted, was 'not an economist'. He could not see why Indonesia's economic problems could not be solved, given her 'natural riches' and 'abundance of labor power'. While Sukarno increasingly sought escape from unmanageable economic problems in foreign policy confrontations, the majority of moderate opinion sought refuge in a vague idealism centring on the 'Principle of the Family Relationship' enshrined in the 1945 Constitution or, still more generally, on 'the principles of humanity and social justice'. There was a consensus that Indonesian society is and must remain 'collectivist in character'. But this was given little more concrete meaning than a resolve that 'the distribution of the social product should no longer be left to the forces of the market. The organization of economic life we have in mind is a planned economy guided by socialist ideals'.

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On the Left, the Indonesian Communist Party was equipped with the standard armoury of Marxist ideology, adapted to Third World requirements. In the 1950s, until the expulsion of the Dutch in 1957 and the takeovers of other foreign-owned enterprises, the emphasis was on the fact that 'the imperialists still dominate in the economic field'. But with this was linked the struggle against the 'remnants of feudalism' and against local (especially, but not exclusively, Chinese) capitalists. The poverty and backwardness of the peasantry were blamed by the PKI leader, Aidit, on the 'monopoly' of land ownership by big land owners, while the role of local business groups was characterized by such statements as 'the imperialists utilize compradores and usurers to throw out wide nets of exploitation'.

Ten years later, in the last year of the Sukarno era and of his own life, Aidit was still complaining that 'we still have not eradicated the last vestiges of imperialism'. While he could, as a schooled Marxist, speak of 'the growth of productive sources' in the abstract, his thinking was dominated by notions of how Indonesia could become wealthy which had nothing to do with development. With reference to the nationalization of Dutch enterprises, he said he doubted that 'but for our revolutionary activities...we could have gained such wealth within the space of a few years. And we can be sure that in the not too distant future our country will "harvest" again by carrying out even tougher actions against the U.S. businesses'. But he saw realistically enough what was wrong with the Sukarno economy — 'the various widespread forms of extravagance, inefficiency, and corruption that now occur'. In this respect, his judgement was completely in harmony with that of detached foreign observers. Lance Castles, writing early in 1965, reported, 'In spite of official reiteration of the goal of a just and prosperous society, the impression of many observers has been that along with a decline in per capita income, the contrast between rich and poor has actually sharpened. Real wages have fallen heavily. Yet the scale of conspicuous consumption in Djakarta seems to have grown... In the cities, especially in Djakarta, the socio-economic cleavages are widening'.

The New Order, 1965-79. The developments and controversies of the last fifteen years are more familiar and need not be discussed in detail. The Suharto government, taking over an economy in utter disarray, initially gave economic 'stabilisation, rehabilitation, development', in that order, priority over all other objectives. The first Five Year Plan, Repelita I, which came into force on 1 April 1969, implemented this strategy, with priority for agriculture (especially rice production) and agro-related industries. Social policies, except for education and family planning, received scant attention.

Criticism on this score came to be voiced by foreign observers, taken up by voices among articulate Indonesian opinion, especially students, and erupted during the visit to Indonesia by the Japanese Prime Minister in January 1974. The second Five Year Plan, published some weeks later, responded to this criticism by proclaiming a shift of emphasis towards 'problems which were recognised but could not be overcome in the first Plan: widening opportunities for employment, more equitable distribution of income, improvements of the market structure, increased development in the regions, transmigration, greater participation of the people in development, more attention to education and other non-economic aspects'.
What was at first interpreted as little more than soothing rhetoric almost fortuitously gained some substance with the oil bonanza of that year. Money was suddenly available to finance substantial social welfare programs, such as an expanded kabupaten and village public works program, primary school expansion, greatly increased salaries for school teachers, schemes for community health centres and drinking water facilities in rural areas, transmigration and associated regional development. The third Five Year Plan which came into force earlier this year (1979) has further increased the relative emphasis on social objectives.

None of this has as yet greatly impressed the critics. The evidence, though not entirely unambiguous, fairly clearly indicates an increase in inequality of wealth and income in Indonesia in the past decade. And although this has accompanied unprecedentedly rapid growth in total and per capita income — rather than declining per capita income as in the years of Guided Democracy — so that the living standards of all sections of the population, including the bottom forty per cent, have almost certainly improved in some degree, this has not satisfied many in the world intellectual climate of the 1970s. Economic growth has been at a discount among the intellectual avant-garde of the West; the trade-off in development strategy has shifted towards equality. And the Indonesian intelligentsia has tended to follow suit. Thus it was not surprising to find Dr Mubyarto, a prominent academic economist, denouncing the 6.5 per cent per annum growth target of Repelita III on the ground that it could be achieved only by giving growth of the modern sector undue priority over social objectives of equity and employment, and Dr Soedjatmoko giving sympathetic, though in the end critical, consideration to the so-called 'Basic Needs' model.

Meanwhile, outside Indonesia, neo-Marxists and other radicals of the Left have continued their campaign of vilification of the Suharto regime and all its works, using substantially the same arguments as they do against non-Marxist regimes elsewhere, in Asia, in Africa and in Latin America, and holding up, as examples for Indonesia to follow, Mao's China, Ho Chi Minh's Vietnam and (for good measure) Nyerere's Tanzania.

CONCLUDING REFLECTIONS

Let me conclude with two reflections. Amidst all its intellectual confusion, the radical-left position contains at its core a profoundly important point which was made squarely in an anonymous article, not from the extreme Left, published in Indonesia in 1946. 'But, and this is too easily forgotten by the defenders of the liberal economy, the element of power plays an important and decisive role in the totality of factors on the side of demand and supply.' In Indonesia in the past decade military and civilian power holders have unquestionably appropriated for themselves a disproportionate share of a rapidly growing cake. But this is the way of power holders. Mankind has found only three ways of imposing some restraint on this tendency. One is to give power to revolutionary leaders imbued with ideological or religious zeal which, for a time, lifts them above the need for material satisfactions. A second is to limit power by checks and balances. A third is the occasional
emergence, in a slow civilizing process, of elites with aristocratic, public service or professional ethics. Twentieth century totalitarian regimes of the Left and Right, with their extremes of inequality of power and privilege, have provided, and are continuing to provide, terrible examples of the price that societies have to pay for the first, very partial and temporary, answer to the problem. One can only hope that Indonesia will look for some combination of the second and third.

The second reflection relates to the grim figure of the Ayatollah Khomenyi. As yet, there are no serious signs in Indonesia of the kind of backlash against all modernization which has overwhelmed Iran. There have been times when foreign observers of the impact of the West on Indonesian traditional society and culture have come close to wishing Indonesia would follow Gandhi in utterly rejecting western civilization and material progress.\(^5^2\) It would be surprising if, in staunch Moslem and other conservative circles in Indonesia, such views were not to be found, now as in earlier periods,\(^5^3\) though one would have to look for it in out-of-the-way newspapers and other literature which I have not had the opportunity to consult. We can be sure that the Indonesian leadership has been following events in Iran with keen and anxious interest. But the general view among knowledgeable observers appears to be that such fanatical versions of Shiite Islam are unlikely to come to the fore in Indonesia.

NOTES


4Geertz, op.cit., pp.49-50.

5Ibid., p.49.


7See below, footnote 50.


9Ibid., p.269.

10J.H. Boeke, Oestere economie (1955), quoted in Wertheim et al., op.cit., p.35.
11 J.H. Boeke, Tropical-Colonial Economics (1910), Chapter 1, reprinted in Wertheim et al., op.cit., pp.69 ff.


14 Wertheim et al., op.cit., p.31.


16 J.S. Furnivall, Netherlands India: A Study of Plural Economy (1944), Amsterdam, 1976, pp.454, 456. Boeke's view still had adherents. D.H. Penny has sometimes taken a similar position. 'In most of Indonesia, farmers do not attempt to maximise their incomes nor do they respond strongly to economic incentives.' In North Sumatra, for example, farmers preferred not to take up empty land because they believed that 'no man should get more land than he needs to live satisfactorily' ('The Economics of Peasant Agriculture: The Indonesian Case', Bulletin of Indonesian Economic Studies, October 1966, pp.27, 29). Again, in his joint study with M. Singarimbun of poverty in a Javanese village, he explained that 'the Javanese peasantry, both its rich and its poor, has long had a concept of what constitutes "enough". The word they use is cukupan. It is applied to what they see as being the reasonable needs of the ordinary peasantry' (Population and Poverty: Some Economic Arithmetic from Srihardjo, Cornell University, May 1973, p.2.) Such an attitude logically implies a backward-sloping supply curve. Penny, however, has also advanced an alternative explanation of what he calls the 'non-developmental response' of Javanese peasants. He attributes it to an extremely high subjective risk premium, the cumulative effect of Dutch colonial policy, instability of markets and capricious post-independence government intervention. 'It is as if they associate commercial crops and new methods with calamity' (Bulletin of Indonesian Economic Studies, October 1966, p.37). This attitude, in contrast to the first, is consistent with the assumption of Economic Man.

17 Higgins, op.cit., Chapter 31.

18 For an account of Boeke's intellectual Odyssey after his initial formulation of the theory of dualism, see Wertheim et al., op.cit., 'Introduction'.

19 Furnivall, op.cit., p.456.

20 Geertz, op.cit., pp.130 ff.

21 Geertz, op.cit., p.135
And why was Indonesia unable to resist the Western onslaught and to undertake modernization under its own Meiji? Had the Portuguese arrived a century earlier, Higgins speculated, or the Dutch two centuries earlier, when there was still in Indonesia a powerful Madjahapit empire, 'the "response" to the "challenge" provided by the arrival of the Europeans might then have been similar to the Japanese response to the European challenge some 350 years later' (ibid., p.684). It might, or it might not.


Sukarno, 'The Pantja Sila' (1945), ibid., p.40.

Sukarno, 'Political Manifesto of November 1945', ibid, p.50


See above, footnote 22.


Widjojo Nitisastro, 'Raising Per Capita Income' (1955), ibid., p.382.

Sukarno, 'The Economics of a Nation in Revolution' (1963), ibid., p.392.


D.N. Aidit, 'A Semifeudal and Semicolonial Society' (1957), ibid., p.249.


46 Quoted ibid., p.28.


51 'S', op.cit., p.231. According to Feith and Castles, the authorship of this article has been attributed to Dr Sumitro Djohadikusumo.

52 For Boeke's Gandhiist phase, see Wertheim et al., op.cit., p.43. Furnivall reached a somewhat similar view when he contemplated the wreckage of Burmese traditional community life; cf. J.S. Furnivall, An Introduction to the Political Economy of Burma (1931), 3rd edition, Rangoon, 1957.

53 Cf. above, p.429.
The causes of Asian poverty are usually discussed by economists, sometimes by sociologists. Historians tend to avoid the long-term sources of the problem, perhaps because of an assumption that the problem is unreal. The origins of capitalism and of the industrial revolution lie in Europe, and therefore the causes for the enormous gulf in living standards between Europe and Southern Asia in the twentieth century are also assumed to lie in Europe. The assumption behind this one-sidedness is that the dynamic of change lay in Europe while most of the rest of the world, including Indonesia, has been relatively inert and unchanging. In reality, change has been the rule of Southeast Asia as in Europe, and we must examine the pattern of this change to understand both the relative and the absolute dimensions of poverty.

**INDONESIA AROUND 1600**

Needless to say we have no comparative statistics for the sixteenth century, and judgements can only be made on the basis of travellers' impressions. We can assume that European and Chinese accounts which were written for readers at home tended to dwell on the things which struck them as unusual. When there is silence on an everyday aspect of life it can usually be assumed to be because the travellers found it unsurprising and similar to conditions at home.

On this basis it seems possible to surmise that Indonesians were roughly as tall and as long-lived as Europeans around 1600, and if anything rather more healthy. In the few cases where travellers find stature worth mentioning they found Indonesians of 'average' height but of unusually well-proportioned and athletic build. After eight years in eighteenth century Sumatra, Marsden 'could scarcely recollect to have seen one deformed person among the natives', and earlier reports confirm this pattern. Where the age-span of Indonesians is mentioned, it tends to be in envy of their apparently better prospects than Europeans. Since the average life-span of Europeans in this period is often estimated as only twenty or thirty years, we need not assume a remarkable degree of longevity on the part of Indonesians. What we know of the medical practices of the time would help to account for their relative good health. Europeans were astonished at the array of herbal remedies, as well as massage, in treating disease, while the Asians were spared the contemporary European reliance on bleeding and a great deal of clumsy surgery. As late as the early nineteenth century, Crawfurd was still amazed at the absence of inflammation or infection associated with wounds - presumably because of the efficiency of herbal antiseptics.

Still more striking is the absence of any mention of extreme poverty on the part of early visitors to the Archipelago. There are references to the relative simplicity and primitiveness of the more isolated communities, to
the large proportion of people taken to be in a condition of slavery, and to the very sparse furniture of the poorer houses. There is no evidence I have found of famine, starvation, and wretchedness, as was frequently the case in India, China, or indeed Europe at the time. No doubt the reasons for this are clear enough. Rains were relatively dependable, population pressure was very low, and if the staple rice crop did fail there were numerous alternatives to fall back upon. Only as a result of the dislocation caused by war do we see large numbers of people dying of hunger - either as captives or as refugees.

At the other end of the spectrum there was the same opulence and extravagant consumption as existed in the courts and trading centres of other parts of Asia and the Mediterranean world. This wealth derived directly or indirectly from trade. Even more strikingly than the Mediterranean, the Malay/Indonesian Archipelago was a region 'made for merchandise' - to borrow Tome Pires' description of Melaka. It lay athwart the trade routes between China and Japan on the one hand, and India and the West on the other. Moreover in the spices of the Moluccas and the pepper of Sumatra it provided the items in greatest demand in world markets. Many of its people lived on the water, by fishing and by trade; boat-building and navigation were among the most developed skills. As Pyrard noticed at the beginning of the seventeenth century, the whole region was inter-dependent, so that 'these people are constrained to keep up continual intercourse with one another, the one supplying what the other wants'. 3 Cities such as Melaka and Aceh, and islands like Ternate and Tidore, were almost wholly dependent on imported rice, which they could well afford to pay for through their export and trading activity.

INDONESIAN MERCANTILE CITIES

In terms of their population and the extent of their trade, the cities of Indonesia appear to stand comparison with the most bustling cities of Europe in the sixteenth century. The indications are that Melaka had a population close to 100,000 around 1500, that Aceh and Brunei were at least half as large in the mid-sixteenth century, and that Aceh, Banten and Makasar were all in the region of 100,000 in the first half of the seventeenth century. In sixteenth century Europe only Paris and Naples were certainly above the level of 100,000 and many of the real centres of trade and capitalist growth, including London, Amsterdam, Genoa, and Lisbon, appear to have been smaller than 50,000 in the sixteenth century.

In terms of shipping, Ruy de Araujo's estimate that there were about 100 junks in Melaka, of which at least thirty belonged to the Sultan and the local merchants, 4 compares favourably with the merchant fleet of Venice, for which estimates vary between about twelve and thirty-five 'large' ships, on average somewhat smaller than the 500 tons which the Asian junks reached. 5 A century later Aceh's war fleet comprised 100 galleys, a third of which were said to be larger than any built in Europe. 6 Of course the Malay prahu were far more numerous than these large ships - too numerous to be able to estimate even approximately. Even if we cannot confirm Barbosa's claim that Melaka was 'the richest seaport with the greatest number of wholesale merchants and abundance of shipping and trade ... in the whole world', 7 it was undoubtedly in the major league. Tome Pires' figures for the value of annual imports from India alone total
approximately 600,000 cruzados.\textsuperscript{8} This figure must at least be doubled to reach the total annual imports of the city, or quadrupled to 2.4 million cruzados to give the total volume of trade (imports + exports). If Braudel is correct in estimating the volume of trade of Valladolid at 594,600 ducats (560,000 cruzados) in 1576, of Seville at 4.297 million ducats (4 million cruzados) in 1597, then it is clear that the trade of Melaka at the beginning of the century before inflation had begun, would have been among the biggest in the world.

The manifest size and wealth of these cities should not lead us to ignore some profound differences with the cities of Europe, or indeed China and the Middle East, however. In the first place there was no barrier between city and countryside. Few Indonesian cities had a city wall, and where they did it was essentially to enclose the inner core where the ruler and his great nobles had their courts. Cities of any consequence almost invariably became capitals in every sense of the word. There is no capacity in most Southeast Asian languages to distinguish between city and state - they are one and the same. Above all, as a consequence of this, the city could not be an autonomous world with its own liberties and responsibilities quite distinct from the countryside.

Secondly, it is not easy to draw a line between a land-owning nobility and an urban bourgeoisie. There was a great deal of upward mobility in the fifteenth and sixteenth centuries, as we see from the origins of three mighty men at the time of the Portuguese arrival. The Laksamana of Melaka and subsequently Johor was the grandson of a Palembang slave who became a favourite of Sultan Mansur of Melaka; the ruler of the flourishing city-state of Japara was the grandson of 'a working man in the islands of Lae (Pontianak) ... with very little nobility and less wealth', who made his fortune trading in Melaka until he was strong enough to establish a new city-state in Java.\textsuperscript{9} Similarly the leading Javanese in Melaka, Utama di Raja, said to have 6000 'slaves' and enormous wealth, had come to Melaka about fifty years earlier as a poor man 'of the lower class'.\textsuperscript{10} Yet even if the mobility of these men as 'foreign' traders in Melaka gave them a certain distance from the state, they could only retain their wealth and power over several generations by merging into the nobility of the city and holding a court function - if not by founding their own little state.

The system of dependency, generally called slavery by Europeans, was indeed at the heart of the functioning of these great cities. Land was abundant and considered to have no intrinsic value in the law codes of most Southeast Asian peoples. The climate, the insecurity, and the assumption of constant mobility, all militated against the accumulation of fixed capital in the form of buildings and furniture. It was manpower which was the key to wealth, power, and status. In Melaka, in Banten, in the Moluccas, and in the Philippines we are assured by the European sources that 'their wealth lyeth altogether in slaves', and the attention given to the position of slaves in indigenous law-codes confirms this.\textsuperscript{11} In agricultural situations these dependants are better described as subjects or perhaps serfs than as slaves, since they gained their own livelihood from the land as well as having to labour for their lord. For the urban dependants who made up the bulk of the population of Melaka, Patani, Banten and Aceh, on the other hand, slavery may indeed be the correct word as long as we remember that slaves were involved in warfare, in trade on their own and their master's account, and the ownership of property including even their own slaves.
The wealth of the trading cities did not lend itself to the accumulation of either fixed or liquid capital, except in the hands of rulers or a select group of orang kaya (merchant aristocrats) strong enough to withstand the ruler's demands. Strong rulers put great pressure on resident traders, claiming the right to confiscate their estate at death, and sometimes even executing their wealthiest subjects in order to confiscate their property, as was reported of Sultan Mahmud of Melaka and Sultan Iskandar Muda of Aceh. Except for the favoured few in the court circle, therefore, Southeast Asian traders learned to operate without large accumulations of capital. Tomé Pires explained the longer duration of Malayan trading voyages than Portuguese ones with the sweeping remark that 'as they have little capital and the sailors are slaves they make their journeys long and profitable'. In Aceh it was noted in 1643 that 'the buyers of goods in quantity are only such as belong to the Custome House ... They pay not ready money for any, and he that will reimburse himself with money must sell to shopkeepers, who buy only by the corge or half-corge, so they can sell the same day in the basar.' The Dutch, the English, and the Chinese quickly found that the only way to do significant trade in most areas was to advance cloth to merchants, who would return after the harvest with the equivalent amount of export produce.

We cannot and should not, therefore, proceed from the size and wealth of Indonesian trading centres to attempt to place them on some linear scale of ascent towards capitalism of the western model. The Indonesian city was of a quite different type, and we cannot say with confidence what path it was evolving along at the height of its sixteenth century prosperity.

THE DYNAMISM OF THE PRE-COLONIAL CITIES

The most important point to make here is a different one. The one critical asset the commercial emporia of this period had which their successor nations lacked lay in the nature of commercially-oriented, cosmopolitan, urban life. These cities were in touch with the most dynamic growth points of the renaissance world, and were open to new ideas from within and without.

The rapid social and cultural change represented by the Islamization of the major trading centres of the Archipelago between about 1300 and 1600 is the most spectacular demonstration of this openness. Writing, arithmetic, political analysis, and a host of literary models were borrowed from the Arabs. Paper came from China and later Europe and the system of scales and weights was much influenced by Chinese practice, while accounting methods appear to have come from India - notably Gujerat. Arabic was widely spoken and studied, and by the mid-sixteenth century Portuguese was also spoken in every major city - though Malay remained the great lingua franca of the region. Perhaps the most telling factor of all comes from the court chronicles and the religious literature of this period, which is constantly aware of the international dimension in a way difficult to replicate in either Europe or China of the period. In the texts emanating from the port-cities, an index of prosperity and righteous government is often taken to be the large extent of foreign trade and shipping coming to the capital.
Except in the field of herbal medicine we cannot point to items of practical knowledge or technology in which Southeast Asia gave the lead to other parts of the world. But it is clear that important discoveries in other parts of the world quickly found their way to the cities of the region. Military technology was the fastest to be borrowed because failure to do so had the most immediate disastrous consequences. From the Chinese and Gujaratis many Southeast Asian centres had learned the art of casting bronze cannon before the European advent on the scene. The Portuguese claim to have captured 3000 pieces of ordinance at Melaka in 1511, and the Spaniards 170 at Brunei in 1578, the latter being of great value to the hard-pressed Spanish in Manila. The casting of much larger guns was learned by the Acehnese from their diplomatic relations with Turkey in the 1560s. Sultan Selim II sent a number of master gunsmiths to Aceh in addition to soldiers and gunners. Since Turkey was at this period producing monster cannon, larger though less mobile than the European variety, it was not surprising that the cannons John Davis saw in Aceh were 'the greatest that I have ever seen'. In response to the European challenge, the manufacture of matchlocks became very well developed in West Sumatra, Bali, Java, and Sulawesi; many cities adopted a system of stone fortress construction, and the Portuguese chain mail, lighter and more flexible than the Japanese armour previously used, was adopted by some peoples. The only example we know of early translation from European, as opposed to Arabic, writing, is not surprisingly in the area of acknowledged European expertise—firearms. A Spanish text on gunnery dating from 1563 was summarized in Makassarese in 1635, and translated in full seventeen years later.

The most striking evidence of scientific transfer from Europe comes from Karaeng Pattingalloang, Chancellor of Makasar in the 1630s. Alexander de Rhodes, one of the most cultivated Europeans of his day to visit Asia, found him:

exceedingly wise and sensible, and apart from his bad religion, a very honest man. He always had books of ours in hand, especially those treating with mathematics, in which he was well versed. Indeed he had such a passion for all branches of this science that he worked at it day and night.

He accumulated a considerable library of Portuguese and Spanish books, spoke Portuguese 'as fluently as people from Lisbon itself', and probably inspired the translations mentioned above. In 1636 Pattingalloang ordered from England 'one prospectine glass, the very best that may be bought for money', and nine years later required from the Dutch 'various rarities, including two globes, ... a large map of the world or mappa mundi, with the description in Spanish, Portuguese or Latin'. The Dutch obliged more promptly than the English, but after several reminders there arrived in Makasar in 1654, shortly before Pattingalloang's death, a very expensive and rare Galilean telescope, to enable the court circle to catch up with European progress in astronomy. Galileo had developed his telescope only 45 years earlier, so this was keeping Makasar well up with the play.

THE EUROPEAN IMPACT

To live by trade however, was to live dangerously, at least in the altered circumstances of the seventeenth century. As long as the commercial
system flourished, Indonesians were inclined to buy new technology rather than to make guns and machinery themselves. The most prosperous port-states, moreover, were not yet oriented to the full-blooded system of warfare of the Eurasian land mass. Warfare in the Archipelago had tended to be sparing of lives, since manpower was the primary source of wealth to be safeguarded. Finally, those city-states best equipped to attract and safeguard Asian trade, by virtue of their relatively pluralistic structure where the ruler's power was held in check by a variety of powerful orang kaya dynasties, were not those best equipped to withstand a European military onslaught. These states were accustomed to asserting their suzerainty by a mixture of military and commercial pressure, but not to the siege and assault tactics of the Portuguese.

The most flourishing of these open cities was the first to fall victim to the European onslaught. Melaka fell to the Portuguese in 1511, even though the real power of the Portuguese in sixteenth century Asia bore no relation to the magnitude of this extraordinary fact. The Spanish in 1578 launched an attack on Brunei which effectively ended its role as the centre of commercial activity in Borneo and the Philippines. Southeast Asian city-states were forced to adopt more defensive postures. Some of the stronger cities, particularly those on Java's north coast, constructed stone or brick defensive walls as the Iberians themselves had done. Others, like Johor and Sulu, responded by moving their capitals further inland, remote from the European marauding fleets but also from the life-giving system of trade. The counter crusading spirit of sixteenth century Aceh and Japara, and the piratic raids from Sulu and Mindanao which intensified at the end of the century, were other responses to the European practice of using warfare as a means to trade. Nevertheless Iberian military and commercial power was not particularly strong, and the Indonesian trading system quickly revived and expanded in a somewhat different form. Cash-cropping for export, and the lucrative trading system based on it, continued to be attractive occupations and the basis of most wealth, even in the Moluccas where the Portuguese impact was strongest.

The Dutch in the seventeenth century were quite a different matter. The vigour and skill with which they pursued their goal of monopolizing the key Southeast Asian exports, were unprecedented. In 1601 alone, sixty-five Dutch ships sailed to the Archipelago. The following year Dutch endeavours in Asia were centralized and coordinated in that remarkable joint-stock company, the V.O.C., with an initial capital of 6.5 million guilders and the declared aim of monopolizing the most lucrative aspects of the trade of Asia. By 1622 the Dutch Governor General in Batavia had at his disposal eighty-three ships in Asian waters, all of them the most effective of their day in combining naval warfare with trade. The most progressive capitalist cities of Europe had combined to produce a highly effective instrument to crush whatever embryonic capitalism existed in Indonesia.

The preferred tactic of the Dutch in their first decades was to make an offer to an indigenous ruler to take all his pepper or spices on condition the rival European and Asian traders were altogether excluded. The most difficult society the Dutch found to deal with was Banda, which had no ruler but rather a merchant oligarchy of orang kaya, uncomfortably similar to that of Holland. The Dutch soon despaired of bribing or
The same phenomenon of maritime commerce in Asia turning sour with the advent of aggressive European fleets, particularly the Dutch, is apparent throughout the continent. The factors are obviously complex which led Japan to close itself off from overseas trade in the 1630s, forbidding its citizens to go abroad or to build sizeable ships; which led to a steady decline of Chinese interest in the outside world during the seventeenth century; or which produced almost exactly contemporary developments in Burma and Java, where a strong, agriculturally-based, inland and isolationist dynasty arose during the early decades of the seventeenth century while the coastal, once flourishing port-states were in chaos. Without wishing to enter this very large question, it is worth noting in passing that in relation to the Indonesian experience the decision for isolationism by China and especially Japan does not look as historically disastrous as it is usually portrayed. Total isolation, if it could be achieved, at least allowed the internal economy of the country to develop in a relatively balanced fashion.

In the Archipelago it was not possible by this means to exclude the importunate Europeans. Trade was too important and too pervasive. Only Java had a large enough agricultural base to attempt to eliminate foreign trade. Elsewhere such city-states as Aceh, Banten, and Makasar had little alternative but to go on trying to beat the Dutch at their own game of naval warfare, and the contest continued until nearly the end of the seventeenth century.

The monarchs of such states had of course not proved as easy to bribe or intimidate as the Dutch might have hoped. The lesson of Jakarta was not lost on other states. The fortress which the Dutch began to build there in 1618 proved impossible for the Jakartans subsequently to dislodge. No ruler would make this mistake again. Nevertheless the system of attempting to bribe or coerce rulers to exclude all merchants but the Dutch did have the effect of encouraging an absolutist, centralized trend in the Southeast Asian states. The Sultan of Mataram believed that he could eliminate the power of potential rivals and rebels by restricting all trade to that between himself and the V.O.C. Other rulers, like Iskandar Muda of Aceh (1607-37) or Hasanuddin of Makasar (1653-69), imposed monopolies themselves on various items of export or insisted that European traders deal with them at fixed prices before going to the open market, while Sultan Abu'fatah of Banten (1651-83) made extensive use of English, French, Danish and Chinese merchants to conduct an extensive international trade on behalf of the crown.
The Dutch pursuit of trade by warfare obliged their opponents also to place more emphasis on military prowess. Makasar could only survive as an entrepot to the extent that its traders could fight their way through the Dutch policing fleets in the Moluccas. The great trading junks of Southeast Asia, which had amazed the Portuguese with their size (500-600 tons) and the large number of men, women, and children who lived aboard them appear to have disappeared from the seas as a result of this contest with the Dutch. Presumably the risk of losing so much capital at a stroke became too great and henceforth Indonesians relied on the smaller but faster prahuṣ which seldom exceeded 150 tons.

The greater emphasis which had to be placed on artillery, heavily-armed war galleys, and foreign mercenaries, in order to remain in the contest for large-scale trade, strengthened the position of the few remaining powerful rulers in relation to their subjects. There seems little doubt that this further weakened the limited degree of private capital accumulation and of commercial activity independent of the ruler.

In any case the great commercial states did not long survive. Determined to be rid of its commercial rivals, the V.O.C. threw all its resources into a costly but successful campaign against Makasar in 1666-9, and against Banten in 1682-4. Only Aceh was able to remain as a major independent trading centre, but by 1700 its influence was much reduced, being no longer capable of directing the bulk of Sumatra's foreign trade through its port.

ISOLATION AND IMPOVERISHMENT

With these defeats, the last great defenders of indigenous trade and centres of indigenous urban life were destroyed. The message appeared to be clear that to base a state entirely on trade and cash-cropping for export was to invite ultimate destruction, either directly at Dutch hands or through the vagaries of a market now crippled by the Dutch monopoly. Already during every Dutch blockade of Banten pepper trees had had to be cut down in favour of self-sufficiency in rice. The absolutist rulers of Aceh in the early seventeenth century had actually banned pepper cultivation in the central area of their kingdom, presumably in the interests of a more stable economic and political order. The seventeenth century court chronicle of Banjarmasin seemed to express the perspective of a ruler tired of the unstable and vulnerable position in which cash-cropping placed him:

let people nowhere in this country plant pepper, as is done in Jambi and Palembang. Perhaps those countries grow pepper for the sake of money, in order to become wealthy. There is no doubt that in the end these countries will be ruined; with much intrigue and expensive foodstuffs... The same conservative chronicle warned that Banjarese should adopt all the ceremonial and manners of the Javanese court, and not imitate the dress or habits of the foreign merchants in their midst - Makasarese, Acehnese, Malay or Dutch. For it was the rulers of Java who had most wholeheartedly and successfully crushed the mercantile spirit of their people. The mighty Sultan Agung (1613-45), who proudly told the Dutch, 'I am a prince and a soldier, not a merchant like the other princes of
Java', decisively shifted the locus of power by destroying or subordinating all the flourishing coastal cities, centralizing power in his own hands, and monopolizing the country's principal export — rice. Of his successor, Amangkurat I, Van Goens tells us:

He has forbidden any of his subjects to sail overseas, forcing all outsiders to come to his country for rice ... I once made bold to advise the King that he should allow his subjects to sail, to become rich, ... but was given the reply, 'My people have nothing of their own as you have, but everything of theirs comes to me, and without strong government I would not be king for a day'.

Since the rulers of Banten and Makasar had concentrated so many economic resources in their own hands, the eclipse of these states was a much greater disaster than the fall of Melaka over 150 years earlier. The Malay mercantile class in Melaka had successfully moved operations to other ports, whereas there was little left of such a class by the end of the seventeenth century. Although Aceh retained some international trade into the eighteenth century, changes occurred marked by the growing dominance of a rural elite based on rice cultivation; by the appearance of Acehnese rather than Malay literature; and by the relative isolation of the city from the major world centres of intellectual and technical innovation.

By 1700 the impoverishment of Indonesia was becoming a source of difficulty even for the Dutch who had done most to bring it about. The lucrative trade in Indian and Chinese cloth had always flourished not because Indonesians were unable to produce their own cloth, but because many of them could afford to buy the foreign luxuries. At each blockade of Banten there had been a revival of indigenous cloth production. A Dutch observer of 1705 noted: 'it is nothing but poverty that is the true reason that the traffic in the finest [Coromandel] Coast and Surat cloths declines daily while by contrast their own weaving has increased more and more through the multiplication of poor people'. The Dutch and English now had to try to force Indian cloth on a less wealthy population by discriminatory tariffs or by prohibition. The eighteenth century saw an economic gulf between Indonesians and the Europeans in their midst. We begin to find Javanese chronicles characterizing the Europeans as crude and greedy, but as a result 'they are enormously rich and live in cities like heaven'.

In reality the majority of Southeast Asians of the eighteenth and early nineteenth century were by no means poor compared to other parts of the world or to twentieth century conditions. Van den Bosch believed the poor of the Dutch cities he had studied were much worse off than Javanese peasants in 1830, and observers of the early nineteenth century were still inclined to note the good health and abundant food supplies of Southeast Asian communities. What had happened in the seventeenth century was that Southeast Asians lost their control over trade and over the bustling international entrepots. There were few wealthy Southeast Asians left outside the ruling courts, and these courts had either withdrawn altogether from trade (Java) or had become too weak to treat with European traders on a basis of equality.
The percentage of the indigenous population in urban centres must have decreased in these centuries — indeed the absolute number of city-dwellers may even have declined. In the eighteenth and nineteenth centuries the largest cities became colonial entrepôts which were culturally remote from their hinterlands, with Europeans and Chinese dominating the commercial and manufacturing sectors. Since the indigenous centres were stagnating in isolation, indigenous manufacturers remained at the level they had been in the sixteenth century. Elaborate bronzework, silverwork, \textit{kr\text{`}is} manufacture, and weaving on small inefficient looms were still being practiced in the nineteenth century in the same places and with the same methods which had been developed during the heyday of urban growth three centuries earlier. Such production was remote from developments in other parts of the world and became less and less able to compete with foreign manufacturers. The development of mechanized mass production in Lancashire, particularly, was a blow to indigenous industry. As an English merchant testified, when the British occupation of Java began in 1811, 'The natives were clothed in manufactures of their own, partly, and partly in the manufactures of British India ... in 1828, when I left Java, the natives were almost exclusively clothed in British manufactures'. \textsuperscript{31} Indigenous production was never improved, but pushed aside in the interests of greater trade with Europe, until it remained significant only as a quaint 'craft' serving a shrinking, largely ceremonial market. The same was true of the once-famous bronze, gold and other metal-work, typically centred in the remnants of once-great cities now isolated from the mainstream of commerce.

We would, however, distort history if we attempted to place all the historic burden of responsibility for Indonesian poverty at the feet of European trade and conquest. We have seen already that certain states \textit{chose} to attempt to isolate their people from cash-cropping and commerce when this turned sour, while rulers persistently distrusted any of their subjects who became independently wealthy. Moreover, the points above do not fully explain the failure of any class of substantial merchants or capitalists to arise, at least after the seventeenth century, despite some large infusions of wealth through cash-cropping (notably about $1m a year to the Acehnese pepper industry for most of the nineteenth century). \textsuperscript{32}

We cannot ignore a persistent cultural preference for using wealth to acquire a personal following rather than an accumulation of capital for land. Historically we can explain this by the relative scarcity of labour in early Southeast Asia in comparison with other parts of Asia or Europe, and the abundance of land, which was therefore held to be of no intrinsic value. The change in these attitudes which was probably beginning to occur in the large trading cities of the fifteenth – seventeenth centuries was aborted when these cities were conquered or overtaken. Even as population pressure began to rise in the nineteenth century, therefore, the primacy of the personal bond of dependence remains marked. For the patron a dependent labour force continued to be the key to status, to power, and to comfort. For the client the insecurity of property and often of life itself disposed him to value the protection of a more powerful figure.

In my Acehnese pepper-growing example, therefore, or the pepper-growing of most other Sumatrans, it was only the chief who provided the capital for new plantations. Conversely, the person who provided the capital had
to be the chief, the effective ruler of that area with the title of roja. We could replicate endlessly the following description of East Sumatran Malays in the early nineteenth century. 'The moment a Malay becomes possessed of a little money, he entertains as many attendants as he can, and is accounted rich or respectable according to the number of his followers'. The other side of this phenomenon is Clifford's description of the absolute refusal of Pahang Malays to work for wages, whereas for someone they regarded as their chief they would work really hard, 'for sixty hours a stretch', for no pay at all and bringing their own food. Those who had capital, principally Europeans, Chinese, and the indigenous aristocracy, did business on the basis of advances which in effect made the debtors their bondsmen. Even in the semi-urban manufacturing world of Surabaya, a mid-nineteenth century observer was convinced that the highly-skilled craftsmen would never become affluent because they worked only on the basis of an advance from the buyer: 'When the workman has no further debt, he considers the relationship broken, and will not work again until he feels a need again to expose himself to new debts'. As late as 1920 the system of credit was still being learnedly defended as the only way to get Indonesians to work. 'Everyone in the Indies who has ever needed labour or supplies from the inhabitants is thoroughly conversant with this fact'.

It is not difficult to see how the Dutch Cultivation System, using obligatory unpaid labour to produce export crops, profited from this cultural preference, intensified it, and thereby ensured that Java would be the least equipped of any Southeast Asian society to cope with the introduction of modern capitalism. Onghokham has recently extended Geertz's argument that the system artificially consolidated the predominance of the aristocratic class over an economically undifferentiated mass of peasants. The Council of the Indies judged in 1865 when the system was nearing its end, that 'the Regents are the only group left in Javanese society with a high income, and it is wise of the Dutch to keep it so'.

In 1830 the Javanese aristocracy of regents had apparently rejected a Dutch offer to provide them with private lands, preferring the traditional system of exacting labour and tribute from the whole populace. In the long run they therefore became wholly dependent upon the Dutch colonial government, and were easily transformed into a bureaucracy with no commercial interests at all. More independent princes in the outer islands continued to dabble in commerce, but they too found that reliance on patronage gave them a very weak basis from which to attempt to enter the capitalist world as either merchants or large landowners.

The Malay world found itself therefore entering the twentieth century with nothing which even remotely resembled a middle, or propertied, class. Control of the bureaucracy had to be the key to the survival of the traditional ruling classes in independent Malaysia and Indonesia, and so it has proved. The functional middle class, in an economic sense, was everywhere occupied by a foreign, predominantly Chinese element, which had minimal interaction with the value systems and political processes of the indigenous group. There is a marked contrast here with the Philippines, where inter-marriage between Chinese entrepreneurs and the indigenous landed aristocracy of the late nineteenth century produced a new dominant class much more attuned to capitalism. In Indonesia capitalism exists, but not a capitalist mentality. It seems highly unlikely that the type of economic system with which we are familiar can now solve the problems of Indonesian poverty.
NOTES


3 The Voyage of Francis Pyrard of Laval to the East Indies, the Maldives, the Moluccas and Brazil (1619), trans. A. Gray, London, Hakluyt Society, 1888, II, p.169.


6 Augustin de Beaulieu, 'Mémoires du Voyage aux Indes Orientales', p.106, in Melchisedech Thévenot, Relations de divers voyages curieux, Paris, Cramoisy, 1664-6. The Sultan of Brunei's fleet of galleys was estimated at between 50 and 100, Blair & Robertson, IV, pp.134, 151, 161, 184.


9 Tomé Pires, pp.187 and 249.


Tome Pires, p.220.

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B.H.M. Vlekke, Nusantara. A History of Indonesia, The Hague, Van Hoeve, 1959, p.288. Crawfurd, History I, p.40, cites 1 lb. (0.57 kg) as a standard daily rice ration in the early 19th century, which is more than double the quantity available per head in Java in the 1930s.

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INCOME DISTRIBUTION IN INDONESIA: TRENDS AND DETERMINANTS

R.M. Sundrum and A.E. Booth

PART ONE: TRENDS IN INCOME DISTRIBUTION

The Data

To glean any insight into trends in income distribution in Indonesia, both between and within sectors of the economy, we are forced to rely on data which are restricted to particular regions or sectors, or have been collected for a purpose other than the study of income distribution. Much care is therefore needed in interpreting these data and particularly in making inter-temporal comparisons. Among the various surveys which have been carried out by the Central Bureau of Statistics (Biro Pusat Statistik or BPS) in recent years, those most directly relevant to the study of income distribution are the cost living surveys carried out in eleven major cities in 1968/9 and 1970/1. Apart from these surveys, the most important source of information is the series of five national socio-economic surveys (Susenas) which give data on the pattern of household consumption expenditures. The most recent of these, carried out in 1976, has a larger sample than the previous four and the results when published in their entirety should allow us to compare each island grouping separately. The earlier surveys were based on smaller samples and were not uniform in their geographic coverage which makes comparability difficult.

Two further surveys were carried out in 1976; the Inter-censal Population Survey (Supas) and the National Labour Force Survey (Sakernas). These two surveys collected much valuable information on individual and household employment, income and access to land and can be used in conjunction with the 1971 Population Census and the 1973 Agricultural Census to investigate employment patterns, remuneration by type of labour and economic activity, and ownership and distribution of land.

Economic Growth

After the Korean war boom of the early 1950s the Indonesian economy fell into a period of prolonged economic stagnation until the late 1960s. Indeed the period 1930-65 was almost certainly one of 'net capital consumption' in the Indonesian economy. During the great depression, the Japanese occupation, the independence struggle and the Soekarno era, it appears that capital accumulation did not keep up with depreciation and population growth, with the result that per capita capital stock in 1965 was less than in the early decades of the century. Thus by the late 1960s when the Soeharto government was establishing its control of the economy, Indonesia was backward not just in comparison to the advanced economies of North America, West Europe and Japan, but also in comparison to many of the other developing economies of Asia. Even after ten years of relatively rapid economic growth, Indonesia's per capita income remains lower than that of her ASEAN partners, and lower than that of Taiwan, China and both parts of Korea.
Indonesia's continuing underdevelopment, as measured by the GNP indicator, may seem easily explained by the low levels of capital accumulation in past years coupled with high rates of population growth - the 'classical' determinants of economic development. But three other factors also seem important. Firstly, Indonesia is characterized by an extreme disparity between distribution of population and availability of natural resources. Secondly, although the growth of the mining, manufacturing, construction, and services sectors in recent years has meant that agriculture now contributes little more than thirty per cent to GDP (twenty-six per cent if forestry and estate crops are excluded), it seems that the proportion of the labour force dependent on agriculture for the bulk of its income has declined little in recent years and in 1976 was about sixty-two per cent. Absolute numbers of those economically active in agriculture continue to grow. A third reason for widespread poverty in Indonesia remains the relative underdevelopment of the country's rich natural resource base.

The disparity between population distribution and availability of natural resources can be explored further using regional income data. These data indicate that there are substantial disparities between provinces both in income per capita and in real growth rates in income per capita between 1969 and 1974 (Table 1). In recent years the high income provinces of Indonesia have been the resource rich regions of the Outer Islands (Riau and East Kalimantan) which remain among the richest provinces even when the direct effects of oil production are removed, the capital Jakarta, and the most prosperous and least populous of the agricultural areas, notably North Sumatra. These provinces have tended to be among the faster growing ones in the period 1969-74 so that inter-provincial disparities in income (corrected for price disparities) have increased, as shown by the coefficients of variation in Table 1.

Trends in Overall Inequalities: 1964-76

As a preliminary step towards examining overall trends in Indonesia in the last decade it is useful to compare summary indicators of income inequality for the period 1964-76. The indicator used in Table 2 is the Gini coefficient. The Gini coefficients of per capita consumption expenditure indicate an increase in expenditure inequalities in urban Java between 1964-65 and 1976 and a decline in inequalities elsewhere. It is however rather hazardous to compare the data from the two earlier surveys with those from the two later ones, because the time reference periods and the sample coverages were rather different. Between 1970 and 1976 inequalities appear to have increased in urban Java, fallen in rural Java, and stayed almost constant outside Java. Household expenditure inequalities in 1976 were rather larger than per capita inequalities, as would be expected. However, the evidence on household income inequalities from the 1976 Sakernas suggests that income is much less evenly distributed than expenditure in both rural and urban areas, and that in fact income inequalities are roughly equal in urban and rural areas for the country as a whole. This may indicate a high degree of expenditure understatement, especially in rural areas, or it may indicate higher savings ratios in rural areas.
### Income Distribution in Indonesia

**Table 1**

Gross Regional Domestic Product Per Capita in Current Jakarta Prices.\(^a\) 1969 and 1974

<table>
<thead>
<tr>
<th>Province</th>
<th>1969 (Rp)</th>
<th>1974 (Rp)</th>
<th>Real annual growth rate(^b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Kalimantan(^c)</td>
<td>28,625</td>
<td>163,988</td>
<td>20.0</td>
</tr>
<tr>
<td>Central Sulawesi</td>
<td>9,640</td>
<td>44,333</td>
<td>14.9</td>
</tr>
<tr>
<td>Maluku</td>
<td>16,968</td>
<td>67,700</td>
<td>11.6</td>
</tr>
<tr>
<td>Riau(^b)</td>
<td>20,950</td>
<td>78,669</td>
<td>10.3</td>
</tr>
<tr>
<td>West Java</td>
<td>16,498</td>
<td>61,468</td>
<td>10.1</td>
</tr>
<tr>
<td>North Sumatra</td>
<td>27,806</td>
<td>96,123</td>
<td>8.5</td>
</tr>
<tr>
<td>South Kalimantan</td>
<td>19,560</td>
<td>63,124</td>
<td>7.0</td>
</tr>
<tr>
<td>Jakarta</td>
<td>52,480</td>
<td>161,000</td>
<td>5.9</td>
</tr>
<tr>
<td>Central Java</td>
<td>17,080</td>
<td>48,096</td>
<td>4.1</td>
</tr>
<tr>
<td>West Kalimantan</td>
<td>16,635</td>
<td>45,403</td>
<td>3.5</td>
</tr>
<tr>
<td>D.I. Aceh</td>
<td>20,218</td>
<td>54,989</td>
<td>3.4</td>
</tr>
<tr>
<td>Lampung</td>
<td>18,658</td>
<td>50,030</td>
<td>3.1</td>
</tr>
<tr>
<td>Jambi</td>
<td>27,357</td>
<td>70,325</td>
<td>2.3</td>
</tr>
<tr>
<td>East Java</td>
<td>21,596</td>
<td>54,196</td>
<td>1.8</td>
</tr>
<tr>
<td>Yogyakarta</td>
<td>21,438</td>
<td>50,085</td>
<td>0.3</td>
</tr>
<tr>
<td>West Nusatenggara</td>
<td>15,493</td>
<td>28,453</td>
<td>-4.4</td>
</tr>
</tbody>
</table>

Coefficient of Variation 43 55

Source: *Regional Income In Indonesia By Province (LYR 78-03)*, BPS, Jakarta, August 1978. Data are only available for both 1969 and 1974 for 16 provinces.

\(^a\) GRDP figures are deflated by the regional costs of living index given in H.W. Arndt and R.M. Sundrum, 'Regional Price Disparities', BIES, July 1975, Table 1.

\(^b\) Nominal growth rates deflated by the increase in the Jakarta CPI.

\(^c\) Excludes the direct impact of the oil sector.
<table>
<thead>
<tr>
<th></th>
<th>Per capita consumption expenditure (Susenas Data)</th>
<th>H/H consumption expenditure (Susenas) 1976</th>
<th>H/H income (Sakemas) 1976</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Urban</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Java</td>
<td>0.313\textsuperscript{e}</td>
<td>0.386</td>
<td>0.461</td>
</tr>
<tr>
<td>Outer Islands</td>
<td>0.403</td>
<td>n.a.</td>
<td>0.364</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0.356</td>
<td>0.377</td>
<td>0.430</td>
</tr>
<tr>
<td><strong>Rural</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Java</td>
<td>0.336</td>
<td>0.302</td>
<td>0.342</td>
</tr>
<tr>
<td>Outer Islands</td>
<td>0.349</td>
<td>n.a.</td>
<td>0.331</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0.358</td>
<td>0.318</td>
<td>0.354</td>
</tr>
</tbody>
</table>


\textsuperscript{b}Data refer to the period November 1964 - February 1965.

\textsuperscript{c}Data refer to the period September - October 1967.

\textsuperscript{d}Data refer to the months January - April.

\textsuperscript{e}Urban Java excludes Jakarta.

\textsuperscript{f}These coefficients were calculated from an open-ended frequency distribution; it was assumed that average household expenditures in the top class in rural areas were rather lower than for urban areas. Data refer to income in the month previous to the survey, but there is little difference between these data and those referring to the average monthly income for the previous year.
Another important trend in the past decade in Indonesia, also discernible in Table 2, is the growing disparity between urban and rural areas. Table 3 shows two measures of this disparity: the ratio of per capita incomes (approximated by consumption expenditures) in urban areas to those in rural areas, and the relative urban-rural income disparity (the difference in average incomes in the two areas as a percentage of the national average), for several countries for which recent data are available. (These measures are in nominal terms, and it should be borne in mind in interpreting the table that urban-rural price disparities may be different in different countries.) Table 3 shows that in 1970 the urban-rural disparity in Indonesia was one of the lowest for the eleven countries for which data are available. By 1976 this disparity had increased, although the relative urban-rural disparity for Indonesia in that year was still lower than for Thailand, Brazil, Malaysia and the Philippines. In Java however, the relative urban-rural disparity was higher in 1976 than for any other country shown except Thailand. This is a clear indication of the high degree of urban bias in Indonesian economic development in recent years, especially in Java.

### Table 3

Urban-Rural Income Disparities in Indonesia and Selected Developing Countries

<table>
<thead>
<tr>
<th>Country/Year</th>
<th>Ratio of urban to rural incomes (percentage)</th>
<th>Relative urban(^a) rural incomes disparity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>(1966/67) 149</td>
<td>48.6</td>
</tr>
<tr>
<td>Brazil</td>
<td>(1970) 281</td>
<td>88.6</td>
</tr>
<tr>
<td>Columbia</td>
<td>(1970) 232</td>
<td>73.0</td>
</tr>
<tr>
<td>India</td>
<td>(1967/68) 135</td>
<td>32.9</td>
</tr>
<tr>
<td>Indonesia(^b)</td>
<td>(1969/70) 142</td>
<td>39.8</td>
</tr>
<tr>
<td>Java</td>
<td></td>
<td>57.1</td>
</tr>
<tr>
<td>Outer Islands</td>
<td></td>
<td>21.3</td>
</tr>
<tr>
<td>Indonesia(^b)</td>
<td>(1976) 184</td>
<td>73.2</td>
</tr>
<tr>
<td>Java</td>
<td></td>
<td>91.6</td>
</tr>
<tr>
<td>Outer Islands</td>
<td></td>
<td>45.4</td>
</tr>
<tr>
<td>Malaysia</td>
<td>(1970) 214</td>
<td>86.2</td>
</tr>
<tr>
<td>Philippines</td>
<td>(1970) 208</td>
<td>81.6</td>
</tr>
<tr>
<td>South Korea</td>
<td>(1971) 187</td>
<td>56.4</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>(1969/70) 172</td>
<td>65.5</td>
</tr>
<tr>
<td>Taiwan</td>
<td>(1972) 122</td>
<td>19.4</td>
</tr>
<tr>
<td>Thailand</td>
<td>(1968/69) 298</td>
<td>157.6</td>
</tr>
</tbody>
</table>


\(^a\) Difference between urban and rural incomes as a percentage of national average

\(^b\) Expenditure data are used as a proxy for income.
The urban-rural disparity in non-food expenditures is much greater than in food (Table 4). Within food items, there is very little disparity in expenditures on basic foods, such as cereals and cassava. The disparity is greater for the medium foods, such as fruits and vegetables and tobacco, and highest for the superior foods such as meat, fish, eggs and milk.\(^5\) Among non-food items in 1970, the disparity in housing expenditures was quite low, while it was very high for miscellaneous items, which include consumer durables. In all cases the urban-rural disparity was higher in Java than in the Outer Islands. The pattern of the disparities in the various categories of expenditures follows that of their respective income elasticities, with the disparities being highest for those goods with the highest elasticity. The increase in disparities between 1970 and 1976 was most marked for housing expenditures; here it seems likely that higher costs have played a more important role in the increasing disparities than for other items. The exception is in the case of basic foods, in which not only was the disparity very small to begin with, but it appears to have declined over time.

### Table 4


<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>145</td>
<td>113</td>
<td>129</td>
<td>159</td>
<td>132</td>
<td>147</td>
</tr>
<tr>
<td>Cereals etc.</td>
<td>107</td>
<td>93</td>
<td>101</td>
<td>95</td>
<td>94</td>
<td>94</td>
</tr>
<tr>
<td>Vegetables</td>
<td>162</td>
<td>119</td>
<td>140</td>
<td>173</td>
<td>142</td>
<td>160</td>
</tr>
<tr>
<td>Meat, fish etc.</td>
<td>238</td>
<td>138</td>
<td>175</td>
<td>348</td>
<td>200</td>
<td>271</td>
</tr>
<tr>
<td>Non-food</td>
<td>226</td>
<td>155</td>
<td>194</td>
<td>374</td>
<td>222</td>
<td>318</td>
</tr>
<tr>
<td>Housing</td>
<td>201</td>
<td>195</td>
<td>197</td>
<td>468</td>
<td>302</td>
<td>411</td>
</tr>
<tr>
<td>Clothing</td>
<td>214</td>
<td>126</td>
<td>170</td>
<td>261</td>
<td>144</td>
<td>207</td>
</tr>
<tr>
<td>Other</td>
<td>260</td>
<td>144</td>
<td>206</td>
<td>344</td>
<td>206</td>
<td>297</td>
</tr>
</tbody>
</table>

**Total**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>163</td>
<td>122</td>
<td>142</td>
<td>209</td>
<td>149</td>
<td>184</td>
</tr>
</tbody>
</table>

Source: As for Table 3.

The trend towards increasing expenditure disparities in urban Java and increasing urban-rural disparities is also shown in the data on increases in real household expenditures by decile group, 1970-6 (Table 5). ('Real' changes are computed by deflating money expenditures by the nine commodity price index in the rural sector and by the sixty-two commodity index in the urban sector.) While in urban Java, and especially in Jakarta, expenditures of the top deciles grew much more rapidly than for the population as a whole, the reverse tends to be true in rural areas, especially outside Java; however the changes are far from smooth, especially in the last three columns. The general impression is that while almost all deciles enjoyed
some increase in real expenditures, and therefore a decline in absolute poverty, the rich were able to increase their real expenditures much more rapidly than the poor in urban Java, while elsewhere the reverse tended to be true, particularly in rural areas outside Java.

Table 5

<table>
<thead>
<tr>
<th>Decile</th>
<th>Urban Java</th>
<th>Jakarta</th>
<th>Rural Java</th>
<th>Urban Outer Islands</th>
<th>Rural Outer Islands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bottom</td>
<td>18.3</td>
<td>23.9</td>
<td>41.7</td>
<td>7.0</td>
<td>22.0</td>
</tr>
<tr>
<td>2</td>
<td>17.4</td>
<td>22.5</td>
<td>3.1</td>
<td>17.0</td>
<td>32.9</td>
</tr>
<tr>
<td>3</td>
<td>27.8</td>
<td>24.8</td>
<td>33.4</td>
<td>9.0</td>
<td>11.5</td>
</tr>
<tr>
<td>4</td>
<td>20.3</td>
<td>26.6</td>
<td>34.4</td>
<td>5.7</td>
<td>22.1</td>
</tr>
<tr>
<td>5</td>
<td>22.1</td>
<td>31.6</td>
<td>-1.1</td>
<td>2.5</td>
<td>8.3</td>
</tr>
<tr>
<td>6</td>
<td>23.5</td>
<td>34.5</td>
<td>32.2</td>
<td>16.4</td>
<td>4.4</td>
</tr>
<tr>
<td>7</td>
<td>28.1</td>
<td>47.4</td>
<td>9.2</td>
<td>5.1</td>
<td>4.8</td>
</tr>
<tr>
<td>8</td>
<td>37.3</td>
<td>62.5</td>
<td>15.6</td>
<td>5.3</td>
<td>5.4</td>
</tr>
<tr>
<td>9</td>
<td>48.0</td>
<td>21.4</td>
<td>7.6</td>
<td>-7.7</td>
<td>5.5</td>
</tr>
<tr>
<td>Top</td>
<td>65.8</td>
<td>115.4</td>
<td>28.5</td>
<td>24.6</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Total | 40.1       | 51.3    | 19.3       | 8.6                | 7.6                 |


The Extent of Poverty

So far we have been discussing disparities in income and expenditures in Indonesia in a relative sense. However, with the growing emphasis on issues of poverty and basic needs in development planning, considerable work has been done in Indonesia in recent years on estimating the extent of absolute poverty and the number of people falling below some basic level of living. These studies use various concepts of the 'poverty line' and not surprisingly produce a variety of results, even when the data base is the same. For example, depending on whether a calorie concept or an income concept (or some combination) is used to measure poverty, studies based on Susenas data can produce widely differing estimates, both of the absolute number of people below the poverty line at a particular time, and of changes over time.

Looking at the income approach first, the World Bank has used a per capita income level of US $75 as a 'basic needs minimum' expenditure level. This translates into Rp 2600 per capita per month, using the rupiah exchange rate that prevailed until November 1978. However, a rather higher poverty line should apply in the towns because the cost of living in urban areas is
typically higher than in rural areas. For present purposes, the urban poverty line is taken to be Rp 4000 and the rural poverty line Rp 2500 (1976 prices). Using a price index based on the nine commodity index, these values convert to Rp 1300 in urban areas and Rp 900 in rural areas at 1970 prices. The extent of poverty in the rural and urban areas of Java and the Outer Islands in 1970 and 1976, according to these income poverty lines is shown in Table 6. The data indicate a fairly sharp decline, especially in Java. Whereas over half the rural population of Java was 'poor' in 1970, about one third were poor in 1976.

Table 6

Estimates of the Extent of Poverty Using the World Bank Poverty Line

<table>
<thead>
<tr>
<th>Region</th>
<th>Urban</th>
<th>Rural</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Java</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>46.1</td>
<td>52.4</td>
<td>51.3</td>
</tr>
<tr>
<td>1976</td>
<td>34.1</td>
<td>36.8</td>
<td>36.3</td>
</tr>
<tr>
<td>Other Islands</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>28.9</td>
<td>22.7</td>
<td>23.7</td>
</tr>
<tr>
<td>1976</td>
<td>26.4</td>
<td>19.9</td>
<td>21.2</td>
</tr>
<tr>
<td>Indonesia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>40.4</td>
<td>41.6</td>
<td>41.4</td>
</tr>
<tr>
<td>1976</td>
<td>31.3</td>
<td>31.0</td>
<td>31.0</td>
</tr>
</tbody>
</table>


It is easy to criticize calculations of this kind. They are based on an arbitrary income threshold which bears only a tenuous relationship to the cost of basic needs in different parts of the country. Although allowance is made for differences in the cost of living between urban and rural areas, the calculations in Table 6 do not allow for differences in the cost of living between Java and the Outer Islands. Nor do they allow for the different consumption baskets of different income classes and the possibility that the price index chosen may not adequately reflect cost of living increases for the very poor.

One approach which meets some of these objections is that adopted by Professor Sajogyo. He denominated his poverty line not in cash, but in the form of the basic food staple, rice. He put forward three measures of poverty - poor, very poor and destitute - with different rice equivalent measures for urban and rural areas (Table 7). Rice was valued at prevailing market prices in both urban and rural areas in Java and the Outer Islands. The results of Sajogyo's approach are given in Table 7, Columns (2) and (3), and tell a rather different story from the data in the previous table. While the proportion of the population classified as poor fell slightly in rural Java between 1970 and 1976, the proportion classified as very poor stayed almost unchanged and the proportion classified as destitute rose from twenty-one to twenty-five per cent of the population. This clearly contrasts with the finding in Table 6 that the proportion below the poverty line in rural Java fell from fifty-two to thirty-seven per cent between 1970 and 1976. The reason for the difference lies in the different poverty line concept used.
### Table 7

**Estimates of the Extent of Poverty Using Sajogyo's Measure**

<table>
<thead>
<tr>
<th>Poverty line in rice equivalents (Kg./Capita/Year)</th>
<th>Percentage of the population falling below stated poverty line(^a)</th>
<th>(1970)</th>
<th>(1976)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>Poor</td>
<td>480</td>
<td>55.9</td>
<td>42.5</td>
</tr>
<tr>
<td>Very Poor</td>
<td>360</td>
<td>43.7</td>
<td>28.5</td>
</tr>
<tr>
<td>Destitute</td>
<td>270</td>
<td>26.1</td>
<td>17.8</td>
</tr>
<tr>
<td>Java: Urban</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor</td>
<td>320</td>
<td>61.0</td>
<td>58.6</td>
</tr>
<tr>
<td>Very Poor</td>
<td>240</td>
<td>39.5</td>
<td>39.8</td>
</tr>
<tr>
<td>Destitute</td>
<td>180</td>
<td>20.9</td>
<td>25.0</td>
</tr>
<tr>
<td>Java: Rural</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor</td>
<td>480</td>
<td>61.4</td>
<td>43.5</td>
</tr>
<tr>
<td>Very Poor</td>
<td>360</td>
<td>39.0</td>
<td>27.1</td>
</tr>
<tr>
<td>Destitute</td>
<td>270</td>
<td>21.0</td>
<td>14.6</td>
</tr>
<tr>
<td>Outer Islands: Urban</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor</td>
<td>320</td>
<td>44.8</td>
<td>41.7</td>
</tr>
<tr>
<td>Very Poor</td>
<td>240</td>
<td>27.8</td>
<td>25.8</td>
</tr>
<tr>
<td>Destitute</td>
<td>180</td>
<td>15.0</td>
<td>14.4</td>
</tr>
<tr>
<td>Outer Islands: Rural</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very Poor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Destitute</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^a\) Per capita consumption data are taken from *Sukses* 1976 (VUS 78-24), BPS, Jakarta, 1978.

\(^b\) To calculate the percentages, three poverty lines expressed in terms of milled rice equivalents were converted into cash using the following values per Kg: Rp 37.5 in 1970 and Rp 120 in 1976 in Java, Rp 50 in 1970 and Rp 125 in 1976 outside Java.

\(^b\) The Sajogyo calculations assumed constant household size for all expenditure groups.
Sajogyo's approach can be criticized on several grounds. On the one hand he used rice as the standard for his calculations when it is not, in fact, the staple of the rural poor in Java. The Susenas and other surveys indicate that the poor in rural Java derive the bulk of their calories from corn and cassava. However, the prices of these foodstuffs have increased more rapidly in the period 1970-76 than has the price of rice. This would suggest that Sajogyo's figures may underestimate the extent of poverty in 1976 relative to 1970. But, on the other hand, it must be noted that Sajogyo converted the 1976 household consumption data to per capita terms by dividing it by the average household size in each region. The implicit assumption that household size is the same in each expenditure group is, in fact, incorrect. In Indonesia, as in many other parts of Asia, poorer households tend to be smaller than the average. The figures in column (4) of Table 7 show the Sajogyo calculations adjusted for this, and the proportions in the 'very poor' and 'destitute' groups drop quite sharply.

It can be argued that these proportions are still so high that they must reflect some degree of understatement in food consumption on the part of both urban and rural populations. The average daily per capita calorie intakes shown by the Susenas in Java in 1976 of 1841 (rural) and 1652 (urban) is not medically satisfactory, while the average calorie intake of the bottom forty per cent everywhere in the country is inadequate to sustain a healthy and active existence. One possible explanation for the very low calorie figures is that food consumption may have been consistently understated in the Susenas surveys, either because the enumerators did not collect information on all foods consumed, or because interviewees understated their consumption.

Can any consensus be wrung out of these various estimates? On one hand, the sharp fall in the proportion of rural poor (income criterion) shown in Table 6 has to be interpreted with caution, as the result depends crucially on the income threshold used. Nevertheless, there is little evidence to support the view that the proportion of the population in poverty has dramatically increased since 1970, or that the depth of poverty has increased. On the other hand, it seems that in rural Java in particular, the absolute numbers of people in poverty may have increased. Given the obvious limitations of the Susenas data it would be foolhardy to try and draw more definite conclusions. But it is clear that the poverty problem in Indonesia, and in Java in particular, remains sufficiently serious to deserve the closest attention of planners and policy-makers.

PART TWO: DETERMINANTS OF INCOME INEQUALITIES IN INDONESIA

We turn now to the question of what determines the distribution of income in contemporary Indonesia. In the light of evidence already reviewed on current trends, we attempt to develop a more general hypothesis which may assist us in predicting likely trends in income inequalities in the future. Predicting trends in income equalities clearly involves some estimate of the existing and likely trends in distribution of wealth, and it may be useful to review briefly the means of holding wealth that are available to individuals in Indonesia today. Basically they are threefold: rural or urban land and property; equity in commercial and industrial enterprises; and bank accounts, either at home or abroad. The absence of
a domestic share market, a domestic insurance industry or a market in
government securities means that these means of holding wealth are not
available to Indonesian investors. Indeed it would be difficult to find
another economy outside the communist bloc where assets available to the
private sector are so restricted. Because the bulk of the population live
and work in the rural sector, and because data on rural land holdings are
more readily available than on any other type of wealth holding, we begin
with a discussion of access to agricultural land.

Ownership and Distribution of Agricultural Land

Data on the distribution of land provide one of the clearest pointers
to distribution of income and wealth in rural areas. Information from the
1973 Agricultural Census gives us a comprehensive recent picture of patterns
of land tenure into which the results of the more limited sample surveys can
be fitted. The general pattern of land tenure is of small, highly
fragmented and largely owner-operated holdings. Overall, forty-six per cent
of total holdings in Indonesia are less than half a hectare; for Java the
figure is fifty-seven per cent. There are, however, quite marked
differences between Java and other regions in the size distribution of
holdings (Table 8). International comparisons suggest that the Gini
coefficients of the size distribution of holdings for Indonesia as a whole,
and for Java in particular, are quite low by world standards, but not by
East and Southeast Asian standards. A comparison of the size distribution
of holdings in 1963 and 1973 shows a marginal decline in overall inequalities
caused by a slight decline in the share of the top quintile which was taken
by the middle two quintiles. The share of the bottom forty per cent of
holdings in total land area stayed constant.

### Table 8
Percentage Distribution of Farm Holdings by Size, 1973

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage of farm holdings by size (ha)</th>
<th>Gini coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 0.5</td>
<td>0.5-1</td>
</tr>
<tr>
<td>Java</td>
<td>57</td>
<td>25</td>
</tr>
<tr>
<td>Sumatra</td>
<td>29</td>
<td>26</td>
</tr>
<tr>
<td>Kalimantan</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Sulawesi</td>
<td>25</td>
<td>24</td>
</tr>
<tr>
<td>Other Islands</td>
<td>31</td>
<td>23</td>
</tr>
<tr>
<td>Indonesia</td>
<td>46</td>
<td>25</td>
</tr>
</tbody>
</table>

certainly due in part to understatement in the 1963 census. It also seems fairly clear that some agricultural land in Java escaped census enumeration altogether. Surprise has also been expressed at the apparent increase in the number of wholly-owned farms in Java between 1963 and 1973, implying as it does a decline in tenancy. In fact, as one writer claimed on the basis of field research carried out in the late sixties, sharecropping has become a comparatively 'marginal and privileged alternative' compared with seasonal rental agreements and wage labour. What the increase in the number of wholly-owned farms in Java, taken together with evidence of increasing fragmentation, probably implies is that as population has expanded, larger landowners have taken land away from tenants and given it to family members for their own use. Thus smaller landowners and landless families who previously had the security of long term tenancy arrangements are now simply agricultural labourers, or at best cultivate land under short term rentals.

The 1976 Sakernas data allow us to examine land leasing patterns. It appears that many very small agricultural operators are leasing in land, with the result that a much smaller percentage of operated holdings are less than 0.1 hectare than owned holdings (Table 9). But the data in the table also indicate that a high proportion of agricultural households operate little or no wet rice land. In fact only forty-nine per cent of all agricultural households in Indonesia operate more than 0.2 hectare of wet rice land and even fewer operate more than 0.2 hectare where at least seventy-five per cent of the land is irrigated. Of course the same caveats apply in interpreting these data as to the Agricultural Census, and unfortunately the Sakernas data are not yet available broken down by region. But it seems reasonable to assume that access to agricultural land, and irrigated rice land in particular, is even more restricted in Java than elsewhere in the country.

Access to Agricultural Land

Apart from the way land is distributed among cultivators in Indonesia, another important question concerns the numbers of people who are 'landless'. One fact to emerge from a comparison of the 1963 and 1973 Agricultural Censuses and the 1961 and 1971 Population Censuses is that considerable interregional differences exist in the pattern of labour force growth relative to the growth of agricultural land. The data in Table 10 show the growth in the number of farms (between 1963 and 1973) and in the agricultural labour force (between 1961 and 1971). The almost exactly identical growth rates for the country as a whole mask considerable regional differences; in Java the labour force grew more rapidly than the number of farm units, while elsewhere the growth rate was rather less. Although data on the intercensal growth of the agricultural labour force must be interpreted with caution, there seems at least prima facie evidence for assuming that in Java at least availability of agricultural land has not been increasing as rapidly as the agricultural labour force; in other words, landlessness has been increasing.

It is not easy, however, to derive an unambiguous measure of landlessness from existing data. One approach is to calculate the percentage ratio of farms to rural households, as in Table 10, and subtract this from 100. Not surprisingly the ratio is highest for Java (forty per cent) and
### Table 9
Ownership and Operation of Land by Size of Holding and Access to Sawah, 1976

<table>
<thead>
<tr>
<th>Size of holding (hectare)</th>
<th>Cumulative percentage of all households a</th>
<th>Size of operated sawah holdings (hectare)</th>
<th>Cumulative percentage of households in each size group operating sawah more than 75% irrigated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owning land</td>
<td>Operating land</td>
<td></td>
</tr>
<tr>
<td>&lt;0.10</td>
<td>14.4</td>
<td>6.8</td>
<td>&lt;0.10</td>
</tr>
<tr>
<td>0.10 - 0.20</td>
<td>23.7</td>
<td>16.2</td>
<td>0.10 - 0.20</td>
</tr>
<tr>
<td>0.20 - 0.30</td>
<td>34.7</td>
<td>28.1</td>
<td>0.20 - 0.30</td>
</tr>
<tr>
<td>0.30 - 0.40</td>
<td>42.3</td>
<td>36.9</td>
<td>0.30 - 0.40</td>
</tr>
<tr>
<td>0.40 - 0.50</td>
<td>51.7</td>
<td>47.3</td>
<td>0.40 - 0.50</td>
</tr>
<tr>
<td>0.50 - 0.75</td>
<td>64.7</td>
<td>62.0</td>
<td>0.50 - 0.75</td>
</tr>
<tr>
<td>0.75 - 1.00</td>
<td>75.5</td>
<td>73.9</td>
<td>0.75 - 1.00</td>
</tr>
<tr>
<td>1.00 - 2.00</td>
<td>91.3</td>
<td>91.0</td>
<td>1.00 - 2.00</td>
</tr>
<tr>
<td>&gt;2.00</td>
<td>100.0</td>
<td>100.0</td>
<td>&gt;2.00</td>
</tr>
</tbody>
</table>


aData refer to agricultural households only. Agricultural households are defined as those which derive their income principally from agriculture, excluding agricultural labour.
Table 10
Growth in the Number of Farms, Area of Farm Land and Agricultural Labour Force by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage growth in the number of farms 1963-73</th>
<th>Percentage growth in farm area 1963-73</th>
<th>Percentage growth in agricultural labour force 1961-71</th>
<th>Estimated number of farms (000) 1971</th>
<th>Rural households (000) 1971</th>
<th>Ratio of farms to rural households (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Java</td>
<td>4.2</td>
<td>-3.0</td>
<td>10.4</td>
<td>8,201</td>
<td>13,772</td>
<td>59.5</td>
</tr>
<tr>
<td>Sumatra</td>
<td>27.0</td>
<td>-2.8</td>
<td>21.4</td>
<td>2,670</td>
<td>3,358</td>
<td>79.5</td>
</tr>
<tr>
<td>Kalimantan</td>
<td>23.3</td>
<td>31.7</td>
<td>9.1</td>
<td>652</td>
<td>799</td>
<td>81.6</td>
</tr>
<tr>
<td>Sulawesi</td>
<td>39.8</td>
<td>57.6</td>
<td>9.9</td>
<td>1,013</td>
<td>1,317</td>
<td>76.9</td>
</tr>
<tr>
<td>Other Islands</td>
<td>21.2</td>
<td>27.9</td>
<td>13.7</td>
<td>897</td>
<td>1,367</td>
<td>65.6</td>
</tr>
<tr>
<td>Indonesia</td>
<td>12.5</td>
<td>7.7</td>
<td>12.6</td>
<td>13,433</td>
<td>20,613</td>
<td>65.2</td>
</tr>
</tbody>
</table>

lowest for Kalimantan with the other islands falling in between (Table 11). However this approach is rather unsatisfactory because many rural households are not economically active in agriculture, and some also control more than one holding.

Table 11

Estimates of Landlessness According to Three Criteria

<table>
<thead>
<tr>
<th>Region</th>
<th>100 minus Employees in Percentage of (farm holdings as agriculture as a percentage of total rural households)</th>
<th>Employees in agriculture as a percentage of total workers, 1971</th>
<th>Percentage of agricultural households not operating land, 1973</th>
</tr>
</thead>
<tbody>
<tr>
<td>Java</td>
<td>40.5</td>
<td>30.9</td>
<td>16.0</td>
</tr>
<tr>
<td>Bali &amp; Nusatenggara</td>
<td>34.4</td>
<td>9.2</td>
<td>5.7</td>
</tr>
<tr>
<td>Kalimantan</td>
<td>18.4</td>
<td>7.25</td>
<td>4.3</td>
</tr>
<tr>
<td>Sulawesi</td>
<td>23.1</td>
<td>11.5</td>
<td>6.1</td>
</tr>
<tr>
<td>Sumatra</td>
<td>20.5</td>
<td>12.9</td>
<td>3.4</td>
</tr>
<tr>
<td>Indonesia</td>
<td>34.8</td>
<td>23.6</td>
<td>12.1</td>
</tr>
</tbody>
</table>


Another approach is to use Population Census labour force data to calculate the number of employees in agriculture as a percentage of the total agricultural labour force (Table 11). This assumes that anyone working as an employee in agriculture does not own sufficient land to obtain an adequate income and must therefore supplement income by working for wages. However this indicator almost certainly underestimates the extent of 'true landlessness' in that many males who were at least potentially available for work in both agriculture and other sectors were classified as not economically active in the Census returns. ¹⁴

Yet another method of measuring landlessness has been used in a recently published analysis of the 1973 Agricultural Census data. This compares the number of agricultural holdings with the number of households who considered themselves 'agricultural' households. It is not a wholly reliable indicator because it leaves the decision as to whether a particular household is 'agricultural' or not largely to the household itself, or to the interviewer's discretion. The percentage ratios of landless to total agricultural households which this indicator produces are given in Table 11; they seem very low, especially for Java. ¹⁵
To derive an exact estimate of landlessness in Java we would have to know firstly how many households or workers are either actually working in the agricultural sector or potentially available for work in that sector if work were offering, and secondly what proportion of these had access to land. None of the above indicators entirely meets these requirements; probably the most meaningful is that derived from the Population Census data, although the Census data on agricultural employment are unsatisfactory in several respects, and any indicator of landlessness based upon them should be interpreted with care.

If access to agricultural land in Java is restricted to only a fraction of those willing and able to operate it, access to irrigated land is even more limited. The data in Table 9 indicate that only half the agricultural households in Indonesia operated sawah in excess of 0.2 hectares. An even smaller percentage of households own the sawah they operate; data from Klaten in the densely populated rice growing area between Yogyakarta and Solo suggest that only one third of all rural households own any irrigated land. These families constitute a rural elite (a significant percentage in Central Java are village officials and their extended families who acquire bengkok land with their office). Families whose access to irrigated land is only on a share-cropping or renting basis often receive less than half the crop and their status is sometimes little better than that of a labourer. 16

Data from the 1976 Labour Force Survey (Sakernas) allow us to explore the association between access to land and income further. Table 12 shows income by area of operated land. Although as would be expected average income increases by size of holding for both total holdings and sawah holdings, the trend is not perfectly uniform, especially in the lower categories. Particularly striking is that households operating no land at all have an income almost twice that of households operating between 0.01 and 0.2 hectares. These households constitute only 0.4 per cent of all agricultural households, and are probably lessees out of agricultural land.

It is also worth noting that households in the smallest size category of operated holdings (.01 - .10 ha) report roughly as much income as those in the larger size categories up to 0.5 hectares. This suggests that at least for the 'micro' farm units the size of holdings alone is not the only determinant of income. Quality of land is also important, in particular the amount of irrigation. But the table also shows that over thirty per cent of agricultural households operate no sawah at all and their income is larger than households operating between .01 and 0.2 hectares of sawah. Some of these households may of course control relatively large holdings of dry land; they may also derive part of their incomes from intensive cultivation of housegardens which, as several studies have shown, can be a very important source of income. 17

Labour Displacement and Rural Wages

Households without access to land, or with access to insufficient land to earn an adequate living, must seek other forms of employment. Traditionally land-owning households felt obliged to provide employment and a share of the crop to poorer households at harvest time. With the
advent of the rice intensification programme of the last decade there is
evidence that this traditional sense of obligation on the part of the
farmer is giving way to a more commercial attitude which seeks to maximize
profits by cutting harvest (and other) costs. The so-called tebasan system
in Java, where the farmer hires a contractor to harvest his field with
sickles rather than the traditional ant-ant small knife, has led to a
reduction in employment opportunities for the landless poor. Similarly, a
large number of poor rural women (often older women who are very badly
placed to find alternative work) have been deprived of an important source
of cash income by the change to small rice mills in place of the
traditional handpounding. Concern has also been expressed that the
growing use of tractors in many densely populated areas of Java and Bali,
encouraged by exchange rate and rural credit policies, has displaced labour
and driven down rural wages.18

All this suggests that the pattern of technological change in
Indonesian agriculture has been labour-displacing rather than land-
augmenting. Data on rural wages lend some support to this hypothesis. The
annual agricultural survey data, collected by the Central Bureau of
Statistics indicate that total paid out labour costs per hectare on wet
rice operations in Java and elsewhere have tended to fall in real terms
since 1971 (Table 13). Although paid out labour costs are considerably less as a proportion of gross output outside Java than in Java, the tendency towards declining real wage costs per hectare seems to be Indonesia-wide. This suggests either declining real wages in wet rice agriculture, or declining use of hired labour, or both.

Table 13

Paid out Labour Costs in Wet Rice Cultivation, 1971-76

<table>
<thead>
<tr>
<th></th>
<th>Paid out labour costs as a percentage of gross value of production</th>
<th>Index of real paid out labour costs$^a$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Java</td>
<td>Outer Islands</td>
</tr>
<tr>
<td>1971</td>
<td>22.3</td>
<td>12.2</td>
</tr>
<tr>
<td>1972</td>
<td>16.8</td>
<td>6.9</td>
</tr>
<tr>
<td>1973</td>
<td>17.1</td>
<td>6.8</td>
</tr>
<tr>
<td>1974</td>
<td>15.6</td>
<td>7.4</td>
</tr>
<tr>
<td>1975</td>
<td>15.1</td>
<td>9.4</td>
</tr>
<tr>
<td>1976</td>
<td>13.5</td>
<td>7.2</td>
</tr>
</tbody>
</table>

Source: Survey Pertanian 1972-77, BPS, Jakarta.

$^a$Calculated by deflating the index of paid out labour costs by the rural nine-commodity price index. Paid out labour costs include labour for grubbing, ploughing, sowing, weeding and harvesting.

However the possibility of much recent investment in Indonesian agriculture being land-augmenting as well as labour-displacing should not be ignored. One notes in particular the heavy government investment in irrigation and land extensification in the Outer Islands. Irrigation facilities which encourage multiple-cropping of land previously used only in the wet season are a clear example of land-augmenting capital formation, while land extensification outside Java should also absorb more labour as well as increasing productivity. The problem with this type of investment is that the employment and income generation effects may occur very slowly, while the negative employment impact of the labour-displacing investment is immediate. The task for government is to curb both the use of labour-displacing agricultural technologies and encourage land-augmenting ones.

The Agricultural Terms of Trade

The data reviewed recently by Leon Mears and Sidik Moeljono suggested that the barter terms of trade for the rice farmer have improved if the urban nine commodity index (excluding rice) is used as an indicator of non-rice prices, but not if the urban sixty-two commodity index is used.\textsuperscript{19}
Table 14 shows the income terms of trade for a number of agricultural crops, both food and estate, for 1977, using 1971 as a base year. It appears that the income terms of trade for *palawiJa* (non-rice food) producers (excluding soy bean) have risen more rapidly than for rice farmers, while the reverse has been the case for the rubber, tea and sugar producers. Data for the intervening years (not shown) suggests that the terms of trade for non-food crops have been far more prone to fluctuation than those for food crops, especially rice.

Table 14

Indices of Production, Price and Income Terms of Trade for Various Smallholder Agricultural Products, 1977

(1971 = 100)

<table>
<thead>
<tr>
<th>Crop</th>
<th>Production index</th>
<th>Price index</th>
<th>Cost of living index</th>
<th>Income terms of trade index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wet rice</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Java</td>
<td>111</td>
<td>338</td>
<td>301</td>
<td>125</td>
</tr>
<tr>
<td>Outer Islands</td>
<td>130</td>
<td>277</td>
<td>261</td>
<td>138</td>
</tr>
<tr>
<td>Dry rice</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Java</td>
<td>82</td>
<td>338</td>
<td>301</td>
<td>92</td>
</tr>
<tr>
<td>Outer Islands</td>
<td>101</td>
<td>277</td>
<td>261</td>
<td>107</td>
</tr>
<tr>
<td>Corn</td>
<td>116</td>
<td>355</td>
<td>301</td>
<td>137</td>
</tr>
<tr>
<td>Cassava</td>
<td>114</td>
<td>388</td>
<td>301</td>
<td>147</td>
</tr>
<tr>
<td>Sweet potatoes</td>
<td>111</td>
<td>390</td>
<td>301</td>
<td>144</td>
</tr>
<tr>
<td>Peanuts</td>
<td>142</td>
<td>405</td>
<td>301</td>
<td>191</td>
</tr>
<tr>
<td>Soy beans</td>
<td>102</td>
<td>341</td>
<td>301</td>
<td>116</td>
</tr>
<tr>
<td>Rubber</td>
<td>104</td>
<td>278</td>
<td>261</td>
<td>111</td>
</tr>
<tr>
<td>Tea</td>
<td>113</td>
<td>334</td>
<td>301</td>
<td>125</td>
</tr>
<tr>
<td>Coffee</td>
<td>102</td>
<td>866</td>
<td>288</td>
<td>207</td>
</tr>
<tr>
<td>Copra</td>
<td>125</td>
<td>321</td>
<td>261</td>
<td>154</td>
</tr>
<tr>
<td>Sugarcane</td>
<td>114</td>
<td>208</td>
<td>301</td>
<td>79</td>
</tr>
</tbody>
</table>

*Source:* Production data: Statistical Pocketbook, BPS, Jakarta, various issues, and Indonesian Financial Statistics, Bank Indonesia, various issues. Price data: *Indikator Ekonomi*, BPS, various issues. For food crops rural market prices were used, while for estate crops, Jakarta wholesale prices were used.

*For rice in Java, all *palawiJa* crops, tea and sugarcane, the rural Java nine commodity index is used. For other crops, the Outer Islands nine commodity index is used, excepting coffee where the Lampung nine commodity index is used.*

b *Computed by multiplying the production index by the price index for each crop and dividing by the rural Java nine commodity index, except where indicated.*
Most of this improvement in the income terms of trade occurred because prices rose more rapidly during 1971-1977 than the cost of living. Production rose much more slowly than prices for all crops, and in several cases was practically static. The data in Table 14 refer to smallholder crops only; in fact, output of smallholder rubber, tea and sugar grew less rapidly than output of the large estates sector between 1966 and 1976 (Table 15). Only for coffee and tobacco has output from the two sectors grown at a similar rate, although in neither case has the growth rate been very high.

<table>
<thead>
<tr>
<th>Crop</th>
<th>Percentage production increase 1966-1976</th>
<th>Per hectare yields 1975 (kg/ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Large Estates</td>
<td>Smallholders</td>
</tr>
<tr>
<td>Rubber</td>
<td>2.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Coffee</td>
<td>-0.3</td>
<td>0.8</td>
</tr>
<tr>
<td>Tea</td>
<td>5.5</td>
<td>-10.9</td>
</tr>
<tr>
<td>Sugar</td>
<td>6.1</td>
<td>0.4</td>
</tr>
<tr>
<td>Tobacco</td>
<td>2.0</td>
<td>3.4</td>
</tr>
</tbody>
</table>

Source: Statistical Pocketbook, BPS, Jakarta, various issues.

The terms of trade are a purely relative indicator in that they show trends in income derived from particular crops rather than absolute magnitudes. However the evidence that the income terms of trade of those crops which the poorer farmers would probably be cultivating (such as corn, cassava and sweet potatoes) have been improving relative to rice could at least partly explain the overall stability in rural expenditure distributions between 1970 and 1976. On the other hand, the poor performance of a smallholder crop such as rubber, relative to both food crops and output of large estates, implies that these producers have become more disadvantaged during the last decade relative to other agricultural sectors.

Access to Work, Incomes and Education

The 1976 Labour Force Survey (Sakernas) put open unemployment at 2.3 per cent of the workforce. The broad characteristics of the unemployed are shown in Table 16; roughly seventy-five per cent are male, and they are split sixty:forty between rural and urban areas. The great majority (eighty per cent) are under twenty-five. Most (sixty per cent) have had some elementary schooling and about one third have had at least a junior high school education. Two thirds are maintained by their families.

Clearly, open unemployment in Indonesia is primarily a problem affecting youth, and to a disproportionate extent urban, educated youth. There would appear to be little connection between the problems of
unemployment and poverty. Most obviously, the poor are vastly greater in numbers than the unemployed. While the estimates in Table 6 put the poor at about thirty per cent of the Indonesian population, the unemployed, according to the Sakernas, are only 2.3 per cent of the labour force, or roughly one per cent of the population.

<table>
<thead>
<tr>
<th>Table 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Characteristics of the Unemployed Labour Force 1976</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sex</th>
<th>Location</th>
<th>Age</th>
<th>Education</th>
<th>Means of Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>76.6</td>
<td>6.6</td>
<td>6.6</td>
<td>6.6</td>
</tr>
<tr>
<td>Female</td>
<td>23.4</td>
<td>38.9</td>
<td>34.4</td>
<td>20.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Location</th>
<th>Means of Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>41.6</td>
<td>65.4</td>
</tr>
<tr>
<td>Rural</td>
<td>58.4</td>
<td>26.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Means of Support</th>
<th>Family</th>
<th>Occasional job</th>
<th>Other means</th>
</tr>
</thead>
<tbody>
<tr>
<td>sacked</td>
<td>7.7</td>
<td>59.7</td>
<td>15.5</td>
</tr>
<tr>
<td>Elementary</td>
<td>59.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Junior High</td>
<td>15.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior High</td>
<td>15.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tertiary</td>
<td>1.3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Sakernas (VUS 78-22), BPS, Jakarta, May 1978.

If the bulk of the poor are working, then it may be expected that they are largely employed in agriculture. However, the 1976 Surpas data show only a relatively small difference between per capita expenditures in agricultural and non-agricultural households, much smaller than the difference between urban and rural areas (Table 17). The lowest per capita monthly expenditure occurs in households where the source of income is mixed but predominantly agricultural. In these households the average per capita expenditure is slightly above the World Bank poverty line in rural areas but below it in urban areas. However, in rural areas only eleven per cent of all households are in this category, and in urban areas only one per cent. A large proportion of the poor must therefore be found in the other employment categories.
Table 17

Per Capita Monthly Expenditure by Source of Income, 1976

<table>
<thead>
<tr>
<th>Source of Income</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per capita</td>
<td>Per cent of</td>
</tr>
<tr>
<td></td>
<td>monthly</td>
<td>urban</td>
</tr>
<tr>
<td></td>
<td>expenditure</td>
<td>households</td>
</tr>
<tr>
<td></td>
<td>(Rp 000)</td>
<td></td>
</tr>
<tr>
<td>Agriculture only</td>
<td>4.00</td>
<td>8.2</td>
</tr>
<tr>
<td>Mixture, mainly agriculture</td>
<td>3.46</td>
<td>1.2</td>
</tr>
<tr>
<td>Mixture, mainly non-agriculture</td>
<td>4.35</td>
<td>1.9</td>
</tr>
<tr>
<td>Non agriculture</td>
<td>4.95</td>
<td>88.7</td>
</tr>
<tr>
<td>Not stated</td>
<td>4.48</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>4.48</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Supas No. 4 (VP 78-05), Table 10, BPS, Jakarta, 1978.

Most of the households falling into the second, third and fourth categories in Table 17 probably derive much of their income from wage labour. Thus it is of interest to look at remuneration accruing to those members of the labour force classed as employees by sector (Table 18). The data indicate that employees in the agricultural sector are substantially less well-paid than those elsewhere. If we assume an average household of five, it is clear that a rural household where both husband and wife were working as labourers would not be earning sufficient to meet the Rp 2600 per capita per month poverty line used in Table 6. This may also be true of workers in manufacturing, construction, trade and transport, especially if the household size is larger than average, if the wife is not working, or if the wage earners are only intermittently employed.

Employees are of course only a small proportion of the labour force in rural areas, and it is useful to compare the relationship between employee and employer incomes for agricultural and non-agricultural income earners in both urban and rural areas (Table 19). Clearly monthly incomes are lowest for employees in agricultural occupations in rural areas, followed by employers and own account workers in non-agricultural rural occupations. Remuneration to this group is low, on average, because it includes many poor, landless people working as own-account workers in trade (hawking, scavenging etc.) and similar occupations where productivity and incomes are low. The largest single category of workers in rural areas, employers and own-account workers in agriculture, are the best-remunerated; these are mainly people with access to land.

Another important inference about determinants of income distribution to be derived from the data on employee remuneration in Table 18 concerns access to government jobs. Overall, remuneration for employees is higher in urban than in rural areas, and higher for men than for women. If we look
more carefully at the sectoral breakdown for the most highly paid group — urban males — we see that the highest wages are earned in mining, electricity, finance and services. These are all sectors where government services and enterprises tend to dominate. It thus seems reasonable to conclude that access to jobs in government enterprises is an important determinant of overall employee remuneration. This conclusion confirms findings from an earlier study of urban income distribution in Indonesia. 21

Table 18
AVERAGE MONTHLY INCOME OF EMPLOYEES
BY SECTOR OF ACTIVITY, 1976
(Rp 000)

<table>
<thead>
<tr>
<th>Sector Activity in urban prev. year</th>
<th>Urban Male</th>
<th>Urban Female</th>
<th>Rural Male</th>
<th>Rural Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>12.13</td>
<td>4.04</td>
<td>6.27</td>
<td>3.74</td>
</tr>
<tr>
<td>Mining</td>
<td>44.57</td>
<td>37.65</td>
<td>55.39</td>
<td>6.25</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>16.31</td>
<td>6.97</td>
<td>10.22</td>
<td>4.12</td>
</tr>
<tr>
<td>Electricity</td>
<td>26.84</td>
<td>22.50</td>
<td>46.77</td>
<td>-</td>
</tr>
<tr>
<td>Construction</td>
<td>16.84</td>
<td>15.10</td>
<td>12.68</td>
<td>9.42</td>
</tr>
<tr>
<td>Trade</td>
<td>22.30</td>
<td>13.93</td>
<td>10.77</td>
<td>5.07</td>
</tr>
<tr>
<td>Transport</td>
<td>18.60</td>
<td>21.07</td>
<td>12.50</td>
<td>5.10</td>
</tr>
<tr>
<td>Finance</td>
<td>44.79</td>
<td>19.90</td>
<td>15.93</td>
<td>-</td>
</tr>
<tr>
<td>Services</td>
<td>23.12</td>
<td>10.98</td>
<td>15.66</td>
<td>7.43</td>
</tr>
<tr>
<td>Others</td>
<td>25.60</td>
<td>9.64</td>
<td>24.09</td>
<td>2.92</td>
</tr>
<tr>
<td>Total</td>
<td>21.01</td>
<td>10.43</td>
<td>11.34</td>
<td>4.44</td>
</tr>
</tbody>
</table>

Employees as a percentage of the labour force: 57.7 42.2 23.5 19.0

Source: Supas No. 2, (VP 78-01), Table 19, BPS, Jakarta, 1978.

An important influence on household expenditures and employee remuneration is the level of education of the worker and household head. Per capita household expenditures increase rapidly with the education of the head of household in both urban and rural areas but in all cases, for the same level of education, household expenditures are lower in rural areas by roughly one third (Table 20). The education differential is clearly a significant factor affecting income distribution. An even larger variation by educational status is found when employee remuneration data is examined (Table 21). The variations by level of education and also between urban and rural areas are substantially greater than those shown in Table 20.
### Table 19

Average Monthly Income of Employees, Employers and Own Account Workers in Agricultural and Non-agricultural Occupations

<table>
<thead>
<tr>
<th>Sector</th>
<th>Employees</th>
<th>Employers and Own Account Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number (million)</td>
<td>Average Income (Rp 000)</td>
</tr>
<tr>
<td>Urban</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agricultural</td>
<td>0.14</td>
<td>9.83</td>
</tr>
<tr>
<td>Non-agricultural</td>
<td>3.85</td>
<td>18.99</td>
</tr>
<tr>
<td>Rural</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agricultural</td>
<td>5.94</td>
<td>4.81</td>
</tr>
<tr>
<td>Non-agricultural</td>
<td>4.44</td>
<td>11.78</td>
</tr>
</tbody>
</table>

*Source: Supas No. 2 (VP 78-01) Tables 6, 18 and No. 4 (VP 78-05) Table 10, BPS, Jakarta, 1978.*

### Table 20

Per Capita Expenditures by Education, 1976

<table>
<thead>
<tr>
<th>Education of Head of Household</th>
<th>Urban</th>
<th>Rural</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No School</td>
<td>3.72</td>
<td>2.37</td>
<td>3.16</td>
</tr>
<tr>
<td>Less than Primary</td>
<td>3.92</td>
<td>2.98</td>
<td>3.09</td>
</tr>
<tr>
<td>Primary</td>
<td>4.37</td>
<td>3.23</td>
<td>3.51</td>
</tr>
<tr>
<td>Less than Junior High</td>
<td>4.79</td>
<td>3.56</td>
<td>4.00</td>
</tr>
<tr>
<td>Junior High</td>
<td>5.12</td>
<td>3.96</td>
<td>4.53</td>
</tr>
<tr>
<td>Less than Senior High</td>
<td>5.56</td>
<td>3.95</td>
<td>4.93</td>
</tr>
<tr>
<td>Senior High</td>
<td>6.55</td>
<td>4.62</td>
<td>5.60</td>
</tr>
<tr>
<td>Less than Academy or University</td>
<td>9.10</td>
<td>5.64</td>
<td>8.31</td>
</tr>
<tr>
<td>Academy or University</td>
<td>11.32</td>
<td>5.62</td>
<td>10.21</td>
</tr>
<tr>
<td>Not Stated</td>
<td>4.43</td>
<td>3.87</td>
<td>3.92</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4.84</strong></td>
<td><strong>3.16</strong></td>
<td><strong>3.44</strong></td>
</tr>
</tbody>
</table>

*Source: Supas No. 4 (VP 78-05), BPS, Jakarta, 1978.*
Urban-Rural Disparities

It seems clear both from earlier tables (Tables 3 - 5) and the data presented in Tables 17 - 21 that urban-rural disparities are an important component of overall income disparities in Indonesia. How can we explain trends in urban-rural disparities and project their future development? Firstly we must bear in mind that the urban-rural disparity in incomes was quite small in 1970 compared with those in many other less-developed countries. This was largely due to the effects of the inflation of the early and middle 1960s; in that period, the rural sector 'succeeded' from the monetary sector, carrying out most of its transactions within the sector on a barter basis and reducing the surplus of food marketed to urban areas. The result was that living standards in rural areas did not change much while living standards in urban areas declined considerably. The new government policies since then had their full effect in the period 1970-76, when as a result of monetary stabilization and the concentration of development in urban areas, urban incomes increased much faster than in rural areas. Such changes would normally have led to increased migration from rural to urban areas, which would have moderated the increase in disparities. But it seems that the migration 'safety-valve' has not functioned in Indonesia in the 1970-76 period sufficiently to have an appreciable impact on the urban-rural population balance.

Of more importance in influencing urban-rural income distribution has been the concentration of directly productive investment in sectors producing goods and services, especially manufactures, in urban and urban
fringe areas. This has been due both to rising demand resulting from the faster growth of urban incomes, and to increases in supply resulting from the government's policy towards its own and foreign private investment. Much of this investment has been concentrated in Java, hence the urban-rural disparity has been higher and increasing more rapidly in Java than in the Outer Islands.

One important factor which has greatly increased urban-rural disparities in money terms, though not in real terms, has been the excessive congestion in the principal cities caused partly by migration, but also by the rather high rate of population growth and the long period of disinvestment in housing and other urban amenities. This has led to a very rapid increase in housing costs in all the major cities for all categories of housing. While rural housing costs have probably increased no more rapidly than increases in the costs of building materials, urban costs have increased more than twenty-fold between 1966 and 1977, and more than two-fold since 1973. These cost increases, coupled with increasing costs for urban commuter transport, serve to inflate money disparities but reduce real income disparities between urban and rural areas.

A further aspect of the problem of urban-rural disparities in incomes concerns the terms of trade for rural producers, discussed above. It has been argued that most food producers as well as some categories of non-food producers have enjoyed increasing real incomes since 1971. However, the rate of growth of real incomes for agricultural producers as a whole has almost certainly been slower than for middle class urban workers in both the public and private sectors, and this would clearly contribute to a widening income gap between urban and rural areas.

It is likely that the various factors which seem to have caused widening urban-rural disparities in the period 1970-76 will continue to operate in the future. This seems particularly likely when we recall the importance of both access to education and government employment in determining relative levels of household expenditure and employee compensation. As education facilities beyond primary level and government jobs will continue to be concentrated in urban areas in the foreseeable future, it seems likely that the urban-rural disparities they engender will continue to grow.22

PART THREE: INCOME DISTRIBUTION IN INDONESIA - A SUMMARY HYPOTHESIS

A recent analysis of economic development in Iran contained the following illuminating remarks:

the state has become the exclusive fountain of economic and social power; a power, moreover, which is independent of the productive effort of the community ... the most clear line of demarcation between different social categories is not so much their common relations with the means of production but their common relations with the chief supplier of the means of consumption - i.e. the state. Social stratification then becomes a function of economic dependency upon the state.23
We have indicated above that considerable evidence exists to support this hypothesis in the Indonesian case. Because the initial impact of the oil revenues has been felt in the government sector, growth during the past decade has accentuated urban-rural differentials, especially in Java, and there can be little doubt that a disproportionate share of the increase in national income has accrued to those educated sections of the urban economy with access to either government jobs and patronage or to remunerative positions in the private sector. The government sector has influenced domestic distribution of income and assets both directly through the government sector wage and salary structure and indirectly through its impact on the functioning of markets, through protectionist policies, capital subsidies, credit rationing and tax policies.

However Indonesia differs from the Iranian situation, at least as portrayed by Katouzian, in one importance respect. Katouzian suggests that the Iranian oil boom has had a totally deleterious impact on the agricultural sector, displacing and impoverishing the peasant cultivator. In Indonesia, the effect of the oil boom on the agricultural sector appears to have been rather different. In spite of massive rice imports in recent years, the domestic rice price has been maintained since late 1975 at levels at least equal to and frequently above world prices. Evidence was cited above which shows that the rice farmer's income terms of trade improved by about twenty-five per cent between 1971 and 1977, while those of many other categories of farmer improved even more. This situation is difficult to reconcile with a picture of increasing agricultural impoverishment. Rather what it suggests, when taken together with evidence of declining tenancy, is that a kulak class of well-to-do farmers has benefited from government agricultural policies, particularly those aimed at providing both subsidized inputs (fertilizer etc.) and free or heavily subsidized infrastructure (irrigation, roads, markets).

But the problems of the short-term impact of the oil boom should not obscure the longer run dynamics of growth and distribution equity in Indonesia. For a clearer understanding of these, classical growth models are still of considerable relevance. In particular these models help us to understand the process of capital accumulation (or mechanization) in both the agricultural and other sectors. Attention has already been drawn to the very low level of capital accumulation in Indonesia at the end of the 1960s. To the extent that this situation had been allowed to continue, the outcome for both development and distributional equity would have become increasingly bleak. Although the last decade has been a substantial amount of investment in agriculture in Indonesia, the evidence suggests that capital accumulation of a land-augmenting variety has not proceeded at a sufficiently rapid pace to absorb the growth in the agricultural labour force plus those agricultural workers displaced by the adoption of labour-displacing technology. Thus we find a declining share of wage labour in agricultural output, a rate of remuneration for employees in the agricultural sector below that prevailing elsewhere in the economy, a generally lower rate of remuneration for employees in non-agricultural rural occupations (such as trade, manufacturing and services) compared with employees in similar occupations in urban areas, and growing rural landlessness.

To sum up, the oil boom of the 1970s, coming after a prolonged period of economic stagnation, has had a polarising effect on Indonesian society and income distribution. Almost inevitably a disproportionate share of the
new wealth accrued to the privileged urban middle classes. In addition, the upper strata of rural society, primarily those who own or have access to agricultural land, have enjoyed a substantial increase in real income. But in rural Java there has been little change in the proportion of the population classified as poor, although 'depth of poverty' in the sense of the proportion of the population falling below a very low consumption standard (180 kg of rice per year) appears to have fallen. Average urban incomes have increased more rapidly than rural incomes, and urban-rural disparities have widened quite sharply in the 1970-76 period.

The majority of the population in Indonesia has almost certainly enjoyed some overall increase in levels of living in the past decade. Certainly there is little evidence to support the wilder assertions of critics of the Soeharto regime that the vast majority of Indonesians are poorer now than in the Soekarno or colonial eras. On the other hand, the available evidence suggests that over eighteen million Indonesians in 1976 were in a state of extreme destitution. Of these, eleven million were in rural Java. These people are almost certainly not unemployed in the sense of currently not working and willing to take up new work opportunities. They constitute the 'working poor' to whom poverty redressal programmes must be primarily directed.

What of the future? It appears that in Indonesia, as indeed in many other developing countries, the major determinants of income distribution are access to land, access to post-primary education and access to government jobs and patronage. Urban-rural income differentials, and salary differentials accruing to those possessing tertiary education appear larger, even by developing country standards. If they continue to widen, then Indonesian society will become increasingly unequal and the current trend towards social polarization will continue.

NOTES

1 The data from these surveys are analysed in R.M. Sundrum, 'Household Income Patterns', Bulletin of Indonesian Economic Studies (hereafter BIES), March, 1974. The surveys were restricted to urban areas but they do allow us to isolate some of the factors influencing income distribution, in that they show household income and expenditure data according to type of economic activity and educational achievement of the household head.


3 This figure is taken from the 1976 National Labour Force Survey (Sakernas), BPS, Jakarts, Report VUS 78-22, p. XX. The data refer to a reference period of one week.

4 One of the few published studies of savings behaviour in both rural and urban areas in Indonesia is that by Allen C. Kelley and Jeffrey G. Williamson, 'Household Savings Behaviour in the Developing Economies: The Case of Indonesia', Economic Development and Cultural Change, April 1968. However their sample was very restricted and the data now over twenty years old.
For a further discussion of these data see R.M. Sundrum, 'Changes in Consumption Patterns in Urban Java 1970-6', *BIES*, July 1977.


For a discussion of trends in prices of corn and cassava relative to rice see Leon A. Mears and Sidik Moeljono 'Food Policy' in Booth and McCawley (eds.) *The Indonesian Economy During the Soeharto Era*, Oxford University Press, Kuala Lumpur, forthcoming, Table 2.11.

It has been pointed out that great disparities exist between the levels of cassava consumption indicated in the *Susenas* reports and the 'availability' data i.e. production less wastage, exports etc. Eating cassava is regarded as a mark of low status in many parts of Java and families may not wish to reveal the true amount of their consumption to interviewers. For a discussion of this point see David Dapice 'Income Distribution in Indonesia', paper prepared for the seminar *Indonesian Development and U.S. Response*, SEADAG, May 1976.

Sajogyo's figures for the absolute numbers falling below the poverty line were calculated using old population projections and would need to be revised downwards to take into account the lower population growth rate indicated in the 1976 Intercensal Survey.

The lowest Gini coefficients in Asia for land distribution appear to be those from Japan and Taiwan which are both below 0.5. The Southeast Asian countries, including Philippines, have a lower index of land concentration than the South Asian countries and much lower than the Latin American nations.


White, op. cit. p. 19 ff. (An abbreviated version of this paper was published in *Development and Change*, January 1979).

Richard W. Franke, *The Green Revolution in a Javanese Village*, Ph.D. Thesis, Harvard University, June 1972. The question of changing tenancy and the 'vanishing sharecropper' has received considerable attention in the South Asian context. See for example Pranab Bardhan, 'Variations in Extent and Forms of Agricultural Tenancy', *Economic and Political Weekly*, September 11, 18, 1976. Bardhan finds some evidence to support the hypothesis that tenancy has declined in those Indian states (such as Punjab) where agricultural production has grown the fastest.
For a more detailed discussion of this point see Gavin W. Jones 'Labour Force Developments since 1961' in Booth and McCawley (eds.) op. cit.

Nugroho, 'Beberapa Catatan Mengenai Hasil Sensus Pertanian Indonesia 1973' Ekonomi dan Keuangan Indonesia, September 1977, Table IV. The Sakernas results indicated a total of 13.7 million agricultural households in Indonesia and the Supas results 16.2 million. This could be due to different definitions or the different time reference periods of the surveys.

For further discussion of issues regarding land tenure in Java see Ingrid Palmer, 'Rural Poverty in Indonesia with Special Reference to Java', in Poverty and Landlessness in Rural Asia, International Labour Office, Geneva, 1977, and the literature cited therein.


Leon A. Mears and Sidik Moeljono, 'Food Policy', in Booth and McCawley (eds.) op. cit.

See Sakernas (VUS 78-22), p. xviii. The figure of 2.3 per cent is based on a reference period of one week. Using a reference period of one year a figure of 2.2 per cent is derived.


See Mears and Moeljono op. cit. Figure 2.1 for a graphical depiction of trends in the domestic and ex-Bangkok f.o.b. price.
This paper reports the main findings of a field study done in 1971/72 in Miri-Sriharjo, a densely populated and poverty-stricken village in a well-watered, fertile area of South-Central Java.

INTRODUCTION

As far as is known 'housegardens' play a larger economic role in Javanese agriculture than in any other place in the world; nevertheless, they have been very little studied. The findings of this study show that even though housegardens occupy only about a third of the land they provide over half the family income. This disparity becomes even more interesting when it is realized that the housegarden enterprises are very different from the rice enterprise, which has long been modernized: high-yielding, fertilizer-responsive rice varieties grow on carefully irrigated land whereas housegardens are planted in a higgledy-piggledy fashion with a wide range of tree and other crops (not selected especially for yield), among which will be found chickens, houses, children, wells, drying floors and much more.

The great poverty of the majority in the village must provide a spur for the people to use all their resources as efficiently as possible, yet it is the rice enterprise, considered to be the basis of the farm, which makes the lesser economic contribution; this is true both relatively (in terms of economic efficiency) and absolutely (in terms of the contribution to household income).

The second part of the paper describes some recent changes in the general situation (economic and other) in Miri-Sriharjo; the third part concentrates on what happens inside the housegardens; the fourth part spells out 'the paradox in resource misallocation' in greater detail; the final section asks some questions regarding the appropriateness of western theory to describe and to explain what is happening in rural Java.

THE SITUATION

'They keep quiet because they know, not because they don't know.'

The economic (or material) situation of the people of Miri-Sriharjo can be described in a number of ways: income (level and distribution); factor prices (wage, interest and rental rates); the pattern of ownership of productive assets; or by describing the historical trends of all these sub-systems.

Table 1 gives some information on the economic situation in Miri-Sriharjo at the time of the study (1971/72). A first conclusion that can be drawn is that the people of Miri-Sriharjo are about as poor overall as
the general run of rural dwellers in Java. A more important one is that the situation in Miri and in rural Java generally is substantially worse today than it must have been in the middle to distant past (say, 50 to 200 and more years ago), and that it is certainly worse for the majority of the people than it is in the new 'subsistence' villages established by Javanese coolies in North Sumatra in the 1940s and 1950s. 5

<table>
<thead>
<tr>
<th>Table 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty in Miri-Sriharjo and rural Java, level of real income a in 1971/72</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Poverty</th>
<th>Miri-Sriharjo</th>
<th>Rural Java b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kg</td>
<td>(cumulative percent of households)</td>
<td>(cumulative percent of households)</td>
</tr>
<tr>
<td>Poor</td>
<td>&lt; 320</td>
<td>69</td>
</tr>
<tr>
<td>Very poor</td>
<td>&lt; 240</td>
<td>44</td>
</tr>
<tr>
<td>Destitute</td>
<td>&lt; 180</td>
<td>18</td>
</tr>
</tbody>
</table>

a Real income per head is measured in milled rice equivalents (mre) per year. The value of one's own produce (rice, coconuts, etc.) consumed directly was calculated by using the prices prevailing in the village market.

b These data have been derived by Professor Sajogyo (See for example Sajogyo, 1974).

Table 2 provides a comparison with Table 1, which gives only the barest facts about the economic situation in Miri. It shows that the situation must now be worse for the many in Miri than it is for the people in a 'traditional subsistence' village in Sumatra (Sumatra data are for 1961-62). The decline in the material situation of the many in Miri has been accompanied by other evidence of social and economic deterioration: 6

- many farmers now sheath their fruit trees in barbed wire: this increases costs, but it raises output - for the owner. (In the new villages in Sumatra and elsewhere children are given free access to the fruit trees.)
farmers now build stronger fences with a view to discouraging the traditional sharing between neighbours: this, too, increases costs, and also serves to raise income — for the owner.

householders have come to fear that they will be robbed, so they are forced to spend money they might otherwise use for productive purposes to install bars on their windows. (There are no barred windows in the new villages in Sumatra and elsewhere.)

farmers are more reluctant than they were to share information about new farming methods: in a healthy competitive economy — and there is a great deal of competition in Miri-Sriharjo — it is traditional, and to everyone’s advantage, to share such information.

ceremonies which serve to build and to maintain social solidarity in the desa (village) are in danger of disappearing altogether: one reason is that there are now some residents who cannot afford to make the basic contribution of two coconuts, once every two months.

it is much more difficult in Miri-Sriharjo to contract a stable marriage than it is in the Sumatran villages.

None of these other changes is strictly ‘economic’ even though they have their economic aspects. The many changes in the villagers’ relations with their neighbours, their neighbours’ children, and with their own spouses indicate evidence of social regression, which is well-recognised by the people themselves.

The study has also shown that the socio-economic situation of the majority of the people today is such that, while they have the disadvantages of modernization in substantial measure, they have few if any of the advantages.

THE HOUSEGARDENS

Housegardens primarily serve to produce things that were once sought in the forest. In a self-sufficient village, housegardens would supply everything except rice, and perhaps a few other things grown in the open field. Their products include all sorts of tree crops (fruit, nuts, leaves, sap, firewood, building timber), livestock, vegetables, spices, and medicines. The housegarden land is also the site for farmers’ homes, and the various industries they pursue — grain-drying, the making of coconut sugar, brick-making and many more.

In the Miri housegardens fifty six species of trees are grown; eight species of annual crops are widely grown; there are five different species of livestock. As Miri is an area subject to flooding the number
<table>
<thead>
<tr>
<th>Land owned per HH</th>
<th>ha</th>
<th>1.45</th>
<th>0.33</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housegardens as prop'n of total</td>
<td>per cent</td>
<td>28</td>
<td>37</td>
</tr>
<tr>
<td>Household income</td>
<td>kg mre</td>
<td>1414</td>
<td>1655</td>
</tr>
<tr>
<td>Income per head</td>
<td>&quot;</td>
<td>266</td>
<td>296</td>
</tr>
<tr>
<td>Income per worker</td>
<td>&quot;</td>
<td>628</td>
<td>650</td>
</tr>
<tr>
<td>Prop'n who are cukupan\textsuperscript{b} per cent</td>
<td>100</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>who are very poor</td>
<td>&quot;</td>
<td>0</td>
<td>44</td>
</tr>
<tr>
<td>who are destitute</td>
<td>&quot;</td>
<td>0</td>
<td>18</td>
</tr>
<tr>
<td>Prop'n who eat own-produced rice</td>
<td>&quot;</td>
<td>100</td>
<td>25</td>
</tr>
<tr>
<td>Prop'n of home-produced food</td>
<td>&quot;</td>
<td>93</td>
<td>na</td>
</tr>
<tr>
<td>Prop'n of HH income for own consumption</td>
<td>&quot;</td>
<td>53</td>
<td>±30</td>
</tr>
</tbody>
</table>

Measures of marketization

**A.1 Prop'n of gross income used to buy fertilizer, etc.**

| "   | 0.1 | 8 |

2 Prop'n who use in rice-growing

- select. seed  
- fertilizer

| "   | 0   | 100 |
| "   | 0   | 100 |

**B.1 Housegardens as prop'n all land**

| "   | 28  | 37 |

2 HG income as prop'n total income

| "   | 14  | 49 |

3 Prop'n HG income for consumption

| "   | 47  | 25 |


Table 2 (cont)

C. Prop'n of HH which are

<table>
<thead>
<tr>
<th></th>
<th>Employers</th>
<th>Laborers</th>
<th>Landlords</th>
<th>Renters</th>
<th>Lenders</th>
<th>Borrowers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>per cent</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
</tr>
<tr>
<td>a</td>
<td>40^c</td>
<td>20^c</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>b</td>
<td>&gt; 80</td>
<td>&gt; 50</td>
<td>&gt; 50^d</td>
<td>&gt; 50^d</td>
<td>some</td>
<td>&gt; 25</td>
</tr>
</tbody>
</table>

^a HH = household. HG = housegarden.

^b People who are cukupan get 240 kg mre per head or more, i.e., they are in Sajogyo's 'poor' category, or above it. See also footnote 8.

^c Harvest labour only (20 per cent share).

^d Includes people who rent coconut trees.


of trees and other crops that can be grown is many fewer than in other parts of Java; Terra (1949) reported that more than 200 species of perennials were grown in the housegardens at Ambarawa (Central Java).

In the new villages, the housegarden enterprises are first and foremost carried on to meet household needs. The role of the housegardens in household, village and rural economy generally is greatest among the Javanese. This happens where land is ample supply, as it often is in the Outer Islands; it also happens where land is desperately scarce, as it is in Miri-Sriharjo and elsewhere on Java itself.6

Table 3 provides further information on the size of housegarden enterprises, and of their contribution to household income in Miri. Housegardens make a larger absolute contribution to household income than the rice-fields, even though the area of land devoted to housegarden enterprises is just half that used for rice. The field data also show that returns to labour from the work done in the housegarden enterprises are very much higher than they are for rice.

The higher returns to land and to labour in the housegarden enterprises are achieved, moreover, from a type of agriculture that has hardly been modernized at all. Rice-growing in Miri-Sriharjo is carefully and well done: selected seeds have long been used, as have fertilizer and pesticides, the land is carefully cultivated throughout the growing season, and there is ample labour to ensure that tasks are done at the right time. On the other hand, the housegardens are neither...
orderly nor modern: selected seeds are almost never used, fertilizer and pesticides are rarities, and crops are rarely if ever planted in rows. This disorderly and old-fashioned enterprise might be expected to produce far less per unit of land and labour than rice, and yet the housegardens are much more economically productive than the rice-fields. 

Table 3

Housegardens and ricefields: their contributions to the household economy in Miri in 1971/72

N = 44 households

<table>
<thead>
<tr>
<th>Units (per household)</th>
<th>Housegardens</th>
<th>Sawah</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>ha</td>
<td>0.10</td>
</tr>
<tr>
<td>Net income</td>
<td>kg mre</td>
<td>811</td>
</tr>
<tr>
<td>Proportion of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>household income</td>
<td>per cent</td>
<td>49</td>
</tr>
<tr>
<td>Net income per ha</td>
<td>kg mre</td>
<td>8110</td>
</tr>
</tbody>
</table>

SOME ECONOMIC PARADOXES

The greater productivity and efficiency of the housegardens are paradoxical, given that the methods used are old, even careless, and that almost no research has been done to find ways of making the housegardens more productive. A further paradox is that, in line with the original hypothesis of the study, it is the richer farmers who are the most likely to use their housegarden enterprises for subsistence purposes, that is, for the original purpose, whereas the poorer farmers run their housegardens much more as commercial enterprises. Table 4 provides some examples.

The relationships here are very different from what one would find in a prosperous, modern agriculture, which is characterized by a high degree of commercialization and specialization, particularly on the larger farms, and where household enterprises have a very small role to play. The data also suggests that farmers who have little land turn to commercial agriculture, not because it will make them more prosperous, but rather because they have little alternative if they are to survive. The farmers with relatively more land, however, can still afford to grow things for their own consumption, just as they used to in earlier and better times, and as any still can if they move to a region with ample land.
Table 4
Miri: farm size and degree of commercialization of housegarden output (bananas and eggs)
N = 44 households

<table>
<thead>
<tr>
<th>Farm size category (quartiles)</th>
<th>Household Income (kg mre)</th>
<th>Total Consumption of Total Prod'n (kg mre)</th>
<th>As Prop'n (per cent)</th>
<th>Proportion Consumed (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I (11 largest)</td>
<td>3020</td>
<td>33</td>
<td>62</td>
<td>93</td>
</tr>
<tr>
<td>II</td>
<td>1771</td>
<td>26</td>
<td>50</td>
<td>53</td>
</tr>
<tr>
<td>III</td>
<td>983</td>
<td>19</td>
<td>54</td>
<td>40</td>
</tr>
<tr>
<td>IV (11 smallest)</td>
<td>844</td>
<td>18</td>
<td>55</td>
<td>12</td>
</tr>
</tbody>
</table>

The total production of eggs per farm on farms in category I is about three times the production on farms in category IV.

The information in Table 5 provides a more general picture. The data in this table reinforce those given in Table 4, and indicate that it is the 'richest' farmers who are least likely to be 'commercial', and who are the most likely to be able to afford to follow a subsistence orientation.

The pattern in the housegarden enterprise is quite opposite from that which prevails in the rice enterprise. Detailed information is not available, but the information we have suggests that 'rich' farmers tend to sell quite a deal of the rice they produce (they have a surplus, and can afford to sell the rice they don't need for their own consumption); few, if any, of the farmers who are just aukupan have any rice to spare over and above their consumption requirements; poor farmers cannot afford to eat much of the very little rice they produce, and will therefore be more 'commercial' than aukupan households.

SUMMARY AND DISCUSSION

The data from the study show that the housegardens contribute more to the household income than the rice-fields, even though the land in housegardens is only about half that used for rice, and despite the fact that the housegarden enterprises are operated in an essentially traditional manner which is technically careless (sembro), whereas the
Table 5

The richer... the more the subsistence-orientation

N = 44 households

<table>
<thead>
<tr>
<th>Economic Group&lt;sup&gt;a&lt;/sup&gt;</th>
<th>No. of households</th>
<th>Value added from housegardens (kg mre)</th>
<th>Own consumption from housegardens (kg mre)</th>
<th>Consumption index&lt;sup&gt;b&lt;/sup&gt; (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>'Rich'</td>
<td>16</td>
<td>1114</td>
<td>302</td>
<td>27</td>
</tr>
<tr>
<td>±Cukupan</td>
<td>11</td>
<td>805</td>
<td>191</td>
<td>24</td>
</tr>
<tr>
<td>Poor</td>
<td>17</td>
<td>523</td>
<td>109</td>
<td>21</td>
</tr>
</tbody>
</table>

<sup>a</sup>A householder is designated as 'rich' if income per head exceeds 260 kg mre per year; a household is poor if income per head is less than 220 kg mre. Note that these categories are not the same as those used in Tables 1 and 2.

<sup>b</sup>The consumption index shows the proportion of value added from the housegardens used directly for own consumption.

less 'productive' rice enterprise has been substantially modernized. The data further indicate that it is the farmers who have the least land (and who are the least prosperous) who operate their housegardens most commercially; they also show that it is the richest farmers who can most afford to treat their housegardens as a source of subsistence. These findings are substantially at variance with the usual picture painted by agricultural economists as to what will happen in a village that becomes progressively more exposed to market forces.

It is hard in a paper as short as this to explain the theoretical importance of these empirical findings. The following observations summarize some of the conclusions of our longer report:

1. no aspect of social life can be usefully described, let alone understood, unless the meaning that one gives to a single aspect (be it the economic, or the social, the political or whatever) is congruent with all the other things known about that social unit.

2. we believe in turn that there is only one social environment, one social reality and one life, and
that the shape of this environment/reality/life is determined by whatever a person does in the economic — and in the social, political, and other realms.

The paper has of necessity concentrated on the economic aspect of the life of the people in 44 households in Miri-Sriharjo. In our analysis of this aspect of their lives we have attempted to look for the causes of the difficult, even desperate economic situation in which the bulk of the people live; we have also tried to keep in mind the links between the economic and the social, political, and other realms.

The empirical reality of any economic situation has its causes within the economic realm, and in other social realms as well. The so-called political realm is a prime source of 'causes' for the empirical relationships described above: for example, such political factors as the laws relating to land tenure, the ways the laws are administered, and the role of the government in the markets for fertilizer and for rice (to name no more), all play important roles as determinants of the pattern of economic incentives, of the pattern of the ownership of land and other capital, and of the level and distribution of income. In its turn, the so-called economic realm is an important source of 'factors that affect' the shape of the political situation, in the village itself and in the nation at large — Miri-Sriharjo is just one of the many places that 'exports' poor people to the cities and to the other islands; the people of Miri-Sriharjo played their own small roles in the transition from the Soekarno to the Soeharto governments, and so on. If required, similar expositions could be made to demonstrate the interrelationships of the economic, the political, and other realms with the other social realms (psychological, institutional, and so on).

There is no easy explanation for the poverty that afflicts so many of the people of Miri-Sriharjo. The village is well-served by roads, bridges, and irrigation ditches; there are schools; much research has been done on rice, and the results have been communicated to the farmers; there is a production credit scheme (for rice); there are well-developed markets for everything the farmers produce, or need to buy. Miri Sriharjo, and other nearby villages are, and have been for some time, very much exposed to market forces. Membership of 'the market' has not, however, brought prosperity; but it has resulted in patterns of economic behaviour that are quite different from what one would expect from the bulk of the western literature on economic development, which often appears to assume that when markets are opened up, formerly subsistence farmers will become commercial, and prosperous.

There are quite sufficient resources in Miri itself — not to mention Indonesia as a whole — to enable all the people to live at a satisfactory level, cukup or above (See Table 2). Even though the people have for some decades had open to them all the opportunities that market forces are believed to bring, its economy is nevertheless characterized by poverty, inequality, uncertainty as to where the next meal is coming from, debt bondage, theft, distrust between neighbours, the erosion of traditional village ceremonies, unstable marriages, and various other
social ills. Miri also has some of the lowest wages ever recorded anywhere — zero (in a debt bondage situation); 'a meal' or 'two meals' (debt bondage); a kilo milled rice equivalent (or thereabouts) a day for rice work — when there is work to be had. The rates of interest that must be paid on borrowed capital approach the highest ever recorded, up to 7 per cent a day. And the rents paid for rice land can take 90 per cent and more of value added.

Markets exist for rice and for the products of the housegardens; the markets for the factors of production — labour, capital and land — are also well developed. The society that has emerged is very 'modern' (a decline in traditional observances, and a strong growth in individualism), but it is not prosperous. It is hard to avoid the conclusion that 'market forces' have played a malignant rather than the beneficial role that is often assigned to them in writings by economists familiar with the economic history of Europe, North America, Japan and Australia.10

We believe that the paradoxes we have described are understandable only if we accept the hypothesis that the opening of peasant economies to the 'free play of market forces' does not necessarily lead to economic betterment but may in fact lead to poverty (weakness in the economic field) and to social deterioration generally (weakness in other social fields) under certain, rather common circumstances.

ECONOMIC ARITHMETIC: A CONCLUDING NOTE

The two main propositions underlying economic theory are

1. that man has certain desires and wishes in the material realm
2. that nature yields its bounty (of production)
   according to its own laws, of which the 'law
   of diminishing returns' is probably the best
   known.

Demand and supply functions can be derived for individual commodities, or for classes of commodities, such as the factors of production, labour, land and capital.

We believe that a major source of inappropriate inferences that have been drawn for places like Miri-Sriharjo is the assumption that what can be shown to apply in the market for an individual commodity such as oranges or cakes of soap can be extended to the market for 'factors', which are not things of the same generic sort as oranges and soap. The basis for the economic arithmetic applied in this paper, and in Singarimbun and Penny's book (1976), is the proposition that since man has inescapable material needs, he/she requires certain amounts of food to sustain life, to be able to grow and to work, to keep healthy, and to be free from the fear of hunger. All these amounts are measurable, and can serve as a basis for the planning of production at the individual, family, village, regional, national or international levels. All the people in Miri-Sriharjo know how much they must produce in order to meet
these minimum material requirements. They also know that there are many among them who are not currently able to meet all of them. They are in a good position to be able to designate a figure for food availability (and for real income) below which it is not possible to meet even the most meagre of the material goals, that is, the maintenance of life itself.

We have said that the commodity 'labour' is qualitatively different from a commodity such as oranges. It is also clear from what has just been said that whereas it is possible to conceive of a price for oranges which can be infinite or fall to zero, such prices are conceptually impossible for 'labour', for the lower limit for the market price for labour is that at which life becomes impossible to sustain; consequently the price of labour must be greater than zero. Penny's 1979 paper on 'The Economics of Starvation' discusses in greater detail the practical limits to the values that may be assumed by factor prices (for land and for capital, as well as for labour). His paper shows that these prices must fall within a narrower numerical range than they do for the sorts of commodities (soap, sugar, and so on) that serve as the usual basis for theoretical discussion.

The basis for economic arithmetic lies, then, in material relationships: on the supply side it is the physical relationship between input and output; on the demand side it rests on the fact that man is a material being and requires food inputs at various levels to be able to sustain life, to work and to live well with his fellows. The working out of these relationships manifests itself in sets of (market) prices; the most interesting and most important of these prices, to the actors themselves, and to outside observers, are those for labour, land and capital. In Miri-Sriharjo the prices in these markets approach those recorded in times of famine.

NOTES

We are grateful for the assistance given us by D.P. Chaudhri, E.K. Fisk, B. Glassburner, Terry Hull, M.A. Nawawi, H.H. Penny and Janet Penny.

[Editorial Note: An earlier version of this Chapter contained an Appendix entitled 'On the Representativeness of Miri-Sriharjo' which the authors will be happy to provide on request.]

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3As the word implies, housegardens are land near houses used to grow annual crops (vegetables, herbs, and sometimes some staples such as cassava) and perennial crops (fruit trees, coconuts): the land is generally not as arable as sawah (rice-fields).

4Miri land is flat, fertile (volcanic ash) and well-watered. It is all potentially arable.
Detailed historical information for Java is scarce. Ochse's 1934 study (cited at length in Singarimbun & Penny's 1976 book on Sriharjo) is perhaps the best source.

Our draft book, *Pekarangan, Petani dan Kemiskinan* (Housegardens, Farmers and Poverty) gives a partial explanation of why Javanese farmers direct more resources to housegardens than any other group in Indonesia.

Ginting (1978) has used production function analysis to confirm all this.

*Cukupan* is a peasant measure of (modest) prosperity (240 kg mre per head per year). We regret we have no detailed information on the disposition of the rice crop. The data we do have show that only a quarter of all households produce enough from their own fields to be able to eat rice year round (at the rate of 125 kg per head per year). There are no doubt a few other households who can afford to eat rice year round, perhaps because they get rice in payment for services rendered, or because they have income from other sources that enables them to buy rice.

The writings of Schultz (1964) and Mosher (1966) largely assume this.

Fisk has commented here that commercialization has given the 'opportunity...for...greatly enhanced inequality'...which 'happened in England, France, and many other places'. We would agree that commercialization had baleful results in England, but that such results tend to get overlooked in many discussions of the relevance of the 'market model' as a guide to policy in countries like Indonesia, where poverty is more deeply embedded.

It is assumed that dissaving is not (or is no longer) possible, and that income from other sources (for example, from capital) is negligible or zero.

REFERENCES


HOUSING THE POOR IN JAKARTA

Sidik Noormohamed

INTRODUCTION

The Indonesian Government's policy of rehabilitating the kampungs (village-like communities) of Jakarta is admirable. This paper attempts to show the extent to which the Jakarta Kampung Improvement Program (KIP) has been successful in fulfilling its basic objectives of satisfying the basic needs of the largest number of the poorest kampung residents at least cost with popular participation. Further, some reasons why several of the objectives of the program may not have been fully achieved are suggested, and some views on what might be done to improve the situation are outlined.

HOUSING CONDITIONS IN JAKARTA

Much of Jakarta (and all other large cities in Indonesia) is occupied by unplanned village-like settlements called kampungs which absorb most of the in-migrants into the city. A kampung is usually formed incrementally, and not by mass invasion. Initially the area may be an unused rice field or marshland, or a rural kampung with people engaged in subsistence farming. Because the kampungs are unplanned and often develop high population densities (of as much as 900 persons/hectare) as land is subdivided, the infrastructure is usually poor; roads and footpaths are narrow, muddy and unsurfaced; toilet arrangements are similar to those in rural areas; adequate drinking water is not available; and schools, health centres, community services and playing fields are absent.1

Thus the main problem in the kampungs is not so much that housing structures are dilapidated, but that essential housing services like water, toilet facilities, garbage disposal and drainage are inadequate. Nearly half of Jakarta is subject to frequent flooding during the rainy season and kampungs are often under water. The pressure in the water pipes is so low that even low-lying kampungs cannot get piped water; the majority of Jakarta's kampung dwellers just draw water from the ground with the help of a pump, and some use wells. However, the water which comes from shallow wells in crowded kampungs is polluted and salty, especially in the North Jakarta area which is almost at sea-level. Further, Jakarta has no water-borne sewer system and even houses which have piped water often flush sanitary wastes into septic tanks or more frequently just into open ditches at the roadside. A study by Jakarta's Urban Environmental Research Centre (PPMPL)2 estimated that only half of the city's garbage is collected while the other half ends up along the roadside and in canals and rivers. Obviously, there are substantial externalities involved in kampung life: one man's actions affect another man's welfare and social costs are therefore often greater than private costs.

The 1969 survey3 of Jakarta's housing demonstrated its poor quality. 68 per cent of families had no private toilet facilities, 80 per cent had no electricity and 68 per cent had no access to piped water. Permanent
houses with brick walls, cement floors and tile roofs constituted only 24 per cent of the total housing stock; temporary houses of bamboo matting walls, earthen floors and thatched roofs comprised 44 per cent; semi-permanent structures having some combination of temporary and permanent materials accounted for 32 per cent.

Although the quality of housing in the kampungs is poor, the kampungs are not squatter areas because they have not been occupied illegally. Kampung dwellers do have legal title to land. As most in-migrants into Jakarta seem to get absorbed in the kampungs, the proportion of the population living in kampungs is very high (about 75 per cent) and the proportion living in squatter housing built illegally is very small (about 5 per cent).

RATIONALE FOR IMPROVING THE KAMPUNGS

In pursuing its equity policy, the Government included plans to improve housing conditions for poor kampung dwellers. The externality argument for improving their housing conditions - that bad housing conditions for the poor affect the welfare of the whole of Jakarta, whether rich or poor - did not figure in the Government's decision, otherwise the garbage disposal system would have been improved a long time ago. In setting out in 1969 to improve housing conditions for poor kampung dwellers the Government had three options:

(a) destroy the kampungs and build flats;
(b) build new housing on the periphery of the city;
(c) improve the kampungs by building pedestrian roads and public toilets, bringing in piped water, improving garbage collection and so on.

Urban renewal (destroying kampungs and building flats) was ruled out in 1969 because living in flats was considered alien to Indonesian traditions. Given the inadequacy of water supply and power in Jakarta it was thought people would be very hesitant to live higher than the ground floor. The destruction of kampungs would reduce housing stock, an approach which densely populated Jakarta could ill-afford, whereas the improvement of infrastructure in the kampungs was expected to encourage landlords to improve their houses and make them longer lasting. Moreover the poor could not afford flats and so would be pushed to the periphery where transport costs to and from work would be higher. The regional government of Jakarta therefore decided that urban renewal would only be carried out where land was in high demand for other uses, particularly commercial and office space. Building of low cost housing on the city periphery was also ruled out, partly because of the transport problems it would pose for the inhabitants.

Given Jakarta's limited development budget (about US$ 10 million in 1969) and its huge population of about 4.5 million, the option that was rightly adopted was rehabilitation of existing kampungs. This was considered the most cost-effective and equitable way of helping the largest number of kampung dwellers without uprooting them or destroying their traditional community networks.
OBJECTIVES OF THE KAMPUNG IMPROVEMENT PROGRAM (KIP)

The objectives of the KIP as enunciated by the regional government of Jakarta in 1969 were

(a) to fulfill the basic needs of kampung dwellers through the provision of accessible roads and footpaths, clean drinking water, public toilets, improved garbage disposal facilities, drainage, schools and clinics;

(b) to provide the type of services which help poorer residents and those who had been suffering under bad conditions for the longest time;

(c) to provide access to the available resources to as many people as possible;

(d) to mobilize the residents' potential for self help and community co-operation.

The aim of improving the kampungs was admirable. Over a ten-year period from 1969 to 1978, a quarter of the annual development budget of Jakarta was spent on the KIP, of which about half was a World Bank loan. Almost all of Jakarta's kampungs that conform to the Jakarta Master Plan covering an area of 6800 hectares with a population of 2.7 million were improved. Already Jakarta's Kampung Improvement Program is accepted as a model (with some modifications) for kampung improvement in other cities in Indonesia as well as cities in other Asian countries. In the rest of this paper the aim will be to show

(i) the extent to which each of the objectives of the KIP (least cost, fulfilment of basic needs, equity, and popular participation) have been fulfilled. These objectives are obviously inter-related, but we shall consider them separately in order to analyse several particular issues.

(ii) reasons why some of the objectives may not have been fully achieved, and

(iii) what can be done, if anything, to improve the situation.

Some of our findings from a survey which we carried out in four kampungs of Jakarta in 1978 will be presented to illustrate the issues.

HELPING THE POOR

Has the objective of helping the largest number of people with the available resources been fulfilled? In answering this question, it should be recognized that the basic approach that was adopted had much to recommend it. The regional government of Jakarta was fully justified in arguing that if housing conditions for the greatest number of the poorest kampung residents were to be improved, they needed to be provided with housing services which they were lacking rather than with low cost housing. It costs Rp 25,000 (US$ 60) to dig a pit latrine and Rp 55,000 (US$ 133) to provide a metered water connection. More than 5000 families can be provided with both pit latrines and water meter connections with a budget of...
US$ 1 million. The lowest income decile of the population can be helped with this approach. In contrast, it is probably not possible to help the people in the lowest income decile if low cost housing is built on the city periphery because they may not be able to afford transport to and from work. To reach the poorest people with public housing, then, large subsidies need to be given. The subsidy needed to provide the third lowest income decile with the cheapest one room house in the Klender Sites and Services project in East Jakarta is Rp 370,000 (US$ 890). At this rate, within the same US$ 1 million budget, only 1100 families could be served, one fifth that under the kampung improvement approach. If the aim is to house a family from the lowest income decile in a one-room house, a subsidy of Rp 500,000 (US$ 1,200) would be required because these families simply cannot afford to pay as much of the costs as families in the third decile can; about 850 families could be served with an expenditure of US$ 1 million with this approach, whereas six times as many families could be served within the same budget under the kampung improvement scheme. If the Government decided to save on transport costs and build flats within the city, the cost of a flat would not be much different from that of a low cost house on the city periphery because land costs within the city are higher; i.e. there is a trade-off between land costs and transport costs. Thus the kampung improvement approach seems superior to the provision of either flats or low cost housing.

This argument has been developed using the concept of subsidies. Taking another approach, that of evaluating the total cost of provision of the various alternatives, similar conclusions are reached. In providing even the lowest cost one-room house in a sites and services project such as that at Klender, three types of costs are incurred - land, infrastructure and house construction outlays. In kampung improvement schemes, only infrastructure costs are incurred. Since total costs per family under the kampung improvement program (KIP) are smaller, more families can be served with the same budget. As infrastructure costs in the KIP and in the Klender Project are similar (infrastructure costs in the Klender Project were about 25 per cent of the total cost), four times as many families would have been served with the same budget under the KIP. All income groups have benefited from the KIP, including the lowest income decile, whereas no families in the lowest two income deciles have benefited from one-room public housing in Klender. Thus the regional government's decision to improve the kampungs seems justified as it is an effective way of helping a large number of the poorest people. The fact that the kampung improvement program could have been carried out even more effectively to help more poor people is now discussed.

BASIC NEEDS AND EQUITY

To what extent has the KIP met the basic needs of kampung dwellers and fulfilled the aim of equity? As the basic needs of kampung dwellers are many, this question can only be answered with reference to the basic needs which the KIP attempted to satisfy - access roads, water supply, toilets, garbage disposal and drainage facilities.

Roads and bridges. The greatest success has been achieved in road building. The KIP roads can be divided into two categories: pedestrian roads that lead into the kampungs, and vehicular roads that surround the
kampungs. Improvement of pedestrian roads improves access to houses, especially in the rainy season, and makes the kampungs look more presentable. Before improvement, kampung roads used to be muddy and muddy flood water used to run into the houses. Improvement of vehicular roads is best considered as improvement to the city-wide network rather than improvement to the kampungs per se or as a basic need of kampung dwellers since it benefits car owners rather than poor kampung dwellers. The argument that improvement of vehicular roads helps kampung dwellers because garbage trucks can pass more freely is not very convincing; garbage trucks could pass even before improvement. Development in Jakarta is synonymous with modernization and is viewed as a process of building roads and constructing buildings. If one of the Government's aims was to improve and upgrade roads in the whole of Jakarta, it has been fulfilled.

In some kampungs, bridges as well as roads have been built. In areas of Jakarta where the frequency of flooding is high, these bridges have greatly increased mobility within kampungs. Previously, many people had to wade through flood water, often up to their knees or their waists, in order to reach their houses in the rainy season.

In the process of improving and widening the roads, parts of some houses had to be destroyed. For example, during the period 1969 to 1972, about 2 per cent of kampung dwellings were destroyed. The plan was that those whose houses were not destroyed would contribute financially to compensate those whose houses were destroyed, but this has not worked out in practice. Now that almost all the kampungs have been improved and no one is asking for any compensation, the regional government may feel that its responsibilities have been discharged. But it is clearly inequitable that when houses of kampung dwellers are destroyed for kampung improvement the losers are not paid compensation, while if houses are destroyed for other purposes, compensation is paid. When kampung improvement is undertaken in other cities, compensation based on the market value of the property destroyed should be paid as stipulated in the Basic Agrarian Law of 1960.

Some analysts of the KIP have criticized it as a program of public works to favour the rich and self-help for the poor. This is perhaps too harsh a judgement, which is based on the fact that main vehicular roads (and roads leading into the kampung) along which higher income groups live are improved by the regional government, while the footpaths along which poorer income groups live must be improved by the people themselves through self-help. However, during the KIP some of those living along main roads have had portions of their houses destroyed, and although footpaths are cemented through self-help, the major financial contribution comes from the more well-to-do. The greater a person's contribution, the better his social standing and respect in the community. Those who cannot contribute financially provide labour over weekends in cementing the footpaths and cleaning the gutters.

Water supply. The water pricing policy of the Public Water Corporation favours the rich rather than the poor. Piped water connection charges are so high (Rp 55,000) that poor kampung dwellers cannot afford them. On the other hand, consumption charges for piped water are very low at Rp 1.2 per ton, or at Rp 60/m³, because the piped water supply is subsidized. Rich
people who can afford piped water connections benefit from clean subsidized water. Since water is so cheap to them, they use it lavishly. Those who cannot pay the initial connection charges must buy drinking water from private water vendors at the high price of Rp 40 per tin. Since clean water is so costly to them it becomes a precious commodity, to be used only for drinking.

To satisfy the basic need for clean water, public tap water is provided as part of the KIP in some kampungs where water pipes can be laid. Since the pricing policy of the Public Water Corporation militates against the use of piped water by the poor, it might be expected that at least the public tap water services would be designed so as to benefit the poor. However the provision of public tap water has been neither very efficient nor equitable. It has been inefficient because water pipe lines are laid at an average cost of Rp 8 million (US$ 19,300) per kampung, but then an average of only one water tap is installed at a cost of Rp 20,000 (US$ 48). We found in our survey that only those in the immediate neighbourhood of the tap - about 8 per cent of the kampung population - benefitted from it. If more taps were installed, very many more people would benefit for only a small marginal cost.

Putting in only one water tap has not been equitable either. The usual system is to make one person responsible for the public water tap. Although water charges from the Public Water Corporation amount to about Rp 1.2 per tin, the managers of the public taps are in a monopoly situation and often sell water to private water vendors at about Rp 25 per tin. The water vendors in turn retail water to consumers at Rp 40 to Rp 50 per tin (depending on the distance that they cover) and may be thought of as earning wages for their labour. The managers of the taps often share their quasi-rents with the leaders in the kampungs. Thus the result of the system is that some kampung residents do benefit from getting clean piped water, but piped water has not been made any cheaper to the final consumer. Instead of the public taps benefiting kampung dwellers in terms of a lower price for water, the main financial beneficiaries have been the managers of the taps and a few kampung leaders.

The regional government of Jakarta has now realized that putting in only one water tap is unsatisfactory, so it has decided to install additional taps. The plan is to provide one tap per neighbourhood cluster of about thirty households and the head of each neighbourhood cluster (called the RT) will be made responsible for the tap. Under the plan, the families belonging to an RT can pool together to pay for the initial connection charges and then benefit from piped water. They would not have to pay water vendors as they could fetch water themselves within the RT. This would substantially improve the situation at little extra cost.

If more kampung dwellers are to be helped and greater equity is to be achieved, the water pricing policy needs to be changed. The initial connection charges should be brought down from Rp 55,000 (US$ 132) to the actual cost of the water meter and connections, which should not amount to more than Rp 10,000 (US$ 24). This would make piped water accessible to more kampung dwellers. Perhaps it is thought to be undesirable to reduce connection charges as the additional demand generated could not be met because the present water pressure is rather low. If this is the case,
this change in pricing policy can possibly be considered when pressure in
the pipes is sufficiently increased. As far as water consumption is
concerned, a two-part tariff is called for; one part to pay overheads, the
other to ration supply. Water consumption charges might remain the same at
Rp 60/m$^3$ for monthly consumption up to 15 m$^3$, but for larger consumers with
a monthly consumption above 15 m$^3$, water charges should be increased from
Rp 60/m$^3$ to, say Rp 250/m$^3$ to provide an incentive to conserve clean water.
An increase in consumption charges along these lines would mostly affect the
rich and would perhaps raise sufficient revenue to make the Public Water
Corporation independent of government subsidies. It might be noted in
passing that given the shortage of water, it is surprising that kampung
dwellers do not catch rain water. This appears to be because there is no
tradition of catching rain water as exists in some other countries such as
Kenya; perhaps the habit could be fostered through demonstrations to the
public.

Public toilets. Public toilets and washing places are built in kampungs
where land is available. Where there is no vacant land, some residents
must agree to have their houses demolished, otherwise public toilets cannot
be built. We found that on average, about fifty persons use public toilets
out of a total population of 5000 in the kampung surveyed. Three quarters
of kampung residents either have their own pit latrines or share them with
neighbours. But the other quarter does not have any toilet facilities,
which suggests that only fifty out of 1250 people (4 per cent of those
who do not have private toilet facilities) benefit from the public toilets;
the rest use rivers, canals, and various other facilities organized by the
local community.

The regional government of Jakarta is aware that not many people
benefit from public toilets. The plan is to build pit privies free of charge
for those families who do not have private facilities. We know that in 1976
at least one-quarter of residents in improved kampungs (about 150,000
families) did not have private toilet facilities. Of these, 12,000 families
(8 per cent) were to be provided with pit privies in 1977 and 1978,
and more in the years to come. The changes in policy towards water supply,
from providing just one public tap to providing many, and towards the
 provision of toilet facilities, from building public toilets to providing
individual pits as well, shows that there is a learning-by-doing process in
the Kampung Improvement Program. Since it is the poor people who do not
have tap water or private toilet facilities, in shifting resources towards
the provision of these services, the government of Jakarta is fulfilling
one of its basic aims of promoting equity.

Garbage disposal facilities. Garbage disposal facilities have been
largely neglected. The problem of garbage in Jakarta is two-fold: of
collection, and of disposal. Half the garbage is not collected and ends up
in rivers, canals and gutters; the other half is collected but is thrown
in open dumps because no other method of disposal has yet been adopted.
Open dumps are as much a health hazard as canals and gutters clogged with
garbage. The study of the Jakarta Urban Environmental Research Centre
(PPMPL) referred to above found that a majority of families pay at least
Rp 50 (about US 10 cents) a month towards garbage collection to garbage
collectors employed by the Sanitation Department. Those who can afford
to have their garbage collected. Those who cannot afford to, throw their
garbage out along the roads since there are no public bins. Garbage disposal facilities may actually have deteriorated over the years because collection capacity has remained the same while population has increased. The basic need for garbage collection facilities in the kampungs has hardly been fulfilled.

The Indonesian Government is belatedly awakening to the fact that social costs of open garbage dumps are immense and suggestions made by the PPMPL are beginning to be followed. The Government has decided to buy land to establish compost sites which recycle garbage as fertilizer. It is believed that after a few years land used for composting, being especially fertile, will be sold at a profit. In this way, garbage disposal is intended to become a profitable and self-financing project. However, while something is being done towards solution of the garbage disposal problem, no plans are yet afoot to improve garbage collection.

Drainage. Gutters have been built within kampungs to drain off the flood water that builds up during the rainy season. Unfortunately, after kampung improvement schemes have been implemented, drainage has often not improved; it has sometimes become worse because the volume of garbage thrown in gutters has increased over time whereas the length of gutters has remained the same. So even if the drainage system for Jakarta is improved by building additional canals, conditions cannot be expected to improve much if the garbage collection and disposal system and public toilet facilities are not improved.

POPULAR PARTICIPATION

In carrying out the KIP, the regional government works with a committee at the kampung level called the LKPMK so that kampung residents are involved in the decision-making process and are made to contribute towards kampung improvement. The reason why slum improvement programs of this nature have not got off the ground in other countries is that there is no community participation. In Indonesia, the Government's idea is that only if people are made to contribute towards the program will they feel part of it and take pride in it. Towards this end, the LKPMK supplements the efforts of the regional government in kampung improvement by building mosques, schools (both religious and secular), footpaths and local government offices and other buildings. Three-quarters of the LKPMK budgets comprise contributions from kampung residents and one quarter comes from the Government. It is understandable that if people wish to build mosques and religious schools, they should contribute themselves. But what is surprising is that they are the main contributors towards the paraphernalia of local government. Of the 236 offices for Lurahs (sub-district officials) in Jakarta, 222 have been built with people's contributions. On the other hand, the involvement of kampung residents in decision-making has been minimal; only a few kampung leaders (called RW officials) have been involved. Perhaps other prominent people, especially the neighbourhood leaders known as RT officials, could be involved in the decision-making process as well. There is also some truth in the view that the regional Jakarta government has used military tactics in destroying parts of houses that are in the way of road improvement. Yet grass-roots committees do exist that could be used to involve people in the decision-making process.
REASONS FOR SHORTCOMINGS

There are many reasons why kampungs in Jakarta have not been improved to the extent that they could have been. In this section, five main reasons are singled out for comment: misplaced priorities of the Government, inappropriate policies, technical problems, mismanagement, and population pressure. Some ways in which the situation might be improved are also suggested.

Misplaced priorities of the Government. About 45 per cent of the KIP roads although only 2.5 per cent of kampung families have cars. Only 0.2 per cent of the KIP budget has been for garbage disposal and only 1.4 per cent has been for public toilets although inadequate garbage disposal and toilet facilities have the greatest negative externalities. We agree with Ir. Sutjipto Wiro Sarjono (1975) that it is not the improvement of roads in Jakarta but improvements in water supply, toilet facilities and garbage disposal for kampung residents that require priority if epidemics are to be avoided and the health of kampung residents is to be improved. Further, most kampung roads have now been improved and attention should therefore be given to other problems.

Inappropriate policies. (1) Projects undertaken on private cost-benefit criteria rather than social cost-benefit criteria. For as long as garbage disposal was not shown to be a financially paying proposition, garbage was just thrown in open dumps because the social costs of uncollected garbage were not considered. As soon as it was shown that garbage could be recycled as fertilizer and garbage disposal could become a profitable and self-financing proposition, it was taken up seriously. This supports the observation made by Ir. Soetjipto Wiro Sarjono that the administration of the city of Jakarta is being run on the basis of business-oriented schemes; urban services which do not have an immediate pay-off seem to be often left out. If social cost-benefit criteria were adopted, garbage collection and disposal would receive top priority.

Something is now being done about garbage disposal but as yet not much has been done about garbage collection. The local kampung leaders we talked to in 1978 were planning a battle against garbage. Such a battle can be waged in the following manner. Big drum-like garbage bins with lids might be installed at distances of 50 meters along the roads and at main collection points such as markets, bus stops, shopping centres, parks, housing complexes and public places. Jakarta By-law No. 3 of 1972 requires each household to have a garbage bin and forbids people to throw garbage in public places, but this law is not enforced. To begin the enforcement of the law, publicity should be arranged through kampung leaders and the media. To bring private costs in line with social costs, the by-laws should specify penalties - say, a fine of Rp 5,000 (US$ 12), for breaches. Once this by-law has been enforced people will stop throwing garbage in public places. In the same way, after all those who do not own private toilets have been provided with pit privies, a fine should be imposed on use of public places as toilets. This approach would substantially reduce pollution problems in Jakarta.

In our survey, kampung residents mentioned clogged gutters as their most serious problem. The main reason that clogged canals and gutters are not cleaned at present is the belief that people will keep throwing things
into them even if they are cleaned. Once the garbage collection and
disposal system is streamlined and people are stopped from using the
canals and gutters as toilet facilities, the canals and gutters will need
to be thoroughly cleared once and for all. After that the tendency to
further clogging will be considerably reduced.

(ii) Neglect of maintenance. The Kampung Improvement Program is
considered a development project and is well carried out. A newly improved
kampung looks so much better than it did before improvement. However
maintenance works are counted as recurrent expenditure and no praise is won
within the bureaucracy for increasing recurrent expenditure. So, roads
once built are rarely repaired, broken pipes are seldom mended, and in-
effective windmills are neglected. After ten years, a once-improved road
looks as bad as unimproved roads because there has been no maintenance,
and the chances are it will be submitted again for improvement as a
development project. If the experience of other countries is any guide,
proper maintenance should be carried out because it would be the most
inexpensive way of increasing the life of the roads.

(iii) Giving a common package to each kampung. At present, each kampung
is given a common package of improvement rather than the items it needs most.
Giving a common package may involve waste; for example, we found in our
survey in the Pondok Bambu kampung that all residents have private toilets
and pumps for drawing water in their homes yet public toilets, a deep well
and a windmill were installed as part of the KIP because each kampung that
has land available gets these items. The World Bank, which provided half of
the funding of the KIP in the form of a loan, takes the view that it is
necessary to give a common package to each kampung because financial
accountability is increased. If the waste arising from giving a common
package were stopped, more kampungs could be served with items most needed.

(iv) Tax and pricing policies. It is inequitable that poor kampung
dwellers have to pay for public tap water (Rp 25 per tin), public toilets
(Rp 5 per visit), and garbage collection (Rp 50 per month) while high level
public servants benefit from the large subsidies to public housing. Perhaps
one of the policy options to consider is an increase in taxes on the rich,
especially property taxes and rates, to be used to provide free public
services to those in need in the kampungs. Moreover, the social costs
arising from the use of contaminated ground water, and the use of canals
as toilets and refuse dumps are so great as to justify free provision of
public tap water and public toilets. Workers from the Public Water
Corporation could man the public taps to ensure proper use, and the
Sanitation Department could employ people for cleaning the public toilets.
Garbage is supposed to be collected free of charge but garbage collectors
still charge an average of Rp 50 per month for collection. Perhaps effective
supervision could improve the situation.

Technical problems. There are some technical reasons why some
kampungs cannot be improved to the standard that the Government may be
aiming for. As far as water supply is concerned, the pressure of water in
the mains is so low that even though all the one-room houses in the
Klender one-room Sites and Services project have been connected to the
mains, water comes out for hardly more than an hour a day. Providing piped
water to all kampung houses would not be very useful unless the pressure
in the mains is increased. The regional government is aware of this
problem and has made improvements in water supply one of its top priorities.
As far as drainage is concerned, the situation has deteriorated in some kampungs because roads have been built up to the extent that they are level with the floors of nearby houses. Whereas previously flood water used to run off, now the flood water runs into the house. However, in some low-lying areas roads needed to be built at a high level otherwise flood water would have collected there in pools. A third technical problem is the shortage of land. It may not be possible to provide pit privies to those families who simply do not have a place in their homes to dig a pit. These families will have to use public toilets. But public toilets, schools and clinics cannot be built in high density kampungs where vacant land is not available; for the period 1974 to 1976, 98 elementary schools were expected to be built but only 74 were completed, and of 42 clinics planned only 30 were built. To provide these facilities in such kampungs, the difficult decision to destroy some houses had to be taken.

Mismanagement. A kampung may be improved by the regional government, but its day-to-day cleanliness depends to a large extent on the personality and management of the neighbourhood leader (known as the RT). If the RT manages his area well, garbage collectors will collect garbage promptly, residents will not pollute gutters and the kampung will be cleaned once a week. But if the RT does not manage well, garbage collectors will not collect garbage unless paid by individual families, and residents will pollute gutters. If all the RTs were involved in the decision-making process of planning for kampung improvement, the process of educating kampung dwellers about kampung cleanliness could be undertaken more effectively.

There is also some mismanagement at the regional government level in kampung improvement schemes but this is to be expected where technical personnel are in short supply. For example, in building roads the KIP Implementation Department and other departments (for example, the Telecommunications Department) who wish to dig up roads do not synchronize their activities. A road may be improved under the Kampung Improvement Program, and then the very next year dug up again by another department for another purpose. This calls for co-ordinated city planning by all departments involved.

Population pressure. It appears that even though kampung improvement has occurred, the improvements in basic services such as water, public toilets and garbage disposal have not kept pace with the rate of population increase. The pace of kampung improvement has not been so great as to invite the criticism that it is the KIP which has exacerbated the large in-migration to Jakarta. The annual rate of population increase in Jakarta from 1961 to 1971 (before kampung improvement schemes) was 4.6 per cent, of which 2.1 per cent was due to natural increase and 2.5 per cent due to in-migration.24 The annual rate of population increase in Jakarta from 1971 to 1976 (during the period of kampung improvement) actually fell to 3.4 per cent.25 Even if we allow that the family planning program in Jakarta has been especially successful and assume that the natural population increase has fallen to as low as 0.9 per cent per annum, then the rate of in-migration to Jakarta for the period during kampung improvement would be no higher than before (2.5 per cent). Kampung improvement therefore does not appear to be a significant factor in
attracting people to Jakarta. Rather, it seems that people move into the cities in search of higher incomes.

CONCLUSION

We take the position that poor people in the lowest four income deciles should be helped wherever they reside, whether in Jakarta or elsewhere in Indonesia. After all, middle and high income public servants benefit from public housing wherever they reside. Obviously, if the country is to have balanced development, more concerted development efforts are needed simultaneously in urban and rural areas so that the exodus from rural areas is reduced.

NOTES

2 PPMPL, Studi Keterlaksanaan Aspek Permasalahan Sampah di Jakarta, Jakarta, March 1978.
4 Jakarta's Kampung Improvement Program, op. cit.
5 Ibid.
7 KIP Implementation Unit, DKI provided this information.
8 These were Kepu, Bungur Besar, Pasar Poncol and Pondok Bambu.
9 These are 1978 prices. An exchange rate of US$ 1 = RP 415 is used throughout this paper.
10 Infrastructure costs per hectare in the Klender Project were Rp 9.4 million (US$ 22,600) and in KIP were Rp 8.6 million (US$ 20,700). Data on costs were obtained from Perumnas (Housing Corporation) and Pemerintah DKI respectively.
11 We do not know what the impact of schools and clinics has been because we did not collect data on these matters.
12 This is a conservative estimate obtained from data contained in a report by Planned Community Development, Request for funding to the IBRD, IDA by Government of Indonesia for a KIP, Jakarta, Jakarta, April 1973.
13 Directorate General of Housing, Building, Planning and Urban Development, (Cipta Karya), Indonesia, Some notes towards a policy on urban land in Indonesia, Jakarta, undated.


Statistical Office, Jakarta, *Statistik Wilayah DKI Jakarta 1976*, Jakarta, 1976. We note that as the regional government budget for KIP is more than three times the LKPMK budget, four-fifths of the total financing for kampung improvement comes from the government and one-fifth from kampung residents themselves.

Of the rest of the KIP budget, 16 per cent has been for access roads and bridges within kampungs, 10 per cent for drainage canals and gutters, 11 per cent for water supply and 13 per cent for schools. These percentages are for the Second Development Plan period 1974 to 1979.


Peraturan Daerah DKI Jakarta No. 3 tahun 1972 tentang 'Ketertiban Umum Dalam Wilayah DKI Jakarta', quoted in the garbage disposal study by PPMPL, op. cit.


The purpose of this paper is to review recent population trends in Java and expected trends; recent developments in labour utilization with an emphasis on the agricultural sector; present and prospective problems arising from the interaction of population and labour utilization trends; and some possible policy changes which may ameliorate these problems. Limitations of data unfortunately bedevil the analysis at all stages, sometimes leading to uncertainty whether there is any scientific basis for important policy decisions which must anyway be made.

POPULATION TRENDS

An earlier paper in this series (McDonald, vol. I) dealt with the historical evolution of Indonesia's population. This population has displayed a remarkable capacity to continue growing despite prognoses of disaster by concerned observers. As long ago as 1900, there was talk of overpopulation in Java. Yet Java's population has trebled since that time, its mortality levels are very much lower than they were, and the socio-economic welfare of the people has, at the least, not greatly deteriorated. Bearing in mind this historical evolution towards the present remarkable population density levels, this paper will be confined to population trends since 1961 and more especially during the 1970s.

The trends and differentials in Java's population growth are now known with a reasonable degree of accuracy. The problem lies in explaining them. First, the trends themselves. A purist might object that we cannot be satisfied with a situation in which our estimate of Java's population could be out by a million or two either way. But raw population totals, even when disaggregated by age and sex, are much less important for planning purposes than an understanding of population dynamics in a country such as Indonesia where the basic policy decisions which affect the broad picture are of greater importance than the fine tuning needed in a more advanced economy with slower population growth.

Table 1 shows some recent estimates of demographic parameters in various regions of Indonesia. A number of points should be noted. Firstly, although high enough to result in a doubling of population in 35 years, Java's rate of population growth over the fifteen year period, 1961-76, was not high compared with other regions of Indonesia or with most neighbouring countries. In the period 1960-76, the populations of Thailand and the Philippines increased to a much greater extent: Thailand by 64 per cent and the Phillippines by 62 per cent. This was because fertility in Java was somewhat lower than in the neighbouring countries, and mortality higher.
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<td>Central Java</td>
<td>Yogya</td>
<td>East Java</td>
<td>Total</td>
<td>Bali</td>
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<td>3. Population 1976 ('000)</td>
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<td>4. Per cent Increase in population 1961-1976</td>
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<td>17</td>
<td>24</td>
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<td>5. Persons per sq.km. 1976</td>
<td>9316</td>
<td>478</td>
<td>683</td>
<td>836</td>
<td>572</td>
<td>610</td>
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<td>6. Total fertility rate 1967-70</td>
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<td>5.4</td>
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<td>7. Total fertility rate 1971-75</td>
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<td>5.6</td>
<td>4.8</td>
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<td>8. Total fertility rate 1975</td>
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<td>4.6(^a)</td>
<td>4.9</td>
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<td>9. Crude birth rate (per 1000 population) 1967-70</td>
<td>43.1</td>
<td>47.5</td>
<td>43.3</td>
<td>35.5</td>
<td>40.2</td>
<td>43.2(^a)</td>
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<td>10. Crude birth rate (per 1000 population) 1971-75</td>
<td>38.6</td>
<td>43.6</td>
<td>35.6</td>
<td>29.6</td>
<td>33.9</td>
<td>37.3(^a)</td>
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11. Percentage of decline in CBR from 1967-70 to 1971-75 due to changes in:

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<td>(ii) marriage pattern</td>
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<td>(iii) marital fertility</td>
<td>12</td>
<td>40</td>
</tr>
<tr>
<td></td>
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<td>49</td>
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<td>12</td>
<td>40</td>
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12. Infant mortality rate mid 1968 (per 1000 births)

<table>
<thead>
<tr>
<th></th>
<th>1968</th>
</tr>
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<tbody>
<tr>
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<tr>
<td></td>
<td>150</td>
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<td></td>
<td>143</td>
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</table>

13. Infant mortality rate late 1972 (per 1000 births)

<table>
<thead>
<tr>
<th></th>
<th>1972</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
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<td></td>
<td>106</td>
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<td></td>
<td>82</td>
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<tr>
<td></td>
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<td>114</td>
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<td>101</td>
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<tr>
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<td>91</td>
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<tr>
<td></td>
<td>140</td>
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<tr>
<td></td>
<td>116</td>
</tr>
<tr>
<td></td>
<td>112</td>
</tr>
</tbody>
</table>

\(^a\)Including Bali.

**Source:**
- Total Fertility Rates, 1967-70 and 1971-75: derived from the draft report on fertility and mortality in Indonesia prepared by the Indonesia Panel of the Committee on Population and Demography, National Research Council, National Academy of Sciences of the United States (NAS Panel, draft report). The estimates shown are an average of rates derived from Supas I and Supas II using the own children method.
- Crude Birth Rates: NAS Panel, draft report.
- Components of Decline of Crude Birth Rate: NAS Panel, draft report.
- Infant Mortality Rates: NAS Panel, draft report.
Secondly, although still substantially above the levels in Malaysia, Thailand and the Philippines, Java's mortality levels have fallen quite sharply during the last two decades. This decline, confirmed by a number of different data sources,\(^1\) raises questions about the supposedly unimproved conditions of life amongst the Javanese peasantry. If infant mortality rates have fallen by more than 40 per cent in the last two decades (and this appears to be the figure), is this not a reflection of improved conditions of life which have brought it about? And irrespective of what has caused it, does not the decline in mortality in itself constitute a very important improvement in welfare?

Undoubtedly the mortality decline does constitute a very important improvement in welfare. However, two further points must be noted. The decline has probably been greater at the younger adult ages than at ages above forty five and at the infant and early childhood ages.\(^2\) It has been argued that the current mortality pattern, with higher mortality at ages above forty five than is found in model life tables based mainly on the historical experience of Western countries, is a 'modern medicine-high poverty' pattern reflecting the relative ease of controlling the infectious, respiratory and parasitic diseases for persons between the ages of ten and forty five given the relatively good access to medical facilities in most parts of Java. However, the cumulative effect of exposure to these diseases together with malnutrition may eventually produce high mortality above age forty five (NAS Panel, draft report). This further implies that improvements in mortality levels at ages ten to forty five may not have been matched by equal improvements in morbidity levels at these ages.

Another point is that there are very wide differences in mortality levels by socio-economic status (Table 2). There is a clear inverse relationship between mother's level of education and the level of infant and childhood mortality and differentials of much the same magnitude are found when a measure of economic status of the household is substituted for the education of the mother.\(^3\) The differences according to education and economic status are sharper in urban than in rural areas, perhaps reflecting the ready accessibility of health services in the urban areas for those who can afford to pay for them. On the whole, the differences appear to be narrowing somewhat over time in Java.

Thus, despite sharp improvements in mortality conditions amongst all socio-economic groups in Java, the poor are still highly disadvantaged compared to the rest of the population. A fifteen-year difference in life expectancy is, in a sense, the ultimate price they are forced to pay for their poverty. There is continuing debate about the extent to which further reductions in mortality in the Third World can be brought about through such measures as improvements in the network of public health services and vaccination campaigns, and the extent to which such reductions must wait on improvements in nutrition and general levels of living (Preston, 1975, 1976, 1979). Certainly, the increasing importance of diarrhoeal diseases as causes of death now that infectious and parasitic diseases have been brought partially under control suggests that further reductions in mortality will be harder to achieve, since diarrhoeal diseases cannot be prevented or cured by injections or other direct remedies readily dispensed through public health programmes, and there is even doubt whether the purification of drinking water sources will achieve much
Table 2

Regions of Java: Number of deaths before age 5 per thousand live births (5\text{th}), by education of mother, birth cohorts 1950-54 to 1965-67

<table>
<thead>
<tr>
<th>Region</th>
<th>1950-54</th>
<th></th>
<th></th>
<th></th>
<th>1955-59</th>
<th></th>
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<tbody>
<tr>
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<tr>
<td></td>
<td>education</td>
<td></td>
<td>primary</td>
<td>primary +</td>
<td></td>
<td>education</td>
<td>primary</td>
<td>primary +</td>
</tr>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td></td>
<td>(5)</td>
<td>(6)</td>
<td>(7)</td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>2.29</td>
<td></td>
<td>239</td>
<td>182</td>
<td>125</td>
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<tr>
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<td>262</td>
<td>160</td>
<td>1.78</td>
<td></td>
<td>251</td>
<td>252</td>
<td>177</td>
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<td></td>
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<td></td>
<td></td>
</tr>
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<td>2.94</td>
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<td>1.05</td>
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<td>197</td>
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<td>1.70</td>
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<table>
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<th>1965-67</th>
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<tr>
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<td></td>
</tr>
<tr>
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<td>2.18</td>
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<td>143</td>
<td>1.06</td>
<td></td>
<td>128</td>
<td>109</td>
<td>108</td>
</tr>
</tbody>
</table>

Source: Supraptilah and Suradji, 1979, Table 4.10.
without improved sanitation, hygiene and education about other sources of contamination (Hughes et al., 1977, pp. 22-3). The diarrhoeal diseases are closely linked to poverty and ignorance and hence to a nation's level of social and economic development (Jones, 1978a, Chapter 6).

Despite this pessimistic picture, there is undoubtedly still some scope for further reductions in mortality in Java through appropriate public health interventions. Mortality levels remain higher than in neighbouring ASEAN countries, as does the incidence of infectious and parasitic diseases. Reduction of fertility levels will in itself reduce death rates by lowering the proportion of the population in the infant ages which are subject to very high mortality rates. If, in addition, fertility can be reduced disproportionately at the extreme young and old ages of mothers, further reductions in infant mortality will result because infant mortality rates are higher than normal for children of extreme-age mothers. Diseases of infancy and infectious and parasitic diseases could be reduced substantially through vaccination for tetanus, pertussis and measles. And despite what was said above about diarrhoeal diseases, simple oral rehydration therapy at the village level can drastically reduce death rates from these diseases, though it will not prevent their recurrence (Rahaman et al., 1979). A list of other activities or treatments which 'could have a significant impact on mortality rates, but at a cost and level of organizational complexity well within the capabilities of the Indonesian government' is given in Hull and Rohde (1980). The degree of success in reducing mortality in Java, then, will largely depend on the extent to which health services can be reoriented to doing those things which will avert the greatest numbers of deaths amongst the mass of the population.

As for the pattern of fertility and the decline in fertility levels, available data now provides good, though not perfect, estimates. Firstly, all the data sources and different estimation methods yield impressively consistent estimates of fertility differentials between regions of Java. Fertility is highest in West Java, followed by Central Java, Jakarta, Yogyakarta and East Java. This ordering is shown by both the 1971 Census and 1976 Supas I data and by the 1973 Fertility-Mortality Survey data. The relatively high fertility in Indonesia's major metropolis, Jakarta (higher, for example, than in rural Yogyakarta or East Java) is a curious phenomenon, which may reflect the absence of certain of the normally-accepted characteristics of metropolitan populations, despite its large size, and may also reflect the West Java origins of the largest group of migrants in Jakarta. (West Java, as noted above, has Java's highest fertility levels.)

The declines in fertility shown in Table 1 appear modest though important. It must be noted that the estimates of rows 6 and 7 relate to rather broad 'average' time periods, whereas the estimates of row 8 relate to calendar year 1975. Because they are based on a different method of estimating fertility from that used in rows 6 and 7, the 1975 figures can be compared with the others only with some caution. If different methods and different time periods are employed, different estimates of fertility declines result. For example, using two different estimates of total fertility rates (TFRs) in 1976 (both of them subject to serious question) and three alternative estimates in the late 1960s, Hull, Hull and Singarimbun (1977) show that the range of fertility decline in West Java may have varied between 6.8 per cent and 19.7 per cent.
What is at first sight surprising about the fertility declines in Table 1 is that they are of much the same order of magnitude in Sumatra and Kalimantan, which were innocent of any government-sponsored efforts to lower fertility, as in Java, where energetic family planning activities were carried out. A number of explanations are possible. Firstly, the data are not perfect. Secondly, they refer mainly to the period before the payoff in fertility decline from government-sponsored family planning activities was being realized. Thirdly, all sorts of factors influence fertility, and family planning programmes are rarely, if ever, the 'prime mover' in fertility decline. (But note that in Java, fertility declines are greater in the provinces with the most energetic family planning programmes, and in these provinces declining marital fertility is responsible for more of the decline than is an altered marriage pattern, whereas the reverse is true in the other provinces).

The results of the 1980 Population Census will, needless to say, be eagerly awaited for the further light they will throw on the fertility decline. Nevertheless, fertility has clearly begun to decline in Java. This is a fact of considerable importance, because once such a decline has set in, the historical experience is that it rarely if ever reverse itself. It is also important because one could have argued that the kinds of factors holding fertility levels in Java below those in the South-East Asian region as a whole were factors which, when removed, would lead to a rise in fertility. The fact that this is not happening indicates that there are more powerful factors operating in the opposite direction.

What were these factors making for only modest levels of fertility in Central and East Java? A relatively high level of primary and secondary sterility, related to poor health and nutrition, appears to be one. A long average period of breastfeeding and postpartum abstinence is another. A high level of marital disruption due to both death of spouse and to divorce is another. These factors weight most heavily on the poor and uneducated, and appear to provide much of the explanation for the inverted U-shaped relation between fertility and education or economic class in Java (Hull, 1976; Hull and Hull, 1977).

Surveys suggest that ideal family size for women in Java is only slightly above four children (Kartoyo, 1976), and this seems to be supported by data from the Indonesian Fertility Survey which show that once a family size of four is reached, well over half of all respondents state that they do not want any more children (Table 3). Whether or not these attitudinal data are meaningful, an impressively high proportion of 'eligible' (i.e., fecund, married, non-pregnant) women in Java are now practising contraception. Table 4 shows the situation in 1976; evidence from family planning service statistics indicates that the percentage of women practising contraception has risen much higher since then. The vast majority of current users in 1976 (85 per cent) were using one of the three modern methods offered by the family planning programme: the pill (56 per cent), IUD (21 per cent) or the condom (7 per cent).

If family planning statistics for the past three years are to be trusted, the fertility decline in the period to 1976 may well have accelerated since then. The sharp increases in proportions of couples practising contraception and the attendant decline in fertility rates raises a number of issues. Conventional demographic transition theory suggests that fertility declines as a result of prior declines in mortality.
Table 3

<table>
<thead>
<tr>
<th>Achieved family size (number of children)</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9+</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>per cent wanting no more</td>
<td>4</td>
<td>9</td>
<td>29</td>
<td>45</td>
<td>57</td>
<td>68</td>
<td>78</td>
<td>87</td>
<td>84</td>
<td>94</td>
<td>39</td>
</tr>
<tr>
<td>per cent not wanting last child&lt;sup&gt;a&lt;/sup&gt;</td>
<td>5</td>
<td>2</td>
<td>7</td>
<td>13</td>
<td>20</td>
<td>30</td>
<td>39</td>
<td>46</td>
<td>50</td>
<td>64</td>
<td>17</td>
</tr>
</tbody>
</table>

<sup>a</sup>Including any current pregnancy.


Table 4

<table>
<thead>
<tr>
<th>Current Age</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5+</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>4</td>
<td>27</td>
<td>40</td>
<td>47</td>
<td>43</td>
<td>51</td>
<td>37</td>
</tr>
<tr>
<td>&lt;25</td>
<td>5</td>
<td>30</td>
<td>41</td>
<td>41</td>
<td>(22)&lt;sup&gt;a&lt;/sup&gt;</td>
<td>-&lt;sup&gt;b&lt;/sup&gt;</td>
<td>27</td>
</tr>
<tr>
<td>25-34</td>
<td>4</td>
<td>24</td>
<td>44</td>
<td>51</td>
<td>45</td>
<td>48</td>
<td>42</td>
</tr>
<tr>
<td>35-44</td>
<td>0</td>
<td>15</td>
<td>30</td>
<td>41</td>
<td>44</td>
<td>53</td>
<td>42</td>
</tr>
<tr>
<td>45+</td>
<td>-&lt;sup&gt;b&lt;/sup&gt;</td>
<td>-&lt;sup&gt;b&lt;/sup&gt;</td>
<td>(16)&lt;sup&gt;a&lt;/sup&gt;</td>
<td>(39)&lt;sup&gt;a&lt;/sup&gt;</td>
<td>(33)&lt;sup&gt;a&lt;/sup&gt;</td>
<td>46</td>
<td>36</td>
</tr>
</tbody>
</table>

<sup>a</sup>Less than fifty in the sample in this category.

<sup>b</sup>No women in this category in the sample.

rates and of a mixture or urbanization, industrialization, expansion of education and 'modernization' which renders former family sizes unacceptably large. This 'developmentalist' view of fertility determinants, based largely on the historical experience of the West, is increasingly being called into question as a result of more careful examination of that very historical experience. Recent Southeast Asian, and particularly Indonesian, experience, also casts doubt on the theory. (For a detailed evaluation, see Jones (1978a, Chapter 4). Thus there is only a very loose relationship between socioeconomic conditions and the onset and speed of fertility decline, and more room for elements of 'innovation' theories than the mainline demographic transition theorists have admitted to.

The Java fertility decline raises the issues clearly. Changes in some of the conditions causing relatively modest fertility, mentioned above, should be making for increases in fertility. Education is not expanding very rapidly, urbanization is not occurring to any great extent, nor are the economic conditions of the mass of the rural population changing sharply for the better. It is not clear that there has been any basis for a drastic re-evaluation by parents of the utility of children. Yet the proportion of women practicing family planning has risen very rapidly and fertility is declining. Could it be that increasing insecurity of rural employment, due to the technological changes discussed below, caused this paradoxical outcome? Can the aggressively-implemented family planning programme have utilized the administrative and power structure so effectively that the Javanese villager's willingness to do what he is told has over-ridden his natural inclination to do nothing when the payoff from action (in this case, practice of contraception) is not evident? Neither explanation seems plausible, at least in isolation. What we must bear in mind is that the changes influencing fertility need not necessarily be those of a Rostovian economic 'take-off' kind. As Hull (1978, p.7) notes in the case of Bali, 'the debate over rapid fertility decline contrasts family planning programs not with economic development, but with the broader and less directed forces of social change'. Or as Sweezy (1976, p.185) notes after reviewing the historical European evidence, 'fertility may change not only as a result of change in the objective conditions under which people live but also as a result of the subjective way in which they perceive or react to those conditions'. A corollary of this argument is that, particularly in recent decades of revolutionary development in communications, 'modernization' of attitudes can occur even in the absence of development as measured by the usual battery of social and economic indicators.

All this means that it is very hard to predict just what will happen to fertility in Java over the next couple of decades. Further decline there will certainly be. But decline of such a magnitude as to meet the goals of the family planning programme (a 35 per cent decline by 1984 in the Total Fertility Rate of 5.0 in 1970)? Such targets imply a total fertility rate for Java of only 2.6 before the year 2000, a level well below the stated ideal family size of Javanese women at the moment, and very risky for parents wanting children to support them in old age, given current mortality conditions.
The recent increases in the proportion of couples practising modern methods of contraception are a very important indicator of social change in Java, and their impact on fertility and ramifications for future population growth are of the utmost importance. But population structures are slow to change, since they proceed through annual numbers of births and deaths that are very small in relation to the mass of the population. Drastic changes can come about only through massive migration or cataclysmic mortality. It will be 20 years (the end of the 1980s) before the decline in fertility beginning at the end of the 1960s will begin to usher in the 'second generation' effect of slowing the increase in the number of potential mothers.¹⁰

What, then, are the prospects for population growth in Java for the remainder of the century? Table 5 presents the results of some alternative sets of projections. Briefly, all projections assume gradual improvement in mortality conditions, and declines in fertility. The B.P.S. projection assumes a 30 per cent decline in fertility between 1971 and 1986, and a 50 per cent decline between 1971 and the year 2001. This is much the same as Speare's 'low fertility' assumption. Speare's 'high fertility' projection assumes a fertility decline at only half this rate. Speare's 'low migration' projection assumes continuation of migration rates observed for 1966-71, the high migration projection envisages a rise to 250,000 transmigrants per year in 1976-80 and constant rates thereafter, and the very high migration projection assumes a further rise after 1980 to one million per year from 1980 to 2000.

<table>
<thead>
<tr>
<th>Projections</th>
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<tr>
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<td>Speare projection:</td>
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<tr>
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<td>123.4²</td>
</tr>
<tr>
<td>low fertility, high migration</td>
<td>n.a.</td>
<td>115.3²</td>
</tr>
<tr>
<td>low fertility, very high migration</td>
<td>n.a.</td>
<td>100.6²</td>
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</tbody>
</table>

²Year 2000; figures refer to Java plus Bali.

The migration assumptions of this last projection exceed even the highly ambitious targets of the transmigration programme\textsuperscript{11} and it is included only for illustrative purposes. All the other projections show a further large increase in Java's population between now and the end of the century — some thirty or forty million extra Javans, or between one-third and one-half as many again as there are now. Projections of the labour force show more rapid increases than for the population as a whole, reflecting changing age structure. Before turning to the question of Java's capacity to cope with such increases, it is important to note the implications of these projections for population growth outside Java, because this has a direct bearing on one of the strategies for 'coping' — transmigration. Speare's high migration projection — whose migration assumptions are more conservative than those of the transmigration programme — implies that Sumatra's population will reach fifty million before the year 2000. In Sumatra, Sulawesi and elsewhere, population densities are now reaching very high levels in many of the more favoured areas, and areas with good potential for land settlement are becoming harder to find.\textsuperscript{12} In settlement of such areas, Javanese transmigrants will have to compete with those moving from local areas of population pressure.

THE DEMOGRAPHIC CONTEXT OF EMPLOYMENT PROBLEMS IN JAVA

The prospect for some years to come is the same as the actual situation over the past decade: after transmigration (and spontaneous inter-island migratory flows) and after movement to the towns and cities of Java, the rural population and labour force will continue to increase. The land base for agriculture is fixed, or even contracting (due to expansion of the built-up area of cities, resumption of farm land for building of dams, and loss of arable land through erosion), but the cropped area is increasing somewhat due to irrigation and double-cropping.\textsuperscript{13} There is still scope for substantial increases in productivity in the sense of output/hectare/year due to expansion of irrigation and double-cropping, shift to higher-yielding varieties, shift in cropping patterns and more efficient agricultural technology (weeding and fertilization practices, etc.). Yields of rice in Indonesia as a whole, while above Thailand and the Philippines, are still well below Malaysia, Taiwan and Korea. Achievement of Taiwan's level of per hectare yields would raise Indonesian rice production by some 60 per cent (Booth, 1977b, pp.62-4). In the present context, however, what must be considered is the employment and income implications of these changes.

First of all, what evidence is there on employment trends in Java in recent years? It is very difficult to obtain a reliable picture (Jones, 1978b; Jones, forthcoming). This is partly because of definitional problems, partly because there is a very large seasonal movement into and out of agriculture,\textsuperscript{14} and partly because labour force surveys and censuses can reveal little, if anything, about the intensity of work. There is no reliable basis from comparison of available census and survey data for deciding whether rates of unemployment and under-employment have increased. What the available sources do show is a rise in employment, more or less in keeping with the growth of the labour force;\textsuperscript{15} unemployment rates which are much higher among the young, the better-educated (and the better-educated young) than among other groups
(Jones and Supraptilah, 1976, p.40; Moir, 1978), and some structural change in the direction of a rising proportion of employment in manufacturing and trade, and a falling proportion in agriculture. This evidence suggests, in broad terms, that Javanese agriculture is somehow managing to continue its historic role of absorbing population increases on a fixed land base. But it is too broad and general a picture to be of much value for planning purposes.

There are other ways of investigating employment structure and trends in the balance of supply and demand for labour. There is evidence from more specialized surveys, from wage trends, and from case studies of agricultural technology and its effects on employment.

Before examining this evidence, however, we might look systematically at the structure of the rural labour force and the options facing each category of workers. This is shown in Table 6. The two problematic groups—the landless and those with tiny farms—are growing in number and also as a proportion of the total labour force. What are the key trends in the rural economy which might influence their ability to find work and adequate income?

It has been argued in recent years that, despite the increases in double-cropping and the more intensive cultivation practices which have accompanied the introduction of high-yielding varieties of rice in Java, all of which could be expected to shift the demand curve for labour outwards, these have been accompanied by a variety of labour-displacing changes in agricultural practices and institutional arrangements. Briefly summarized, these relate to cultivation practices (hand tillers—Sinaqa, 1978); harvesting practices (replacement of anî-ani by the sickle); changing harvest systems (bawon to tebasan—Collier et al., 1971 and 1974, Utami and Ihalauw, 1973); though the complexity and variety of earlier arrangements, including ceblokan was perhaps understressed by Collier and associates and the rapidity of the shift to tebasan and the loss in employment resulting perhaps exaggerated (see Hayami and Hafid, 1979); and mechanical pounding and hulling (Timmer, 1973). At the same time, the growing number and proportion of landless among the rural labour force in Java means an increase in those who are vulnerable to such changes, because they do not have their own land to fall back on.

The crux of the problem is that there are a wide range of possible technologies for rice cultivation, all of which can yield similar product per hectare but with dramatically different labour requirements. For example, Australian production per hectare in recent years (5.6 tonnes per ha.) has been well above that of sawah in Java (3.1 tonnes per ha.). Although in some respects this is an invidious comparison (the Australian acreage is wholly irrigated and very small, totalling only 2 per cent of Java's sawah hectarage; and rice is only grown once every four years on most of these areas) it is nevertheless likely that Australian methods could achieve good yields in areas such as the Krawang plains. Because of the low cost of labour and high cost of capital equipment, and also because the social and economic system in Java has been oriented to providing a livelihood for a very dense rural population, Java's rice technology evolved in a way which permitted very high labour inputs per hectare of cultivated area. Growing commercialization of farming, and
Table 6

Categorization of Labour Force of Rural Java

<table>
<thead>
<tr>
<th>Category</th>
<th>Proportion of rural labour force</th>
<th>Trend</th>
<th>Options for employment and income generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landless</td>
<td>33% Increasing</td>
<td></td>
<td>Gathering forest products.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><em>Bawon</em> harvesting.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Daily labour.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Handicrafts, trading, services.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Factory employment if available nearby.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Movement to towns, either permanent, circular or commuting.</td>
</tr>
<tr>
<td>Tiny farms (&lt;0.5 ha.)</td>
<td>30% Increasing</td>
<td></td>
<td>As above, plus raising productivity per ha.</td>
</tr>
<tr>
<td>'Cukupan' and better (&gt;0.5 ha.)</td>
<td>22% Decreasing</td>
<td></td>
<td>No difficulties; disproportionate benefits from new varieties and changing agricultural technology.</td>
</tr>
<tr>
<td>Civil servants, traders and other 'urban oriented'</td>
<td>15% Slightly increasing</td>
<td></td>
<td>Not 'landless' in same sense as first group; not oriented to agricultural employment.</td>
</tr>
</tbody>
</table>

**Note:** The basis for the allocation of the workforce between the four categories is necessarily very rough. Firstly, the 1971 Census showed that 28 per cent of the rural labour force in Java was in non-agricultural activities. Roughly half of this group can be assumed to have a 'firm base' in civil service employment, trade, handicrafts and other manufacturing, whereas for the other half these activities are a rather uncertain 'fallback position', reflecting their lack of control over sufficient land resources. The figure of 33 per cent for the landless is a common 'guesstimate' (e.g. Arndt, 1975a, p.90; Booth and Sundrum, paper in the present volume). The remaining 52 per cent of workers are allocated between farm size categories according to the proportion of all farms in Java falling within these categories in the 1973 Agricultural Census (Booth and Sundrum, 1976, Table 5). The assumption here is that there is no major difference between the size of the family labour force of small and large farmers.
trends towards greater concentration of landholdings in fewer hands, together with a tendency for some prevailing systems to run up against a kind of 'natural limit' could accelerate the adoption of labour-displacing practices. Whether such a trend would result more from a weakening of 'social consciousness' or from changes in the parameters influencing the economic rationality of different practices is debatable. However, the tendency of some observers to decry the apparent weakening of the 'shared poverty' spirit reflects a rather romanticised interpretation of the Geertzian paradigm, which cannot survive critical examination (see Stoler, 1977).

So far there has been no discussion of employment trends in the non-rice sectors of Java's rural economy — tea, sugar, cassava, maize, vegetable cultivation, brackish water fish-farming and the ubiquitous house garden or *pekarangan*. The problem is that there is very little data on employment in these sectors. Acreage under sugar has increased by about 16 per cent over the past two decades; one objective of the government's new policy in 1975 of abolishing the system whereby farmers rented their land to sugar mills operating large estates in favour of smallholder cultivation was to expand the acreage under sugar (and particularly land which would be unattractive for mills to cultivate). But although there is evidence that income per hectare from cane is highly competitive with income from rice (Mubyarto, 1977), data on relative labour requirements are difficult to come by. As far as tea is concerned, the history of the industry in recent decades has been dismal (Etherington, 1974), and employment per hectare must surely have fallen. By the same token, however, there is potential for increased employment if rehabilitation efforts are actively pursued.

Although the data on non-rice agricultural employment is too fragmentary to tell us whether recent trends have been toward labour displacement, the trends toward labour displacement in activities associated with rice-growing and the growing proportion of landless and near-landless farmers implies a growing proportion of the rural population depend on wage labour. This suggests, in turn, that trends in rural real wages should give a strong hint as to whether growth of employment opportunities has kept pace with the growth of the rural labour force. After reviewing the available evidence, a recent World Bank report (World Bank, 1979) concludes that there is no sign of declining real wages in rural areas; in other words, labour absorption appears to have kept pace with labour supply.

But what of the future? Given that employment generated per hectare of cultivated land in Java is unlikely to go much higher, what are the alternatives facing workers in the first two categories in Table 6 — the landless and the mini-smallholders? Some of the other activities formerly open to them, such as collection of firewood and other forest products, can also be expected to provide less employment over time as forested areas decline further and erosion reduces the potential area to be tapped. The remaining hope lies in non-agricultural employment, whether in nearby towns or cities or in the rural locality.

Such rural non-agricultural employment is already very widespread. In 1971, fully 28 per cent of Java's rural labour force were classified in non-agricultural activities by the Census (26 per cent of males and 31 per cent of females). Trade, manufacturing and services were the main
sources of non-agricultural employment, in that order. These cold statistics fail to reveal the human dimension: a bewilderingly diversified set of responses to the problem of inadequate income sources for the majority of rural Javanese families. Thus although some of the manufacturing employment undoubtedly resulted from factory 'overspill' into areas classified as rural (for example, along the Jakarta-Bogor and Surabaya-Sidoarjo roads), rural manufacturing is highly diversified, running the gamut from small textile and cigarette factories to batik-making and brickmaking, repair of bicycles and agricultural implements, production of coconut oil or tempe (fermented soya bean cakes) to weaving of mats and hats. Trading is an activity which provides supplementary income for large numbers of rural families and the main source of income for many others. Carpenters and builders are active throughout the rural areas, as are barbers, dukuns, midwives, and others in service activities of various kinds. Household service opportunities are available in the wealthier rural households or in neighbouring towns or cities. The rural-based transport network is very labour-intensive, with beaka, dokare, even in West Java the ojeg transport system (use of bicycles to transport up to 200 kg. loads).

The key question concerns the potential of all these activities to provide employment. Clearly, the sine qua non of rapid expansion is the tapping of urban markets (e.g. for batik, cigarettes, processed foodstuffs, tiles) and even overseas markets (e.g. for batik) and/or a steady rise in the purchasing power of the rural population. People without bicycles will not patronize bicycle repair shops, nor will the destitute patronize the local barber. For a number of reasons, it is important that the rise in purchasing power of the rural population provide the main basis for the growth of non-agricultural employment in rural areas. For one thing, this provides a more certain basis for such growth. For another, it is important on equity grounds that urban-rural income differentials be narrowed. And finally, if the growth of truly vast cities in Java is to be avoided, recent trends towards growing urban-rural income disparities will have to be halted.19

One can envisage a 'package' of trends which could cope with the predicted growth of rural Java's labour force: these would include transmigration and movement to the cities (long the only safety valves for some of the poorer lime stone areas such as Gunung Kidul); further fertility decline, which will eventually slow the seemingly endless growth of Java's labour force; patterns of commuting and circular migration to cities, which could raise rural-based incomes without imposing impossible burdens on urban infra-structure needs; further development of rural-based manufacturing industry; raising the cropping intensity in Java through irrigation, further development of brackish-water fish-farming, etc.; reversal of labour-displacement trends in agriculture, partly by modifying government policies which directly or indirectly foster too rapid an introduction of labour-displacing techniques (e.g. by raising the price of imported capital relative to labour through removal of present direct and indirect subsidies for agricultural mechanization - Sinaga, 1978); and further expansion of rural public works activities through the INPRES programme. A key element in policies to tackle rural Java's employment problems must be efforts to maximize labour
absorption in transmigration programmes and in Java's urban areas. This will require a rethinking of current restrictive policies towards becaks, hawkers and street vendors and a rethinking of current industrialization strategies (though the strong growth in exports of labour intensive manufactures since 1977 [Garnaut, 1979, pp.33-8] is an encouraging sign that recent strategies may be close to the mark). Finally, the general context of the country's employment strategy must be one of export promotion and rapid economic growth, aiming at steady increases in purchasing power in both urban and rural areas.

NOTES

1After a review of these sources, it has been concluded that 'infant and child mortality have been declining continuously in Indonesia with the rate of decline being of the order of about 4 per cent per annum. At the end of 1975, the infant mortality rate was in the vicinity of 110 per thousand live births. This represents a decline from levels of 150 per 1000 or more ten years previously' (NAS Panel, draft report).

2The data base for this conclusion is relatively poor. There are no grounds for great confidence that the trends or even pattern of adult mortality are conclusively determined.

3This is not surprising, given the strong links between social class, family economic welfare, and access to education in Java, particularly in the period when the mothers in the survey were receiving their education.

4The relatively high mortality levels among males aged over forty five and the tendency for women to marry men some years their senior means that many women are widowed before they have completed their reproductive period.

5Between May 1976 and June 1979 the estimated proportion of married women of reproductive age in Java-Bali who were currently using a method of contraception after originally beginning contraceptive practice through programme sources was estimated to have risen from 20.8 per cent to 35.5 per cent, the rise being sharpest in Central Java, Yogyakarta and East Java (National Family Planning Co-ordinating Board, various years).

6Knodel (1977) for example, argues that family limitation is an innovative form of behaviour which can itself serve as a catalyst to changed fertility desires, especially within a context of general socio-cultural and economic change.
Whether they are changing at all for the better is a matter for some debate. A cautious evaluation of recent studies (King and Weldon, 1977; Sayogyo, 1977; White, 1977b; Palmer, 1977; World Bank, 1979, pp.75-85) suggests that whereas the proportion living in poverty (if a consistent measure of poverty over time could be found) probably decreased somewhat over the decade to 1976, the proportion living in deep poverty may actually have increased. Certainly, for the landless and those with less than 0.2 hectares of land, who are in a weak position to benefit from new technologies of rice production, conditions of life on the whole remain grim.

See also Day's (1977) discussion of 'behavioural drift' in this context.

The earlier target date of the year 2000 for the achievement of a 50 per cent decline in fertility has recently been brought forward.

This is in contrast to countries such as Malaysia and the Republic of Korea, where the prospect is already in sight of a significant slowing of labour force growth and also of the potential for further growth because of the slowing in the growth of the reproductive-age population.

The migration targets of Repelita III call for the movement of half-a-million heads of household, or about 2 million or so persons altogether, over a 5-year period. If met, this would drain off about one-quarter of Java's annual population increase. But the only consistent feature of Indonesia's transmigration and related programmes over the past 50 years has been their failure to meet targets.

The agricultural potential of vast areas, such as the ebb-tide coastal areas of eastern Sumatra and coastal Kalimantan, remains uncertain (see Collier, 1979).

Harvested area of sawah dropped sharply in the early 1960s (probably due to lack of maintenance and declining effectiveness of the irrigation system), and by 1972 has only regained the figure for the late 1950s. Over the same period, the rural population in Java increased by about 23 per cent. However, 1968 to 1974 witnessed a steady rise in harvested area, no doubt influenced by heavy government investment in the rehabilitation of irrigation facilities, and the rise has probably continued since then (see Booth, 1977a, pp.69-72).

Census data suggest that much of the seasonal change is met by drawing unpaid family labour, especially women, into the labour force. But there is some conflicting evidence (reviewed in World Bank, 1979, pp.22-26) indicating that hiring of labour during the busy months is the source of most of the extra labour needed at those times.

Trends in the more recent 1971-76 period are difficult to evaluate because two sources of 1971 data (the Series C and Series D Census figures) can be compared with two sets of 1976 data (SUPAS and SAKERNAS surveys). The four resulting sets of estimates show widely differing trends, though all of them indicate that employment has grown much faster
than the working-age population, largely because of increase in age-specific labour force participation rates and in some comparisons, declines in unemployment rates. There are grounds for doubting whether either of these trends is real. For some estimates of growth in employment in the manufacturing sector, see McCawley and Tait, 1979.

16 Figures for Java converted into conventional padi (gabah). In the 1970s, Australian production per hectare has tended to decline, due to expansion of cropped area onto poorer soils and switch from short-grained to lower-yielding long-grained rice; whereas in Java production per hectare has been rising.

17 It is not hard to understand why the landowner wants to avoid the flooding of his fields by literally hundreds of harvesters, with the attendant problems of damage through trampling and of policing those who try to keep more than the 'proper' share, for example by making bundles of uneven size or by deliberately leaving more than normal for the gleaners.

18 The percentages drop a little, but not much, if we include in agriculture all workers who worked in the sector during the past agricultural season, because most such workers were classified as 'outside the labour force' or 'unemployed' during the one-week reference period, not in other industrial sectors.

19 Recent trends in urbanization have not been rapid. However, depending on the pace and style of development, Jakarta alone could well have a population equal to that of Australia by the turn of the century or shortly thereafter (Jones, 1975, Table 6-2).

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STABILITY, EQUITY, GROWTH AND DEVALUATION: A NEW DIRECTION FOR REPELITA III?*

Peter McCawley *

INTRODUCTION

Fashions in economics often come in cycles, stimulated first by considerable research interest in a recently-noticed phenomenon which then leads, in a later phase, to the development of a new orthodoxy. After a time, the likelihood is that even newer fashions will attract the interest of the profession, and the older theories will find a place in the literature of greater or lesser prominence depending on how they have stood the test of time.

Such a fashion is at present attracting the attention of development economists; the economic successes experienced by a number of export-oriented industrializing countries have stimulated interest in the growth strategies pursued in these NICs (newly industrializing countries), and the word is abroad that the adoption of outward-looking trade-promoting patterns of growth, especially for the manufacturing sector, will do much to promote both economic growth and greater equity. The influence of such thinking has been much in evidence in ASEAN circles in recent years; in reviewing developments in the Indonesian economy during 1979, it is the purpose of this paper to consider how relevant the new emphasis on outward-looking industrialization is for ASEAN's largest member, and what steps should be taken to promote the growth of an efficient industrial structure in Indonesia.

The underlying argument advanced here is that while the importance and likely benefits of an outward-looking industrialization policy for Indonesia should not be overlooked, neither should they be overemphasized. It seems that the relevance of an outward-looking strategy may, for a number of reasons, be less for Indonesia than for the other four members of ASEAN. Firstly, the proponents of outward-looking development strategies argue that the liberalizations and the greater reliance on market forces that the adoption of such strategies necessarily entail usually stimulate a range of domestic reforms which encourage entrepreneurship, efficiency, technical innovation, rationalization within industries, a new willingness to compete, and so on. Reforms in the foreign trade regime, it is argued, provide the much-needed discipline which virtually forces domestic industrialists to become internationally efficient. But when one considers the patterns of development evident in the NICs (which include South Korea, Hong Kong, Taiwan, Singapore, Brazil, and others), it is not clear which way the causality runs. Did the adoption of an outward-looking strategy stimulate internal reforms which promoted rapid growth — or is it that the adoption of the internal reforms made it possible to implement an outward-looking strategy? In Indonesia, at least, it seems that internal reforms should come first.
Secondly, in Indonesia the internal conditions for healthy industrial growth do not yet seem to exist. The Indonesian industrial sector is very underdeveloped, even by comparison with India or China, because existing technologies are generally old-fashioned, entrepreneurial skills are low, few firms are large enough to achieve reasonable economies of scale, other skills (technical, managerial, and accounting) are in extremely short supply, and the general economic environment is not conducive to rapid industrial growth. Thirdly, under these circumstances, too rapid a move in the direction of exposing Indonesian firms to international competition could do as much harm as good. Not only would many firms fail if the move were successful, but it is likely that the policy change would quickly be followed by strong political reaction at home, a retreat from the liberalizing changes, and the introduction of a range of other protective devices to protect domestic manufacturers. The chances are that external liberalization would be negated by additional internal protective schemes. And finally, under these circumstances, it seems that deliberate moves in the direction of an outward-looking strategy (which are desirable) should be accompanied by other measures designed to facilitate the adjustments which are needed; that is, the gradual adoption of an outward-oriented industrialization strategy should merely be seen as one element within the overall industrialization strategy. To be successful, other elements of the strategy must include manpower planning, the revision of laws and regulations affecting industry, the improvement of workers' working conditions, promotion of technological change, provision of finance, and so on.

INDONESIA AND ASEAN

There has been a tendency during the last few years for observers to regard ASEAN as an outward-looking economic organization; in the eyes of many people, particularly those from outside the region, Singapore seems closer to epitomizing the spirit of ASEAN than Indonesia. In one respect this is reasonable, because the four non-Indonesian members of ASEAN do seem to have a common interest in liberalizing trade within the grouping, and in acting together to secure better external terms of trade for ASEAN as a whole. The four non-Indonesian members of ASEAN are, speaking broadly, all committed to outward-looking growth. But in another respect this is quite misleading because within ASEAN Indonesia is the odd man out, yet with about 60 per cent of ASEAN total population and about 40 per cent of regional GDP, Indonesia is the single most important member of ASEAN and is large enough to call the tune when necessary. As an economic unit, ASEAN is unlikely to progress any faster than Indonesia will allow.

In surveying developments in the Indonesian economy during 1979, the importance of longer term structural problems over shorter term difficulties of macroeconomic management is evident. To emphasize how intractable Indonesia's basic development problems are, and to illustrate the need for internal structural and institutional changes, Figure 1 sets out some of the main contrasts between Indonesia and Singapore. Indonesia and Singapore represent, in many respects, the extremes within ASEAN, but the differences shown in Figure 1 do underline how far Indonesia lags behind the other four members of ASEAN in the development process.
Singapore is a small, cohesive, well-managed, relatively wealthy nation; in Gunnar Myrdal's terms it is a 'hard state', where welfare services contribute to guaranteeing that a reasonable degree of economic equality exists, and where government is effective. On the other hand, it is hardly an exaggeration to say that as far as economic and social development is concerned, Indonesia is all of the things that Singapore is not. Indonesia is a large, disparate, somewhat confused and very poor nation; it is a 'soft state' where national welfare services are largely non-existent and where government is often extremely inefficient. It is against this background that economic developments in Indonesia during 1979 need to be reviewed.

STRUCTURAL PROBLEMS

In mid November 1978, after remaining at a fixed rate for over seven years, the Indonesian rupiah was unexpectedly devalued by about 33 per cent; for at least three years there had been speculation about a possible devaluation of the rupiah, but by late 1978 international reserves had risen to a healthy level and the immediate prospects did not seem unfavourable. Naturally, under these circumstances, the large devaluation was quite unexpected and came as a shock to the Indonesian business community.

There were both short-term and long-term considerations which prompted the Government to devalue. The short-term considerations were that balance of payments forecasts for 1979 suggested a run-down in international reserves. The longer-term considerations arose from the fact that as a result of the oil boom of the seventies, Indonesia had caught the 'Dutch disease'. The underlying strength of the balance of payments from about 1972 onwards had allowed the Government to maintain a fixed exchange rate despite high rates of domestic inflation, and the consequent revaluation of the 'real exchange rate' (the ratio of a suitable international price index divided by the Indonesian price index) had undercut the competitiveness of Indonesia's traditional non-oil tradeable goods industries. This change, which has been of fundamental importance for the Indonesian economy during the 1970s, needs some explanation.

Beginning in 1972, and continuing throughout 1973 and 1974 as the great oil boom occurred, Indonesia's exports and foreign exchange reserves rose rapidly, and for the first time in Indonesia's history there appeared to be an abundance of foreign exchange. For a time this abundance, and its economic implications, were effectively disguised — firstly, by a boom in government-initiated imports between 1973 and 1975, and secondly by the Pertamina crisis of 1975-76 which led to a substantial capital outflow when the Indonesian Government took responsibility for repayment of a large amount of Pertamina short-term debt. But as foreign exchange reserves rose quickly, domestic money supply growth also increased and throughout the mid 1970s Indonesia experienced a high rate of domestic inflation which averaged over 20 per cent per annum between 1972 and 1978.

In retrospect, it can be seen that this high rate of domestic inflation was largely a response to the economic effects of the oil boom. When the boom occurred, there was a number of options available to the
**Figure 1**
**Contrasts between Singapore and Indonesia**

<table>
<thead>
<tr>
<th>Singapore</th>
<th>Indonesia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population, income</strong></td>
<td></td>
</tr>
<tr>
<td>Very small population, city state, relatively wealthy</td>
<td>Large population, dispersed over a large area and predominantly rural, very poor</td>
</tr>
<tr>
<td><strong>Macroeconomic policies</strong></td>
<td></td>
</tr>
<tr>
<td>Low inflation, strong foreign exchange rate, low unemployment</td>
<td>High inflation rate, foreign exchange rate subject to some uncertainty, high disguised unemployment</td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td></td>
</tr>
<tr>
<td>Physical, human and financial infrastructure very good;</td>
<td>Physical infrastructure substantially improved in recent years, but still poor, human and financial infrastructure remains poor</td>
</tr>
<tr>
<td><strong>Agriculture</strong></td>
<td></td>
</tr>
<tr>
<td>Quite unimportant</td>
<td>Remains the single largest sector; fluctuations in the agricultural sector are an important source of economic instability</td>
</tr>
<tr>
<td><strong>Labour</strong></td>
<td></td>
</tr>
<tr>
<td>Adequate supply of skilled labour; unskilled labour in increasingly short supply; accommodating trade unions have an important institutional role; inward migration of labour to meet shortages in supply</td>
<td>Skilled labour in acutely short supply; excess supply of unskilled labour; trade unions unimportant; outflow of labour in search of jobs</td>
</tr>
<tr>
<td><strong>Strategy of development</strong></td>
<td></td>
</tr>
<tr>
<td>(a) Outward-looking</td>
<td>(a) Tendency to be inward-looking</td>
</tr>
<tr>
<td>(b) Welcomes foreign investment and climate for foreign investment is good</td>
<td>(b) Welcomes foreign investment in principle, but overall climate for foreign investment is a difficult one</td>
</tr>
<tr>
<td>(c) Trade policies are very open, with international trade equal to over 100 per cent of GDP</td>
<td>(c) Trade policies are in practice restrictive</td>
</tr>
</tbody>
</table>
Singapore

Strategy of development (cont)

(d) Open economy

(e) Government role seen as creating general conditions for growth; private enterprise to play main role

(f) State enterprises play service role, with no industrial state enterprise. Full cost operations

(g) Emphasis on entrepreneurship

Indonesia

(d) Rather protected economy

(e) Government role often more important than private enterprise; private enterprise activities often restricted by government interference; permits required, etc.

(f) State enterprise is important in a wide range of activities; subsidized, not operating on a full cost basis

(g) Difficult for entrepreneurs

Welfare

Widespread welfare services

Few welfare services in many areas; majority of the population has poor housing, very inadequate medical services, poor water supply, no electricity in homes

Government

Strong, effective, a 'hard' state

In practice, not so strong, many countervailing sources of power within the society; a 'soft' state

Economic flexibility

Good deal

Little flexibility

Equity

Good, improving

Unsatisfactory, little evidence of overall improvement in recent years, and clear deterioration in some areas
Indonesian Government: first, the Government itself could have arranged to dispose of the foreign exchange overseas in one way or another; second, the Government could have officially revalued the nominal foreign exchange rate, thus encouraging the private sector to spend the foreign exchange; and third, the Government could have allowed the rise in foreign exchange assets to 'spill over' into the domestic economy, increase the domestic money supply and the rate of inflation within Indonesia, and thus (in effect) cause a revaluation of the real exchange rate. In the event, partly by choice and partly through default, the Government chose the first and third of these options, preferring to allow a real revaluation to occur through the operation of market forces rather than incur the unpopularity which would have resulted from an overt revaluation of the nominal foreign exchange rate.

The effect of an overt revaluation in 1975 would have been to lower the domestic (rupiah) price of tradeable goods (such as rubber, coffee, palm oil, textiles, and electronics) relative to non-tradeables (such as services, rents and land); in other words, the 'exchange rate protection' provided to domestic import-competing and export industries would have been reduced, and naturally these industries would have found it more difficult then to compete in international markets and with imports on the home market. But the real revaluation that occurred as a result of the high rate of domestic inflation had much the same effect — throughout the period from 1974 to 1978, the relative price of tradeable goods within Indonesia fell because the prices of non-tradeables in the home market were rising rapidly. As the competitive position of tradeable goods industries was eroded during this period, the Government announced various protective measures, but these measures were not enough to compensate the manufacturers of tradeable goods and there was increasing pressure on the Government to devalue. Although, when the devaluation finally came in November 1978, it was unexpected because there were no obvious signs of pressure on foreign exchange reserves, the long-term problems arising from the Dutch disease were undoubtedly an important factor in favour of devaluation in the minds of some influential policy-makers. Indeed, in official statements after the devaluation, the Government explained the devaluation in terms of the need to create employment opportunities and encourage growth in the non-oil tradeable goods industries so as to lay the basis for healthy structural changes in the economy at the beginning of Repelita III (the Third Five Year Plan which commenced in April 1979).

THE DE VALUATION IN RETROSPECT

With the benefit of nearly twelve months hindsight, it is now easier to judge whether the devaluation was justified than was the case in the few months after the decision was taken. There are both short-term and long-term factors which should be considered.

The short-term argument in favour of the devaluation apparently was that according to some official forecasts, the balance of payments prospects for 1979 were worrying; the outlook for oil exports did not seem good, imports were expected to rise rather more rapidly than total exports, and foreign exchange reserves seemed likely to fall. Under these
circumstances, it seemed sensible to devalue before speculation began, and to devalue by a substantial amount in order to ensure that there would be no speculation about the likelihood of further devaluations. In the event, the sharp increases in oil prices in mid 1979 (which presumably were not foreseen by Indonesian policy makers) led to a jump in oil export revenues so that foreign exchange reserves rose from $US2.7 billion in early November 1978 to over $US4.0 billion in September 1979. In retrospect, it is clear that however appropriate a devaluation may have appeared to be for short-term balance of payments reasons in November 1978, in fact it was unnecessary from this point of view.

The longer-term argument in favour of the devaluation was, as we have seen, that the Dutch disease was putting pressure on non-oil tradeable goods industries. Since these industries employ many people, and since the export revenue that these industries earn could once again become important in the future if the oil boom were to fall away, there are both employment and balance of payments arguments for assisting them. In considering whether or not a devaluation was an appropriate response to the problems caused by the Dutch disease it is useful to distinguish between the situation where the Dutch disease is regarded as reflecting a permanent change in Indonesia, and one where the present problems are regarded as temporary, albeit likely to persist for a decade or more. In other words, does the oil and minerals boom mark a permanent shift in Indonesia's comparative advantage in international markets, or should the boom be seen as essentially a transitional phenomenon which provides the opportunity to restructure the Indonesian economy in preparation for the time when the natural resources boom will fade away? Depending on judgements about this issue, there will be differing opinions as to the appropriateness of the devaluation.

A Permanent Structural Change

One possibility is that the oil boom in Indonesia marked a turning point. According to this view, for the foreseeable future Indonesia's comparative advantage in international markets is in the production of natural resource based products such as oil, timber, perhaps coal and uranium, and a range of unprocessed and semi-processed ferrous and non-ferrous minerals (alumina, aluminium, nickel). The important implication is that neither Indonesia's traditional export industries (rubber, coffee, palm oil) nor the expanding labour-intensive manufacturing industries are needed to support the balance of payments and that assistance to these industries must be justified on other grounds. In fact, it is difficult to think of other grounds on which specific promotional measures (as opposed to temporary adjustment assistance) for these particular industries might be justified. There are infant industry and social development arguments which can be put forward in support of the provision of general subsidies for the industrial sector as a whole, but these arguments do not seem to apply with special force for the non-oil tradeable goods industries. Under these circumstances, the appropriate long-term aim is to encourage structural adjustment in these industries; methods of assistance which specifically favour the non-oil tradeable goods
industries should be reduced (and perhaps replaced with more general measures of assistance for the industrial sector as a whole), and the factors of production in these industries should be encouraged to shift into other activities.

The only economic justification for a devaluation in this situation is as a third or fourth-best measure intended to provide temporary 'exchange rate protection' to non-oil tradeable goods industries while they adjust to the new situation. But the use of the exchange rate for this purpose has several important disadvantages. First, devaluation is a general method of assistance which does nothing to encourage the desirable structural adjustments within the non-oil tradeable goods industries. Second, the measure favours all non-oil tradeable goods industries rather than just those which are regarded as desirable, and does so in an arbitrary way since the increases in the levels of effective protection provided are unlikely to reflect socially desirable changes in pricing signals. In addition, the costs of this assistance are borne by the rest of the community. Third, devaluation is inflationary, which means that the exchange rate protection is provided at the cost of a rise in the general price level with all of the costs that are entailed, and that the protection is partially or (eventually) entirely eroded at an uncertain rate.

A Temporary Problem

The other possibility is that the foreign exchange boom which began in 1972 and which appears likely to continue into the 1980s is essentially a medium-term transitory phenomenon. According to this view, Indonesia's oil reserves will eventually run low, the exportable surplus will disappear, and planning should begin now for the time when the natural resource boom will be over. The implication of this approach is that within, say, a decade or so, Indonesia's non-oil tradeable goods industries (both the traditional export industries, and the newer import-substitution manufacturing industries) will again be needed for balance of payments reasons, and that it would therefore be short-sighted folly to allow the long-term prospects for these industries to be damaged as a result of the oil boom. The appropriate strategy is certainly not to allow them to contract, but (a) to provide them with temporary assistance to protect them against the adverse effects of the Dutch disease, and simultaneously (b) to draw up and implement long-term plans to restructure these industries and improve their international competitiveness. If it is accepted that the oil boom may be a temporary phenomenon, the question then arises of whether a devaluation would be appropriate for either of these reasons.

First, as seen in the preceding section, devaluation is a rather blunt economic tool when the specific goal of policy is to assist particular disadvantaged industries. The first-best policy is to find ways to counter the particular distortion caused by the real revaluation of the exchange rate; this might be done by government intervention to index the prices received by farmers in line with domestic inflation. The second-best policy is to find methods of assisting the industries in a more general way; for example, through the provision of subsidized inputs or subsidized
long-term loans. This approach is inferior to a first-best policy in that it encourages producers to overuse the subsidized inputs. And devaluation is a third or fourth-best policy in that it has many side effects which have repercussions for the entire economy when the main objective of policy is simply to assist a particular set of disadvantaged industries.

It is true that the first-best policy calls for industry-specific programs of assistance which would place an additional call on scarce administrative resources. Nevertheless, the problems involved do not seem insuperable, and industry-specific programs would probably be more efficient in providing temporary assistance than the devaluation is likely to be. Such programs would need to be prepared on an industry-by-industry basis so it is difficult to generalize, but several examples can be mentioned to illustrate the nature of this approach. In the traditional export industries such as rubber, coffee, and palm oil, domestic price support schemes (perhaps operating through Bulog, the existing government procurement agency) could be established to provide farmers with home prices which were indexed against domestic inflation and which perhaps also stabilized farmers' incomes against fluctuations in international prices to some degree. In the newer import-substitution industries such as the modern textile sector, electronics and light machinery, it is more difficult to think of short-term assistance measures over and above the protection that these industries are already receiving, although assistance with marketing and finance might help. In most cases, levels of effective protection already appear to be very high, and if these industries cannot prosper under existing conditions, it is doubtful whether they can ever be economic.

Second, it is true that many of the non-oil tradeable goods industries have structural problems of an industrial organization nature and that their competitiveness would be better if these were overcome, but devaluation does not seem to be an appropriate tool for tackling these problems. Several of the largest traditional export industries (rubber is a good example) suffered badly through poor management and disturbed economic conditions for almost thirty years up to the early seventies, and are now badly in need of rejuvenation. New technologies need to be introduced throughout these industries, management practices need to be modernized, consolidation of production and managerial functions need to be organized so that economies of scale can be obtained, and marketing arrangements need to be reformed. Much the same is true for the main import-substitution manufacturing industries which are undergoing a period of rapid technological change and expansion: there are many structural and institutional problems in these industries which seem quite unrelated to difficulties arising from the Dutch disease. For example, most manufacturing firms in Indonesia are small by international standards, are technologically old-fashioned, produce poor quality goods in small runs, have bad marketing arrangements, and are quite unequipped to compete in international markets.8

Two broad types of reforms appear to be needed to improve the long-term prospects for these industries. On one hand, industry-specific policies are needed to deal with the most pressing problems in each major industry. For example, in both the rubber industry and the palm oil industry research and development programs need to be supported, and
extension schemes developed, so that over a period of a decade or so productivity is gradually raised to levels close to those in other main producer nations. In the import-substitution manufacturing sector, product quality and marketing techniques need to be improved before Indonesian firms are likely to be able to compete with other Asian firms in world markets. On the other hand, the overall environment for business enterprise in Indonesia is still in need of substantial reform as well; the many government-imposed controls and licensing requirements which restrict much entrepreneurial activity stifle the business sector and need to be greatly liberalized. This is a matter which affects all business activity in Indonesia, but inflexibility and delays caused by excessive bureaucracy are particularly serious for export-oriented industries because overseas sales are lost when competitors from, say, Malaysia or Taiwan prove more flexible and reliable in their business dealings. Neither of these two broad types of long-term reforms are likely to be encouraged by devaluation; indeed, to the extent that devaluation provides temporary protection from international competition, a devaluation may even reduce pressures to implement these reforms.

The Practical Arguments

One view advanced in support of the devaluation is that policies which may be first-best in developed countries are not necessarily first-best in Indonesia because of problems of corruption and shortages of administrative skills. Once these difficulties are allowed for, it is argued, a policy such as a devaluation which can be decided upon and implemented by a small group of officials has much to recommend it; the great advantage is that it relies upon market forces to achieve the objectives of policy rather than upon interventionist decisions by bureaucrats.

The force of this argument depends on the weight given to ease of implementation. It is a matter of judgement, in which the advantages of alternative policies should also be considered. For one thing, various industry-specific policies (such as price support schemes) rely on market forces as well, and a broader policy decision on the part of the Indonesian Government to place greater emphasis on domestic liberalization would, of course, be a move in the same direction. Second, as noted in earlier sections, the impact of a devaluation is rather arbitrary in that levels of effective protection are changed in a haphazard way within the tradeable goods sector, and in that the whole spectrum of tradeable goods industries is assisted rather than just those industries which are regarded as socially desirable; industry-specific policies do not generally have these disadvantages. Third, it is doubtful whether a devaluation can provide more than fairly temporary assistance in any case because the cost-push inflation that the devaluation generates tends to erode the benefits. In contrast, depending on the details of the alternative policies which might be adopted, industry-specific policies can be used to provide guaranteed levels of assistance which are not whittled away at an unpredictable rate within several years.

Finally, and perhaps most important of all, a devaluation has widespread macroeconomic implications, and to allow the difficulties of several particular non-oil tradeable goods industries to have an important
bearing on the level of the exchange rate is akin in letting the tail wag
the dog! In setting macroeconomic variables, there are wider interests
to be served than only those of the non-oil tradeable goods industries.
The consequences of the devaluation were, in the event, very disruptive,
both to the general conduct of macroeconomic policy, and to the micro-
economic environment within which businessmen must operate inside
Indonesia. In the next section the consequences of the devaluation will
be outlined, and in the following section several fundamental problems
which have influenced economic policy in Indonesia since Independence
will be considered.

AFTER THE DEVALUATION

The Short-Term Response

The immediate effect on the business community and the public in
general, in the few days following the devaluation, was one of much
confusion. For over seven years the Government had represented the fixed
exchange rate as an example of its commitment to stable economic
management, and the unexpected change in policy prompted a bout of
speculation and sharply increased uncertainty. On numerous occasions
in the previous three decades periods of economic stability had been
established only to be followed subsequently by serious instability.
As a result business confidence in Indonesia is a fragile plant. The
first effect of the devaluation, then, was to upset confidence in economic
stability which had been gradually rebuilt since the disruptions of the
Pertamina crisis three years earlier.

The collapse in confidence was reflected in widespread speculation in
the week or so following the devaluation. Many people withdrew their
savings from banks and converted the cash into gold or imported goods,
correctly anticipating sharp increases in the prices of imported
commodities; most traders raised prices of their goods (whether imported
or not) immediately, and there were reports of some prices rising by up
to 100 per cent, although in most cases these prices fell back again
sharply within several days. Capital flight occurred as rumours that a
further devaluation was imminent went around the business community, and
in many cities shops remained closed the day after the devaluation for
fear (which turned out to be unfounded) of possible anti-Chinese rioting.

In response to a situation which threatened to get out of hand, the
Government ordered, several days after the devaluation, that all prices
be reduced to their pre-devaluation levels and announced a price freeze
for an unspecified 'transitional period'. In the weeks that followed,
senior Government officials attempted with partial success to maintain
some surveillance over prices, and much publicity was given to visits by
the head of the security command *kopkamtib*, Admiral Sudomo, to retail
markets to make personal checks on prices charged to consumers.
Unfortunately, and probably inevitably under the circumstances, precise
policies towards price increases were not spelt out (the Government
spoke of 'genuine' price increases being acceptable), and some officials
resorted to issuing public threats against businessmen and traders, warning
them that their licences would be withdrawn if they were found breaching
the Government's vague guidelines. Many manufacturers, wholesalers and retailers responded by withholding goods from the market in anticipation of the relaxation of the price freeze (and, when pressed, blamed each other for shortages), which in turn prompted the Government to issue new warnings about penalties for hoarding goods; in Medan, three traders were arrested for withholding cement from the market. All of this was made worse by the fact that it was widely suspected that Chinese merchants, in particular, were reaping windfall profits, although there is no evidence that Chinese businessmen were any more inclined to look to their own advantage than other entrepreneurs. The result of all of this confusion was that business confidence sank to a low ebb in the weeks following the devaluation.

Longer-term Considerations

The adverse effects of the devaluation in the short term might be thought to be outweighed by longer term considerations if there were good prospects that (a) the devaluation would 'stick' (in the sense of relative prices remaining in favour of tradeable goods for a substantial period) and that (b) the non-oil tradeable goods industries would be encouraged to expand. Although it is still too early to form firm judgements on these matters, a few observations can be made.

First, the bout of cost-push inflation that might be expected after a devaluation — especially one of the order of 33 per cent — has indeed occurred during the course of 1979. By the end of 1978, the domestic rate of inflation (excluding the effects of the devaluation) was running at about 7 per cent per annum; in contrast, the indications are that prices will rise by about 30 per cent during 1979. This does not, however, necessarily indicate that the effects of the devaluation will be rapidly eroded because a substantial once-and-for-all jump in prices was to be expected as a result of the increase in the domestic price of tradeable goods. Further, the international rate of inflation has been rising throughout 1979, and so the deterioration in Indonesia's inflation rate relative to the rates in major trading partners is not as marked as the above data might suggest. If the rate of inflation can be substantially reduced during 1980, then much of the change in relative prices that the devaluation was intended to bring about might indeed occur.

From one point of view, the prospects that the Government will be able to reduce inflation during the coming twelve months are good. The monetary authorities proved surprisingly firm in controlling the rate of growth of the money supply during 1979, and provided this policy is maintained, the inflation rate should begin to fall during 1980. But there are other indications which suggest that inflation may continue at a high rate for some time yet and erode much of the benefits of the devaluation within a year or so. During 1979 the prices of several basic commodities, notably kerosene and rice (the basic wage good), were increased by the Government and it remains to be seen whether the Government will be able to resist increasing pressures from employees, farmers and labourers seeking compensation for the reductions in their real incomes that have been imposed on them. Further, foreign reserves have risen substantially since
the devaluation and are continuing to do so, and it may not be possible for the Government to sterilise the liquidity effects of the improved balance of payments.

It is, however, clear that for a number of export commodities the devaluation has failed to 'stick', and this is as a result of deliberate government policy. For a number of important agricultural export commodities – for which, ceteris paribus, the domestic price would be expected to rise by about 50 per cent after the devaluation – the Government restricted exports quite severely in an effort to guarantee supplies to the domestic market and contain inflationary pressures. Further, the concern to ensure that shortages in the domestic market were eliminated led the Government to impose similar export restrictions on a range of manufactured goods for which export prospects should have been substantially improved after the devaluation. Although some of these restrictions were lifted during 1979, the conflict between devaluing to encourage export prospects on one hand, and immediately imposing export restrictions on the other, was not helpful in stimulating export industries.

Second, there are also conflicting signs as to whether the policies of the last year have succeeded in stimulating the expansion of the non-oil tradeable goods sector. In the traditional export-oriented agricultural industries (rubber, coffee, palm oil) supply elasticities are low in the short-run, so even if relative prices remain in favour these sectors real output may not begin to rise markedly for several years. In the manufacturing sector exports of cement and fertilizer, mainly to ASEAN countries, have increased rapidly from a low base during the past twelve months. However these commodities are produced in state enterprises which have expanded rapidly with the benefit of government subsidies since the mid 1970s and since excess capacity temporarily exists in some plants, these exports would probably have occurred in the absence of any change in the exchange rate. In any case, the Government is promoting the expansion of these industries mainly to serve the domestic market, and the devaluation was not intended to assist capital-intensive industries such as cement and fertilizer.

In the labour-intensive manufacturing industries such as textiles, electronics, and wood products, preliminary trade data and other reports suggest that exports may have risen somewhat from an almost negligible level since the devaluation, although once again, these increases may have taken place whether or not the devaluation occurred. The main obstacles to increasing exports of these commodities do not generally seem to be uncompetitive prices so much as poor quality, bad design, and unreliable supplies. Until improvements can be made in these areas, Indonesian labour-intensive manufactures goods will have difficulty competing in world markets no matter how low the price.

SOME LONGER TERM PROBLEMS

The Soeharto Government came to power on a platform stressing liberalization of economic policy. Certainly by comparison with the latter years of the Sukarno era some important liberalizations were introduced, but these changes should not be allowed to obscure the fact that much of
the Indonesian economy is still tied up in red tape, and in recent years the earlier thrust towards liberalization seems to have run its course. The events of the last year — the decision to devalue and the management of the economy since the devaluation — have underlined several fundamental features of economic policy in Indonesia: a tendency towards inward-looking development strategies, and an almost universal acceptance of the desirability of a high degree of government intervention. These illiberal characteristics of policy seem more marked in Indonesia than in any of the other ASEAN economies, and have such a pervasive effect that they warrant some additional comment.

The inward-looking nature of economic policy manifests itself in a number of ways — indeed, to the outside observer, it almost seems as if there is a national inferiority complex on the part of Indonesian businessmen and officials about the ability of Indonesian industries ever to compete in international markets. First, there is great concern about the need to develop an indigenous entrepreneurial class, and in particular, about the ability of *pri* *bumi* (indigenous) entrepreneurs to compete with *non-pribumi* (Chinese) businessmen. In the wake of the devaluation, when it was suspected in some quarters that *non-pribumi* traders were earning windfall profits, the Government announced new measures designed to assist 'weaker' (i.e., *pri* *bumi*) entrepreneurs. In particular, government departments were directed to draw up detailed plans (which inevitably involved more bureaucratic regulation) to ensure that weaker businessmen would get special consideration when government procurement and construction contracts were issued. But policies designed to assist *pri* *bumi* entrepreneurs have been announced on many occasions before — most notably, after the riots in Jakarta in January 1974 — and there is no reason to suppose that the most recent measures will be any more successful than earlier schemes.

Second, government policy towards the newer import-substituting manufacturing industries is very protectionist. Not only are nominal import tariffs fixed at high rates, but licensing requirements under the Foreign and Domestic Investment Laws are administered in a way that generally restricts competition within the domestic market. The aim of the authorities in implementing the Investment Laws, quite understandably, is to prevent excess competition and fragmentation of the domestic market. If these industries expand and eventually become competitive, the short-term costs of such measures may be worthwhile and justifiable on an infant-industry argument, but for the present the effect is to encourage the establishment of high cost domestic industries. There is, in fact, much concern within Indonesia about the 'high cost nature' of the domestic manufacturing sector, but so widespread is the acceptance of protectionist and interventionist policies, that there are no voices raised in favour of greater reliance on market forces to improve efficiency. Indeed, the trend in public discussion during the past year or so has been to call for more controls to implement a 'Pancasila economy' rather than less.

A third reflection of the inward-looking nature of policy is in attitudes towards foreign investment. Although the Soeharto Government's policies towards foreign investment are much more liberal than those of the Sukarno Government — which in effect banned foreign investors from entering Indonesia — there is still a good deal of antipathy towards foreign companies.
The almost universal acceptance of the desirability of government intervention is a second pervasive feature of economic policy; this, like the tendency towards inward looking policies, reflects the widespread belief within Indonesia that while etatism under Sukarno was taken too far, some of the policies of the 'Guided Economy' era had much to recommend them and perhaps the Soeharto Government is too liberal. There is also a widespread suspicion of market forces, which are believed usually to favour the wealthy and powerful (and especially non-pr-ibumi businessman), and corresponding support for government intervention to guide market forces in the 'right' direction. And paradoxically, those who are adversely affected by government controls almost always call for 'better controls', now 'fewer controls'. Douglas Paauw, has summarized the situation as follows:

> The control system needed to preserve inefficient import substitution growth has coincided with expansion of the government bureaucracy in response to political developments and the windfall government wealth from the 1970s export boom. As a consequence, industrial sector controls have multiplied, reversing the late 1960s drive for liberalization. Government intervention in private economic decisions has been extended throughout the modern sector and in the import-export nexus as well, seriously discouraging the development of private enterpreneurship — Indonesia's major bottleneck to escaping from the narrow growth focus of the 1970s...

> *Liberalisation of controls is an essential step to encourage private enterpreneurship by improving incentives to investment beyond the confines of extractive export and import-substitution industries.*

(Emphasis in the original.)

The Government is aware of the problem, and on a number of occasions in recent years efforts have been made to simplify bureaucratic procedures which hamper business activity, but at best improvements have been only marginal.

CONCLUSION

This survey has concentrated entirely on the causes and consequences of the November 1978 devaluation both because this event greatly influenced economic policy during 1979 and because it reflects the strains of structural adjustment that have been affecting the Indonesian economy for the past five years and which will continue to do so for the foreseeable future. Further, the substantial oil price rises of 1979 seem bound to exacerbate Dutch disease problems in Indonesia. In other economic sectors, and in particular the food crop sector, 1979 was a relatively good year. One could point to many problems, but the management of the Indonesian economy is an enormously difficult task and leaving aside the effects of the devaluation, Indonesian planners are entitled to heave a sigh of relief at the modest progress that has been made in the last 12 months. The challenge for the coming year is to restore the stability which had almost been achieved at the end of 1978 when the devaluation abruptly jolted the Indonesian economy and left it facing in an unexpected direction.
NOTES


1 An important stimulus to new policies in this direction was the influential book by Ian Little, Tibor Scitovsky and Maurice Scott, Industry and Trade in Some Developing Countries, Oxford University Press, 1970; recent thinking is summarized in the OECD publication, The Impact of the Newly Industrialising Countries on Production and Trade in Manufactures, report by the Secretary General, June 1979.


3 The idea of 'hard' and 'soft' states is explained in Gunnar Murdal, Asian Drama: An Inquiry into the Causes of World Poverty, New York Pantheon 1968, Chapters 18 and 20.

4 See the three 'Survey of Recent Development' articles by Howard Dick, Anne Booth and Ross Garnaut respectively in the issues of the Bulletin of Indonesian Economic Studies (BIES) published during 1979.

5 See the various 'Survey of Recent Developments' articles in the BIES during the period for details.


7 The employment argument for expanding the traditional export-oriented industries has been put by Douglas S. Paauw, 'The Labour-Intensity of Indonesia's Exports', Ekonomi dan Keuangan Indonesia XXVI (4), December 1978.

8 These matters are discussed in detail in Peter McCawley, op. cit.

9 Details are given in Howard Dick, op. cit.

10 The prices of these goods are under government control.

11 Douglas Paauw, The Indonesian Economy in the 1980s, Bangkok, ESCAP, mimeo.
Volume III

INDONESIA: THE MAKING OF A NATION

Editor: J.A.C. Mackie
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>AAP</td>
<td>Australian Associated Press</td>
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<tr>
<td>ABRI</td>
<td>Angkatan Bersendjata Republik Indonesia (Armed Forces of the Republic of Indonesia)</td>
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<tr>
<td>ADITLA</td>
<td>Associação Democrática para Integração Timor Leste con Australia (Democratic Association for the Integration of East Timor with Australia)</td>
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<td>ALP</td>
<td>Australian Labor Party</td>
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<td>ASAA</td>
<td>Asian Studies Association of Australia</td>
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<td>ASDT</td>
<td>Associação Social Democrática Timorense (Timor Social Democratic Association)</td>
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<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<td>BAKIN</td>
<td>Badan Koordinasi Intelidjen Negara (State Intelligence Coordinating Body)</td>
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<td>BAKOM</td>
<td>Badan Komando (Command Unit)</td>
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<td>BG</td>
<td>Babad Giyanti</td>
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<tr>
<td>BIES</td>
<td>Bulletin of Indonesian Economic Studies</td>
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<tr>
<td>BKI</td>
<td>Bijdragen tot de Taal-, Land- en Volkenkunde (Contributions to Linguistics, Geography and Ethnography [of Netherlands Indies])</td>
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<tr>
<td>BKMC</td>
<td>Badan Koordinasi Masalah Cina (Co-ordinating Body for the Chinese Problem)</td>
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<td>BFKI</td>
<td>Badan Penyelidik Kemerdekaan Indonesia (Committee for the Investigation of Indonesian Independence)</td>
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<td>BTJ</td>
<td>Babad Tanah Jawi</td>
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<tr>
<td>BULOG</td>
<td>Badan Urusan Logistik (Agency for Logistics Affairs)</td>
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<tr>
<td>ECAPE</td>
<td>Economic Mission for Asia and the Far East</td>
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<tr>
<td>EEC</td>
<td>European Economic Community</td>
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<tr>
<td>ESCAP</td>
<td>Economic and Social Commission for Asia and the Pacific</td>
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<tr>
<td>FRELIMO</td>
<td>Frente de Libertação de Moçambique (Mozambique Liberation Front)</td>
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<tr>
<td>FRETILIN</td>
<td>Frente Revolucionária de Timor Leste Independente (Revolutionary Front for an Independent East Timor)</td>
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<tr>
<td>GNP</td>
<td>Gross National Product</td>
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<td>HANKAM</td>
<td>Departemen Pertahanan Keamanan (Department of Defence and Security)</td>
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<tr>
<td>KOTA</td>
<td>Klibur Oan Timur Aswaina (Group of Heroes of the People of Timor)</td>
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LPKB  i) Lembaga Pembinaan Kebudayaan Bangsa (Organization for the Building of National Culture)
   ii) Lembaga Pembinaan Kesatuan Bangsa (Organization for the Building of National Unity)

MC  Ministry of Colonies

Mr  Mailrapport (Mail report)

MFA  National Movement of the Armed Forces

NATO  North Atlantic Treaty Organization

NEKOLIM  Neo-Colonialism, Colonialism and Imperialism

NU  Nahdatul Ulama (Orthodox Muslim Scholars' Party)

OECD  Organization for Economic Co-operation and Development

OPEC  Organization of Petroleum Exporting Countries

OPM  Organisasi Papua Merdeka (Free Papua Movement)

PERMESTA  Perjuangan Semesta (Total Struggle Movement)

PERTAMINA  Pertambangan Minyak dan Gas Bumi Nasional (National Oil Mining and Natural Gas [State Co.])

PGET  Provisional Government of East Timor

PIR  Persatuan Indonesia Raya (Greater Indonesian Union)

PKN  Pakempalan Kawulo Ngayogyakarta (Yogyakarta People's Party)

PKI  Partai Komunis Indonesia (Indonesian Communist Party)

PNI  Partai Nasional Indonesia (Indonesian Nationalist Party)

PRRI  Pemerintah Revolusioner Republik Indonesia (Revolutionary Government of the Republic of Indonesia)

PSI  Partai Sarekat Islam (Islamic Association Party)

RRI  Radio Republik Indonesia

SEATO  Southeast Asian Treaty Organization

SI  Sarekat Islam (Islamic Association)

UDT  União Democrática Timorense (Timor Democratic Union)

UNESCO  United Nations Educational Scientific and Cultural Organization

UN  United Nations

USSR  Union of Soviet Socialist Republics

V  Verbaal (File)

WNI  Warga Negara Indonesia (Indonesian citizen)
INTRODUCTION

J.A.C. Mackie

The papers in this volume cover a broad span of time and political change. The world of late nineteenth century Java described so vividly by Supomo and Ann Kumar may seem almost unrecognizably different from the world of the 1970s about which Faith, Crouch, Race, Nawawi, Coppel and others are writing. For in the meantime the 'making of a nation' had taken place. The former colony known as the Netherlands Indies, which did not really extend far beyond Java until the 1870s, was consolidated by the Dutch into a single administrative unit for the first time in history around the turn of this century. As a result of this unity there developed between 1910 and 1930 a nationalist consciousness and a vigorous nationalist movement, from which emerged, chrysalis-like, a newly independent nation-state during the revolutionary struggle of 1945-50. Unless we comprehend how the world of the 1970s is related to the world of the 1870s (not only in Java, but in other parts of the archipelago as well), our understanding of what is happening in present-day Indonesia will be shallow and often misleading.

Each step forward entailed deep changes in the lives of many Indonesians and in the social and political institutions they had inherited from their forefathers. It is not the aim of this volume to trace those changes in detail, but the variety of topics it covers helps to illustrate the important point that the processes of change were far more subtle and complex than is implied by the deceptively simple ('hackneyed') terminology we use for purposes of present-day political analysis. When we subject these processes to close scrutiny, in terms of the lives of the Indonesians concerned and of the institutions that were familiar to them, as Supomo and Ann Kumar have so skilfully and eruditely done, we are made aware of the need to relate to those earlier collectivities the collectivities we subsume under such familiar clichés as 'the nation', 'the village', 'the patrimonial state' or 'communism' and 'nationalism'.

The aim of this seminar series was to present, first, some glimpses of the traditional polity just before the 'nation-building' process began to transform it; second, a survey of the three great ideologies which have dominated political life and thought in Indonesia throughout the twentieth century, nationalism, Islam and communism; third, two different analyses of the present-day character of the political system there; and fourth, several aspects of the problem of national unity. Finally, we turned to the external aspect of the 'making of a nation', its relations with the nations and peoples just beyond it - and, in particular, its relations with Australia. This last seemed an appropriate finishing point for a seminar series which had started with prehistoric times, especially since it featured such distinguished and experienced commentators as H.W. Arndt and Gough Whitlam. And if this subject seems far removed from the world of the nineteenth century kraton as seen by Supomo's pujangga or Ann Kumar's 'traditional' villages, which were far less 'unchanging' or idyllic than conventional stereotypes have generally suggested, that gulf merely reflects
the scale of the transformations that have taken place since then. It was possible to do little more than sketch out their character impressionistically in the time available to us. But if we have whetted appetites for further inquiry into the processes of change that have accompanied the nation-building process, our purpose will have been served. There is much more to be investigated under that rubric than we could possibly cover in the time and space available.

Rex Mortimer died of cancer barely a month after he spoke at our seminar. Because he was by then too ill to write a new essay, he spoke to the excellent paper printed herein which had previously been published in *Studies in Indonesian History*, edited by Elaine Mackay and published by Pitman Publishing Pty Ltd, who generously granted permission to reprint it here. All who heard his courageous, moving talk that day on the successes and failures of the PKI in its three bids to change the course of Indonesian history will cherish the memory of Rex at his best, lucid, incisive and compassionate. These are qualities of the mind and spirit that we should all be trying to bring to bear upon the challenging task of understanding Indonesia in her own terms.
ELEMENTS IN THE CONTINUING TRADITION
REBELLION IN THE KRATON WORLD AS SEEN BY THE PUJANGGA

Supomo Suryohodojo

In 1874 the long, continuous tradition of the pujangga ended abruptly with the death of Raden Ngabehi Ranggawarsita, the last pujangga dalem (His Majesty's court poet) of Surakarta. This tradition dates at least from the first half of the tenth century with the Old Javanese Ramayana kakawin, whose author is unfortunately unknown. In this case he is however not an exception. Only a few Javanese authors - Old and New - are known by their names, some of which are not even their real ones. We can be certain, however, that most of them, like Ranggawarsita, wrote their works under royal or princely patronage, although not all of them occupied the exalted position of pujangga dalem, nor enjoyed the fame their illustrious panutup (last of the line) did.

One of the most important literary figures in the transmission of Old Javanese works into New Javanese was Yasadipura I, the great-grandfather of Ranggawarsita, who served in the kraton of Surakarta during the reigns of Pakubuwana III (1749-88) and Pakubuwana IV (1788-1820). Yasadipura was not only a pujangga with great literary talent, but also a prolific writer with a wide interest in various literary subjects. If there is any pujangga whose works can be taken as the epitome of the Javanese literary scene of the nineteenth century - the century in which the tradition of the pujangga came to an end - it must be Yasadipura I. His achievements include renderings of the Old Javanese works (Ramayana, Bharatayuddha, and other kakawin), an adaptation of the Islamic story of Amir Hamzah (the voluminous Serat Menak), moralistic and didactic poems based on Old Javanese and Islamic works (Nitisastera, Tajussalatin, and some others), and an original work, the Babad Giyanti, which is a literary account of events surrounding the rebellion of Prince Mangkubumi and the resultant partition of the kingdom of Surakarta into Yogyakarta and Surakarta (see Soebardi 1969; 1975, pp.19-20).

Notwithstanding the variety of his works and those of other pujangga, most of them shared the same preoccupation: the world of the kraton, the centre of that particular world - the throne, and the occupant of that centre - the king. The king is always the centre of the pujangga's creative works, and, conversely, there is scarcely any work which is not about a king or a prince, about the kraton or the throne. It is through their works that the idea of kingship seeped into the Javanese community and deeply embedded itself in the Javanese mind - either through direct exposure to these works, layang, or through the performing arts, mainly wayang.

All wayang lakon begin with a jejer (audience scene), in which a kingdom - such as Astina, Wiratha, Dwarawati, or any other, though usually situated in Java - is introduced in colourful, although stereotyped, description. Of Astina, for instance, the dalang will say:
Long is Astina's reputation and the telling of it. High is its prestige... Fertile is its soil; prosperity abounds. Merchants trade by day and night unceasingly in perfect safety, while peasants' flock and herds freely roam. Never has rebellion stirred the peacefulness of the island.... All state officials are united in a single aim— to increase the glory of the kingdom of Astina. The kingdom stands firm over the earth. Its torch is high, illuminating all the world with its radiance. Many are its colonies. Not only on Java do countries submit themselves to its rule, but kings from afar proffer allegiance, so great is their love for the perfection of the kingdom of Astina. Near, they bow to the earth before its perfectness; farther afield they incline to show their respect (Brandon 1970, pp.274-75; cf. pp.86-87, 176-77).

After the kingdom, the king is introduced and described in accordance with the characteristics ascribed to him. The characteristics of each individual king, and indeed of each individual wayang figure, differ, but in this first jeyer only virtues and excellence are mentioned. Thus of Kresna, the principal ally and adviser of the Pandawas, for instance, it is said that he is, among other things, endowed with the characteristics of sage, judge, warrior and noble. The most excellent king, he is powerful yet humble, wise yet shares his wisdom; he cares for his subjects; he clothes the naked and feeds the hungry, aids the infirm and offers shelter from the sun and rain, cheers the mournful and helps the sick (Brandon 1970, pp. 86-87).

Even for Duryadana, the ruler of Astina, the arch antagonist of the Pandawas, the dalang will only extol his virtues, and keep quiet— at least in this first jeyer— about his partiality to mischievous conduct against the Pandawas. Thus he is described as having merit as warrior, judge, and benefactor. He is a king fond of military arts, well-versed in strategy. He is stern but fair in administering justice. Above all, he delights in giving presents: he clothes the naked and feeds the hungry, gives water to those who thirst and shelter to those in the sun and rain. To all who befriend him he is most generous (Brandon 1970, p. 275).

Although the description of the king and the kingdom occurring in the literary works generally is more restrained— because of poetical requirements and other literary conventions— it is however not less colourful. Thus Yasadipura begins the narrative part of his Babad Gilyanti by extolling His Highness Pakubuwana II who resided in the capital city of Kartasura. He was, so Yasadipura tells us, rich in wealth and relatives; he was an esteemed lord of the whole world, who reigned over the whole island of Java ('ambawani ing bawana tlatah nuswa Jawa'); his troops were
innumerable, his noble relatives were powerful in battle, all were united in single mind, willing to die for the king ('jroning tyas gumulung, anderpahi abipraya'); the Dutch Council of the Indies has proffered allegiance and eternal friendship to His Majesty ('para ratpeni sampun lambang prasetya, pawong-mitran tahu, salami lan sri Narendra'); the country therefore prospered, people abounded, clothes and food were cheap (BG 1908, I, p.4).

Coming from the pen of a pujangga, whose position at the court was entirely dependent on the king's favour, such a picture of the king and his ancestors is only to be expected. Moreover, the pujangga were themselves shackled by the long literary tradition they helped to create and to preserve. Thus even if Yasadipura knew - and there is no doubt that he was in a position to know Pakubuwana II (see Ricklefs 1974a, pp. xix-xx) - that the king he was about to describe was not, or was no longer the lord of the whole island of Java, let alone of the whole world, that his many relatives were plotting against him as well as intriguing against one another, that armed rebellion beset the country, that the kraton had only recently been sacked by Chinese insurgents and could be retaken only with the help of the Dutch Company soliers, he would still depict the ruler as if he was the king of the wayang world in the first jejer.

However, the first ruler to appear on the wayang screen is not necessarily the hero of the lakon. As the play progresses and the plot unfolds, another king or prince who is designed to be the hero of that particular lakon will be brought forward and put in the central position. Henceforth all favourable attention will be directed toward him. The first king then will be depicted in accordance with his attitudes towards this central figure - if he is kind and helpful to the hero, he will continue to be depicted as he was in the first jejer; if he proves to be responsible for the hero's suffering and hardship, he will be depicted less and less favourably.

A few pages after the exaltation of Pakubuwana becomes as many scholars (e.g. Soebardi 1969, p. 100; Ricklefs 1974a, p. xx) have noted, it is Prince Mangkubumi who is the hero of the Babad Gityanti. Throughout the book his noble character is highly praised, his great service to the king in the past repeatedly extolled, and his exploits in battle are depicted in glowing colours. And so to a lesser degree is Prince Mangkunagara, who was Mangkubumi's most prominent ally during the initial period of the rebellion. On the other hand, after the few initial stanzas, Pakubuwana II is depicted less and less sympathetically, first being portrayed as a weak ruler who does not have the courage to resist the Dutch Governor-General's demands - all with disastrous consequences, and later as a sickly person who on his deathbed gives up his kingdom to the Governor-General.

In the framework of the generally accepted assumption that the immediate object of a pujangga's works, babad writings in particular, is the glorification of the reigning king and his ancestors, the choice of Mangkubumi as the hero of the Babad Gityanti, which notably is also called Babad Surakarta, seems to be an anomaly. The relationship between Mangkubumi and Yasadipura's two successive patrons had never been cordial - to say the least. Under Dutch pressure, Pakubuwana III had no alternative
but to agree to relinquish half his kingdom to Mangkubumi, and under the threat of the combined forces of the Dutch and Sultan Hamengkubuwana I, former Prince Mangkubumi, Pakubuwana IV had to give up his ambition to reunify the divided kingdom and to abandon his santri teachers to the mercy of the Dutch Company — which promptly sent them to Semarang on their way to exile (see Ricklefs 1974a, pp.64, 334-39).

As it seems most unlikely both that Yasadipura was unaware of these circumstances, and that his patrons were unaware of his works, one may wonder whether the court poet had — at least in this particular case — more independence in composing his works than would be expected of a man in his position, and whether the king was more tolerant of critical remarks directed to him or to his ancestors than we would normally suppose Javanese rulers to be. Even assuming this to be the case, such an apparent anomaly is, in fact, in conformity with the Javanese cultural pattern. Mangkubumi was after all a victorious rebel who succeeded in carving out a kingdom for himself against tremendous odds — and the Javanese people had, and have, great admiration for such a man.

As we have noted, the description of the Javanese kingdom in the wayang world always includes stereotyped phrases such as 'merchants trade by day and night unceasingly in perfect safety', and 'never has rebellion stirred the peacefulness of the island'. The reality, however, greatly differs from the idealized picture. Despite the belief that the king was an incarnation of Wisnu, or Buddha, or the Lord of the Mountain, or any other deity — as we find in the Hindu-Buddhist period (see e.g. Schrieke 1957, Part 2, pp.76-95; Supomo 1977, I, pp.68-82) — or that the king was God's warana (representative) — as occurs in the Babad Tanah Jawi (see Moertono 1963, p.35) — insurrections and rebellions were common occurrences in Javanese history.

Indeed rebellion is a favourite theme in both oral and written tradition. Practically all the babad are concerned with rebels, with their rise, their fights, their defeats or, very rarely, their victories; and the victorious rebel is the Javanese folk-hero par excellence. This is perhaps because while wars and rebellions recurred with almost monotonous regularity throughout Javanese history, only very few rebellions ended as intended. Most of them failed, and countless numbers of rebels had to pay for their reckless, if often gallant, efforts with their lives or, even worse, by living in exile. For the very few who succeeded, however, the prize surpassed all the hazards and the perils of their undertaking: the supreme victor won not only the centre of the kraton world — the throne — he also won the admiration of the whole population and fired the imagination of the poets, the pujangga.

Seen from this perspective the depiction of Mangkubumi as hero of the Babad Gigaoniti is not wholly unexpected, even if it was the work of a court poet of Surakarta. Moreover, the decline of the size of Surakarta's territory after the partition of 1755 was a new political reality which somehow had to be explained, and the forced abandonment of the state myth of the unity of the whole land of Java had to be justified. Such an explanation and justification could only, obviously, be made in terms of the emergence of Yogyakarta as a separate kingdom, as a new kingdom in its own right, equal in every respect to the established kingdom of Surakarta,
but not supplanting it. In other words, Yasadipura's main concern seems to be to legitimize the emergence of Yogyakarta without jeopardizing the legitimacy of Surakarta itself. This is obviously something new to Yasadipura as well as to his contemporaries. In the past, as is described in the babad a new kingdom emerged only to replace an old one, and the establishment of a new kraton meant the abandonment of an old one. It has been pointed out by many scholars (e.g. Schrieke 1957, pp.7-8 and Moertono 1963, pp. 56-58), that the emergence of a new centre of power was preceded by the movement of andaru or wahyu, in the form of a bright falling star or divine radiance, from the old kraton to the new, or from the body of the last king of the old dynasty to the founder of the new one. The silence of the Babad Giyanti concerning such a movement is thus a device to suggest that the andaru, the symbol of greatness and divine approval, still resided in Surakarta, and the old kingdom therefore did not lose its legitimacy.

Unable to use the movement of andaru to legitimize the emergence of the new kingdom - as this would effectively 'delegitimize' Surakarta - Yasadipura seems to decide to rely more on legitimizing the rebellion itself. This literary device was, of course, not new. It had been used by pujangga before Yasadipura. However, as it was never used by itself, it tended to be obscured by other more remarkable devices, such as the movement of andaru and wahyu, prophecies and dreams, and the claim on the part of the rebel leader to be the incarnation of a deity or descendant of a great ruler of the past. Thus, while these remarkable devices have long attracted the attention of many scholars (e.g. Schrieke 1957, pp.7-93; Berg 1938), the legitimization of a new kingdom by legitimizing the rebellion which gives rise to its emergence has never been recognized as such a device. But there are so many similar elements occurring in the descriptions of rebellions that succeeded, on the one hand, and those that failed, on the other, that it is apparent that these descriptions were used in accordance with certain patterns, with certain formal characteristics - one for the successful rebellions, the other for the abortive ones. In relation to wahyu (the divine radiance which passed from the disintegrating power of one kingdom to the founder of its successor), Anderson (1977, p.25) has remarked that '... the leaders of these rebellions were never said to have wahyu unless they succeeded in establishing a new dynasty'. It is at least equally true that they were never depicted in the forms reserved for 'legitimate rebels' unless they succeeded in founding a new dynasty - and in the case of the Babad Giyanti, in which the old kingdom had not completely disintegrated, Anderson's remarks are obviously not applicable. Seen retrospectively by the pujangga, it was only successful rebels who had the right to be accredited with true wahyu, and only such rebels who deserved to be depicted as legitimate rebels.

There were no doubt many reasons which drove embittered princes or men of principle to take the desperate path of rebellion - that one-way road which would lead them to the centre of the kraton world, the throne, either as victors to occupy it, or, most likely, as captives to die in front of it or to die in exile dreaming of it. As the pujangga saw it, however, there was only one underlying reason at the root of all the causes which gave rise to the rebellions which from the very beginning were bound to end in
failu re. This fundamental reason is lali. In everyday usage, lali means 'to forget'. But lali is also one of those many Javanese emotive words pregnant with 'deeper' meanings. Thus one can be lali (unmindful) of one's parents - which is reprehensible behaviour; when one loses self-control - which is one of the highest virtues - one is also said to be lali (beside oneself). There is another meaning, 'out of one's mind', which occurs in the well-known verse, a quotation from Ranggawarsita's famous Kalatidha, in which it is specifically used in relation to the jaman edan (Age of Madness)⁴ - and Yasadipura in fact simply used jaman lali, instead of jaman edan, to characterize the period of turmoil during the rebellion of Mangkubumi.⁵

It is in these various 'deeper' meanings that lali (or its krāma equivalents, supe and kesupein) is used by the author(s) of the Babad Tanah Jawi to describe the origin of the rebellions of, for instance, Adipati Pragola of Pati against Panembahan Senapati (BTJ 1941, p.110), Prince Puger of Demak against Panembahan Seda Krapyak (BTJ 1941, p.114), and Trunayana, the infamous rebel who succeeded in plundering the kraton of Plered but who in the end, of course, met his death at the feet of the new legitimate ruler of Mataram (BTJ 1941, p.162).

At the level of everyday morality lali is considered as an inconsequential failing in human nature common to all people, which will invite only light rebuke and readily be forgiven rather than cause condemnation. It is thus not surprising that the common reaction of the king on learning of a rebellion was to be ngungun (greatly astonished), and he would send his trusted man to the would-be rebel to ascertain whether he (the rebel) was truly lali. Some of the rebels were said only to be almost lali, but would eventually eling (remember), that is, they would regain their awareness of their true selves, and accordingly they would be pardoned by the king.⁶

Nevertheless such moral slackness is not fitting for one who aspires to the highest position in the community, for lali can, and usually does, lead to more serious moral failings such as losing one's self control and craving worldly comforts, power, wealth, and women. Thus of Prince Puger, who was said to be supe (unmindful) that he was a subject of his brother the king, it was said that he wanted to rebel, to fight for the possession of the inheritance of the kraton. Another rebel, Prince Jayaraga of Panaraga who rebelled against Panembahan Seda Krapyak, was said to be 'kalimputing kamukten', that is, tempted by or addicted to worldly comforts (BTJ 1941, p.114), and of Suradiningrat of Madura it was said that he was 'melik ing kamukten' (hungry for worldly comforts) (BTJ 1941, p.310). A love story between a handsome young man and a beautiful princess is a favorite theme in both the oral and written tradition, and people's sympathy is always aroused by such a couple. But when infatuation with a pretty woman, princess or commoner, leads to rebellion, then such a rebellion was bound to fail. Sukra's affair with the estranged wife of the Crown Prince of Kartasura, the future Mangkurat Mas, is an example of this (BTJ 1941, p.249-57). The rebel most hated and most condemned by the Javanese, Menakjingga of the Damarmulan Romance (see Holt 1976, pp.276-77), combined this hunger for power with arrogance and indulgence in the lusts of the flesh, so that despite his invulnerability and his initial victorious campaigns his ignominious defeat was inevitable - and his
severed head ended up at the feet of the Maiden Queen of Majapahit against whom he illegitimately rebelled and to whom he insolently proposed.

The ideal rebel, on the other hand, is depicted as one whose unwavering loyalty to the king was beyond doubt, whose immense service was of vital importance for the glory of the king and indeed often for the very existence of the state itself. Accordingly, he was the most beloved and trusted servant of the king. However, through no fault of his own, he fell victim to court intrigues in which he had no part. As a result of these intrigues, of which the king was unaware, he was treated unjustly by the king. This injustice often took the form of cancellation of a reward this loyal servant should have received for past services, or if it had already been given, the reward was revoked by the king. But what the innocent victim deplored most was not so much the loss of the reward as the loss of face, the feeling of being humiliated. However, he did not become lalit; even after this injustice had been done, his loyalty to the king remained firm. He suffered it stoically, and obstinately resisted the pressure from his allies and subordinates to raise the banner of rebellion. It was only after a prolonged period of great anguish - during which he sought an auspicious omen from the Almighty, either by semadi (meditation), or by asking guidance from a spiritual teacher - that he would embark on the desperate course he had tried hard to avoid.

This, in rough outline, is the portrait of an ideal rebel which we can glean from various literary sources. One or two elements might be missing from the depiction, some of the details in one portrait might differ from another, but the main features are always discernible. Such a rebel leader was not necessarily a guarantee for complete victory, but no rebellion succeeded without such leadership.

We can see such a picture in the person of Sidapaksa of the Sri Tanjung Romance (Prijono 1938), where we find the familiar elements: great service to the king and utmost loyalty shown by the hero on the one hand, and injustice perpetrated by the king, on the other. In this story it was the king who was lalit - he was infatuated by Sidapaksa's wife - and this brought about his downfall. The Sorandaka kidung (van den Berg 1939; see also Zoetmulder 1974, pp.415-20) departs from the usual outcome for such a rebellion. Here we also find great service, court intrigues, loyalty of the innocent victim, but the rebellion did not succeed. Still, we have a 'happy' ending in this kidung, for at the end, the court intriguer was brought to justice, and was ordered to be killed by the king, who was stricken with grief over the loss of those who once were his best friends and loyal assistants.

In the Babad Tanah Jawi we can discern such a picture in the account of Panembahan Senapati's rise to power (BTJ 1941, pp.53-90). With the help of his father and his uncle, he succeeded in defeating Arya Penangsang in the most memorable battle depicted in babad literature. By this victory, Senapati rendered great service to Sultan Adiwijaya of Pajang, who then became the sole ruler of the Javanese world. But the promised reward - the land of Mataram - was given grudgingly only after long delay. The court intrigues are not particularly prominent in the episode of Senapati's revolt against the Sultan of Pajang, but we find the other elements, such as the long period of meditation performed by Senapati and the auspicious
omen from God before he openly defied the Sultan's rule, as well as the Sultan's great affection for Senapati until his death. Such a picture is more clearly visible in the account of the rebellion of Prince Puger, who eventually ascended the throne as Sunan Pakubuwana I, after he had no other option but to rebel against his nephew, Sunan Mangkurat Mas (BTJ 1941, pp.244-79).

In the autobiographical Babad Dipanegara, it is also obvious that the defeated rebel prince chose to present a picture of himself in this fashion: an aggrieved prince who was unreservedly loyal to the throne, but who was forced to leave the kraton by circumstances beyond his control - a step which he took only after long meditation and obtaining an auspicious omen from the Almighty (see Kumar 1972; Ricklefs 1974b). And - if we may digress a little to a time closer to the present, to a world outside that of the pujangga - perhaps we can even see such a pattern in the apparent reluctance of the then Major-General Suharto to seize the 'throne' in the Merdeka Palace, which it would not have been too difficult for him to occupy at any time he chose after the abortive coup of 1965, and in his firm resistance to the advice of his 'allies and subordinates' to act against President Soekarno, to whom he had rendered great service with distinction and loyalty during the revolution and the West Irian campaign.

And such is the picture of Mangkubumi which was presented by Yasadipura in the Babad Giyanti. Thus, after the description of the kingdom and the Sunan at the beginning of the poem, in six stanzas, there follow two stanzas which describe Baron Hogendorp, the commandant of the Dutch garrison in Kartasura. Then follows the description of Prince Mangkubumi in four stanzas, in which the poet extols the Prince for his loyalty, stressing that he was the only relative whom the King could completely trust to execute his orders on the battlefield or to work on his behalf ('keni kinanthing samubarang karya; amungkasi yen tinuduh jurit'), and praising his noble character. Following this, his reward of 3000 cacah of the land of Sukawati for the great service he rendered to the King is explicitly mentioned ('mangka ganjaranipun, genya sampun labet nagri, mungkasi parangmuka'). On the other hand the poet spends no more than half a stanza on the two patih of Surakarta, namely Pringgalaya and Sindureja (BG 1908, I, pp.5-6).

That there were rivalries between Mangkubumi, on the one hand, and the two patih on the other, is clearly implied in the subsequent episode when the Dutch Governor-General visited Surakarta (BG 1908, I, pp.23-51). During the meeting with the King, the Governor-General requested that the Sunan lease the north coast area to the Dutch people as a mark of His Majesty's kindness and generosity. Finding himself alone with the insistent Governor-General, the Sunan resigned himself to the inevitable ('dadya mupus tyasira'), and granted the request.

When Mangkubumi was summoned by the King to be informed of the matter, the prince reminded the King that there was no precedent for a king to conduct negotiations himself ('inggih dereng wonten adat, ratu papadon prijadi'), realizing that a king had authority over the country only ('mung darma mengku kewala'), but the power to govern the country rested with the patih, the nayaka, the tumenggung, and the sentana. However, as the King had already granted the Governor-General's request, Mangkubumi could only advise him that he should claim compensation of 100,000 reyal a year. Pringgalaya, on the other hand, advised the King to claim for 40,000, and Sindureja for only 20,000 reyal. The King took Sindureja's advice.
The fact that it was Mangkuburni alone among the sentana whom the King consulted was again emphasized during the conversation between Mangkubumi and his own councillors, in which one of them remarked that although the King had many relatives, he apparently only consulted Prince Mangkubumi, and no one else; this meant that the Prince was the only one whom the King could trust and consult on all the dangers and problems of the kingdom.8

The legitimization of Mangkubumi's rebellion is clearly presented in the account of the following day, when Mangkubumi was again summoned to the kraton, to be informed of the Governor-General's decision - taken on the advice of Pringgalaya - that the Sunan should reduce Mangkubumi's apanage to 1000 cacah only. This episode is depicted vividly in language typical of that beloved by both the pujangga and the Javanese audience, in a style which we may perhaps called trenyuh (heart-ren ding). Mangkubumi replied with difficulty, not so much suppressing his anger as withholding his tears, saying that as it was His Majesty's decision, he had no objection. Unselfishly he even advised the King that he should get rid of him - Mangkubumi, so that this matter would not impair the good relationship between the King and the Dutch Company. Then Mangkubumi asked permission to leave the capital city, as he was too ashamed to see people ('ulun nyuwun lilah katong, sumedya tilar nagara, ... amarang miyat ing ja mma'). The Sunan, tears running freely down his cheeks all the while, was powerless to do anything but to give him his blessing and his prayer that God might protect him ('sun jurung ja, muga winongwong Hyang Agung'), as well as an amount of 3000 regal as pamugat tresna (love-severance payment ?) to clothe and feed his troops. The Prince, now no longer able to withhold his tears, accepted the money gratefully, kissed the feet of his brother the King, and left the kraton, never to set foot in it again. That was the last time the two brothers, who Yasadipura would like us to believe loved each other so deeply, met. A week later, just before dawn, and just as the unsuspecting Governor-General set out on his return journey to Jakarta, Mangkubumi and all his family and troops left the 'beauty of the city' for the countryside and began to deploy his army in Sukawati, the district he was supposed to relinquish willingly to the Sunan. Three years later, when rebellions were rampant throughout the realm, Sunan Pakubuwana II died, 'so wretchedly from heart-break as well as from vermin' - so Nicolaas Hartingh, the Governor of Java's north coast, tells us in his memoir (see Ricklefs 1974a, p.44).

One may be sceptical as to the historicity of such a heart-ren ding meeting between the ruler and would-be rebel and the valedictory blessing the former gave to the latter, but, as Ricklefs (1974a, p.44) has pointed out, 'it is not inconceivable in the Javanese context'.

It is certainly as 'not inconceivable' as the widely reported 'pat on the shoulder' given by a President to a Brigadier-General at Halim on the morning after that fateful night of 30 September 1965, when the General reported to the President that, in effect, he had just launched a rebellion against his government. That this rather bizarre spectacle was readily believed by the general public and accepted as an indication that the President gave his approval and blessing to the attempted coup, no doubt derived, to a considerable degree, from the deep suspicion that he himself
was somehow involved in this sordid affair. Nevertheless, this belief - namely that President Soekarno gave his approval and blessing - perhaps had a deeper origin than the mere suspicion of his involvement in this abortive coup. I believe that it also had its roots in the subconscious. A relationship between ruler and rebel, between one of the older generation who willingly gives up his life to one of the younger generation who reluctantly takes it, is, after all, not an unfamiliar pattern in the older tradition - a tradition which still has relevance in explaining many mysteries of that event of 1965, and political behaviour in Indonesia in general, as has been demonstrated by, for instance, Anderson (1977) and Resink (1975).

To give a few more examples, we read in the *Bharatayuddha kakawin* that on the morning of the first day of the battle, when the two opposing armies of the Pandawas and their cousins the Korawas ranged themselves in the field of the Kurus, Yuddhisthira, the son of Dharma, alighted from his chariot and went straight to the elders of the Korawas to pay his respects and receive their blessing and permission to slay them as well as their prayers for his victory. In a rather different form, the theme appears in the *Lakon Narasoma* (see Kats 1923, p.249; Anderson 1965, p.8), in which *begawan* Bagaspati willingly imparted his powerful magical spell *Candhabirawa* to his future son-in-law, Narasoma, so that he could be killed by the latter, for he believed that this would bring about the marriage of his daughter, whom he loved dearly, to the young prince Narasoma, whom he despised intensely.

But to my mind, the most moving account of this extraordinary relationship between ruler and rebel occurs in the story of the fall of Majapahit as given in the *Babad Tanah Jawi* (1937-39, III, pp.8-14; 1941, pp.29-30). The king of Majapahit, Brawijaya, expressed a yearning to see his most beloved son, the Adipati of Bintara, and sent another son to invite him to Majapahit for an audience (*seba*). But the Adipati of Bintara, who had been converted to Islam, was unable to comply with his father's request. He realized how deep his father's love was for him, and he was grateful for his appointment as the regent of Bintara, but Muslim law forbade him to make *seba* to a *kopar* (infidel) king. Indeed, it was his duty, he said, to attack Majapahit at once. When the attack on Majapahit was eventually launched by the Muslim rebels, when the *kraton* was under siege and his army deserting him in great numbers, Brawijaya, instead of marshalling the remaining loyal forces, said to the *patih*: 'Thank God that now my son, the Adipati of Bintara, has arrived. Let us, *patih*, go to the higher ground for I have not seen him for such a long time'. So he went to higher ground, looked at his beloved son, and then apparently pleased with what he saw, ascended to heaven. Then the Adipati of Bintara entered the *kraton*. Seeing it was deserted, he was dumbfounded - and he wept silently.

Thus a meeting between a ruler and a rebel, blessing given ungrudgingly by the former and received gratefully by the latter, and the undying affection between the older generation preparing to leave the stage of history and the younger one preparing to take over, is not only conceivable in the Javanese cultural context - it is the most appropriate way for a
pujangga to present an ideal picture of a legitimate rebel as a device to legitimize a new dynasty or a new order.

NOTES

1 Unfortunately I have had to use volumes from two different editions of the Babad Giyanti for this paper, because there is no full set of a single edition available in Canberra. Thus, while for the first part of this babad I used the Buning edition (1908) for the later part I used the Balai Pustaka edition (1937-39).

2 Thus through Prince Mangkubumi, Yasadipura says in the Babad Giyanti (1937-39, XX, pp.17-18): 'Pan ingghi ing nungs sa Jawi, wartiing nguni-uni, tan nganggur sapuluh taun, nuten wonten paperang', which implies that there were never peaceful conditions in Java for more than ten years. For the belief that a kraton or a dynasty would not last for one hundred years, see, for instance, Schrieke 1957, pp.92-95, and Ricklefs 1974a, pp.176-226.

3 Mangkubumi is also highly praised in Wicara Keras, a poem by Yasadipura II (see Drewes 1974, p.203). Nor is he badly treated in the Serat Babad Panambangan, written from the viewpoint of the House of Mangkunagara.

4 This verse is used by Geertz (1976, p.281) as an example of sinom, because it '... is perhaps the most famous of all tembangs, certainly one nearly everyone knows and you can hear sung by everyone from pedicab drivers to district officers'. See also Drewes 1974, p.205.

5 See Babad Giyanti 1937-39, XX, p.7, where Sultan Hamengkubuwana says: 'Mengko uwis sirna jaman ingkang lali, jaman eling kang ana'.

6 Thus of Arya Sindureja, a patih of Kartasura, for instance, BTJ (1941, p.252) says that he was meh supe when he learnt that his son was cruelly treated by the Crown Prince, but after a while he was enget (the krama form of eling, 'to remember') that he was an abdi (servant) of the King. For a prince who said kula badhe supe before he went into rebellion, see BTJ 1941, p.336. For ngungun, see, for instance, BTJ 1941, p.114.

7 Cf. BTJ 1941, p.262 ff., in which Sunan Mangkurat Mas is said to be kesupen of his father's deathbed instruction, which was the cause of his downfall. See also BTJ 1941, p.154, where Sunan Mangkurat I is said to be ewah kaliyan adatipun ([his wishes and conduct] changed). But ewah is a krama form of edan, which, as we have seen above, is also used in the sense of lali.

8 Ricklefs (1974a, p.43) makes a slip in his comments on this passage (BG 1908, I, pp.38-42). It is clear from the conversation of Mangkubumi's advisers that they did not 'bemoan' the fact that of all the King's sentana only Prince Mangkubumi was consulted by the Sunan, but in fact they were rather proud of it. Nor did they see this 'as a sign of troubles facing
the kingdom', but, according to one of the advisers, 'this means it is only the Prince who was consulted by the Sunan and was entrusted to overcome the troubles facing the kingdom' ('iku tegesipun, baya pakewuhiing praja, mung kang rayi ingandel tinari-tari, angalang-ngujurena')

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In 1957, an anthropologist with a special interest in the social, economic and religious organization of peasant groups chose the Javanese village as one of two examples typifying the 'closed corporate peasant community' - that is, of a territorial community characterized by 'localocentrism' to the point where it must be regarded as a separate 'socio-cultural universe' socially and culturally isolated from other communities and from the larger society. Such a community has a pronounced tendency to exclude not only outsiders (who threaten its straitened economic resources, especially resources in land) but also outside goods and ideas; and a complementary tendency to limit the ability of its own members to communicate with the larger society of which they are, in some sense, a part (Wolf 1957, especially pp.2-5). Yet only a little over half a century earlier a colonial official compiling a systematic description of Javanese village communities, which he would have liked to see as well-defined legal entities infused with a strong spirit of community and of self-regulation, commented upon the to European eyes extraordinary ease with which their inhabitants in practice 'broke the communal bond': even comparatively substantial farmers might abandon their land-holdings and leave, with or without their families, sometimes for no apparent reason and with no definite expectation of moving into a more advantageous situation elsewhere (van den Berg 1901, pp.129-30). The first writer - who despite the date of writing draws his material to a large extent from secondary accounts of the colonial situation in the 1920s and 1930s - draws a picture of the Javanese peasant as living in a tightly-knit village in a state of extreme fixity; the second, whose own personal experience of Javanese society also goes back two decades, in this case into the nineteenth century, sees these same peasants' grandparents or more distant ancestors as part of a much more loosely-knit population community in a state of considerable flux. It may be doubted (though the question will be left to other contributors) that Javanese villagers ever became quite so 'localocentric' as Wolf asserts; yet it is undeniable that during the course of the nineteenth century powerful and dominant forces worked in this direction. It is the intention of this paper to look at the way these forces acted upon Javanese society as it had been till then.

The sources available to those interested in developments within rural communities are far from abundant. If the village is a comparatively inaccessible sphere for historians of pre-modern European societies, it is far more so for a society in which literacy came so late, and to so few, among the peasantry. We never hear a villager speak of his own experience. Because of the peculiar characteristics of Javanese colonial society, we even lack the testimonies of those who, though from a more elevated background and perhaps even hostile to many characteristics of peasant life, are nevertheless in some sense members of the same society and culture and who
have lived among peasants - schoolmasters and priests are obvious examples from the European context. This great paucity of internal sources has meant that most descriptions of the Javanese village have treated the different communities involved in a purely systematic manner, describing how the village fitted into the social and economic hierarchies devised by the ruling classes, whether native or colonizing. This approach has perceptible limitations. Though there is no question that there was indeed an increasing correspondence between government fiat and local application as the colonial period wore on, still it was not a perfect one; and since, as we shall see, the colonial government dealt with the village largely as a unit, and official policy was not to interfere in its internal affairs, official reports and statistics give little information on the social and economic effect of government directives within the sphere of the village itself. For any period earlier than the nineteenth century, this approach is still less reliable, since we must deal with a society characterized by very great regional variation in a context of pervasive political turmoil, so that generalized formulations of the institutions of the village and of its place in society cannot be more than theoretical.¹

This paper begins by adopting a rather different approach, emphasizing not so much the system, as the situation in which the village found itself - looking, that is, at the larger political context within which the village was placed, and attempting to infer what effect developments there must have had on the nature of the village itself. In order not to set the focus so widely as to eliminate all significant detail, let us look, if not at the flow of events pressing on one village (that would hardly be possible, with the available documentation), at least at the history of one region, the valley of Panaraga. This region has been chosen because, though it cannot be described as 'typical' - regional variation was too great for any one region to be that - it was always one of the largest and most productive of the constituent regions of the Javanese kingdoms; it was never itself the seat of government of an important kingdom; and its geographical situation was not such as to give rise to the growth of major towns based on trade. It might thus be described as a rural, agricultural area par excellence.

RURAL REGION AND ROYAL HOUSE (SEVENTEENTH TO EARLY NINETEENTH CENTURIES)

The region enters history quite early: there is a fair sprinkling of inscriptions covering the period from the early tenth to late fifteenth century. We know at least that a number of royal grants were made on behalf of religious communities both Buddhist and Hindu (Adam 1938 pp.107-20) and also that the region was ruled by its own princely or ducal house. It was, however, conquered by the famous Airlangga in the 1030s after an eight-year campaign, the last piece of territory to be absorbed into Airlangga's east Javanese kingdom. It was known, with Madiun, as the region of Wengker (van Stein Callenfels 1918, pp.74-84). Under the later and longer-lived east Javanese kingdom of Majapait (late thirteenth to the first half of the fifteenth century) this region became the apanage of princes of the royal family and a community of Buddhist monks was endowed with a royal grant of tax-free land. With the decline
of Majapait there was a resurgence of local autonomy, but even then the region did not develop in isolation. The introduction of Islam is attributed to Batara Katong (Divine Prince), said to be descended from the royal house of Majapait, and to his associate Kyai Ageng Mirah, later his pengulu, and ancestor both of those who were to be hereditary lords of the region and of the most prominent families of kyai (heads of Islamic religious and educational foundations). A close link between governmental and religious authority was thus formed and is reflected in the description which a later Javanese author gives of one of the ruling lords of the region:

He was strong in government, quick in intelligence, deep in understanding, charitable to the poor and those who renounce worldly possessions. He freed ulama [those learned in Islamic law] from tribute and labour; he saw that the commands of religion were observed, in respect to the religion of the Prophet, so that understanding of the Law multiplied. (Soeradipoera et al. 1915, p.54).

The Panaraga nobility, descended from Batara Katong and Kyai Ageng Mirah, was related to other dynasties whose founders had played a prominent role in the spiritual and temporal establishment of Islam on Java - in particular, to those stemming from the two wali Sunan Giri and Sunan Tembayat.²

Where it had once been attached to east Javanese kingdoms, Panaraga was later drawn into the sphere of the south central Javanese kingdom of Mataram (early seventeenth century onwards). Men from the region and from neighbouring Madiun fought in the campaigns of Sultan Agung (1613-45) in both east and west Java. Mataram was unable, however, to establish a stable and enduring regional administration, rent as it was from the late seventeenth century by rival claims to the throne. Panaraga was drawn into the ensuing warfare,³ and at the end of the major rebellion of the 1670s a population count revealed the effect of this involvement: whereas both Panaraga and Madiun were usually accounted at 12,000 cacah (a cacah being the landholder and his household conceived as a unit of agricultural production), Panaraga after the rebellion had been reduced to 5000 cacah, and Madiun to a mere 2000 (Adam 1939, p.29). For a time, Panaraga was drawn into the independent principality set up by the slave-prince Surapati, and seems to have prospered during these decades, for in 1709, when it was returned to Mataram by the Dutch, the number of cacah had once more climbed to 12,000. It is interesting to note that at the conference which took place at this time to reorganize the restored kingdom, Panaraga was now, with Madiun and twelve other regions, declared to be directly under the Sunan, instead of being under the jurisdiction of one of the powerful coastal bupati (de Jonge 1875, p.cx and p.362). As we shall see, this is not the only indication of the region’s links with the north coast.

In 1742, the reigning Sultan of Mataram was driven from his capital by a pro-Chinese and anti-Dutch party during the so-called 'Chinese War'. He fled to Panaraga and found refuge there. According to legend, he happened
to hear the *dikir* recited by a pious subject who, being interrogated, said that he was both a farmer and a teacher of *santri* (students of Islam); and that he prayed for the ruler every day. Whatever the actual circumstances of their meeting, the ruler, Pakubuwana II, did indeed reward this kyai, Kasan Besari, when he was restored to his throne. Kasan Besari and his descendants were invested as the heads of the free village of Tegalsari—free, that is, of the obligation to supply produce and labour which rested on other agricultural communities. The *pesantren* (school for *santri*) of Tegalsari was to become one of the most famous on Java and to maintain its links with Mataram and its successor states for more than 200 years.\(^5\)

Pakubuwana II's troubles were not over, however. He soon faced a major rebellion led by his nephew Mas Said (later Mangkunegara) and his brother Mangkubumi, which was to result in the partition of Mataram. Panaraga was a major theatre of this long and devastating warfare in its later years. In 1752, Mangkunegara forced his way from the west through a little-known pass in the difficult Mount Lawu terrain and conquered both Panaraga and Madiun; and the subsequent fall of the two richest regions of the kingdom caused much consternation to the Dutch Company. Panaraga itself (town and region bore the same name) was sacked and burnt, and new governors were installed by Mangkunegara.

At the end of the war, Mataram was divided into two principalities, Surakarta and Yogyakarta. In the complex division of the territories which had been part of the kingdom before its division, Panaraga was allocated to Surakarta (and neighbouring Madiun to Yogyakarta).

But what does this turgid picture of dynastic strife reveal to us of the tenor of village life? More perhaps than is immediately apparent. It shows how the leading families of the region were both deeply rooted in local historical tradition and intricately linked to other prominent families elsewhere in Java, and might be drawn into the sphere of influence of other centres (not 'the centre') or into supporting one of the contending factions there. Warfare brought into the region armies which ravaged and burned, some of whom, foreign mercenary troops like the Macassarese and Balinese, did not return home when the war was officially ended but remained to live off the land; and drew the men of the region out to fight under their leaders in other parts of Java. The extent to which partisan adherence to this or that dynastic faction had penetrated the very fabric of village life is reflected in the fact that though the different regions were officially divided between Surakarta and Yogyakarta, local leaders did not always accept their official allocation and moved to change sides, leading to a situation of endemic village warfare (*perang desa*) which according to one researcher persisted until 1830 (Ongkoham 1975, p.88). Conflict also dramatically affected population numbers, which might be reduced by half, or even more. Though the destructive effects of involvement in the affairs of kings and princes are more obvious, there was also a nurturing aspect of this relationship. It was the patronage of the Mataram dynasty which supported cultural institutions, particularly the *pesantren* schools of the region, physically located in villages, which played a very significant role in developing both local pride and an identity which was more than merely local, and whose leadership was widely valued.
Not all of Panaraga's contacts with the wider world were with dynastic politics, warfare and patronage. A Dutch East-India Company official wrote in 1784 after eighteen years in Surabaya that the Company's trade in these parts had never been of any significance, but that private trade (in ginger, opium, Chinese goods, etc.) had once been very extensive, travelling up-river 'even as far as Panaraga', though it had now declined because of the increased number and heavier levies of the tolls, and because the Chinese toll farmers were now obtaining goods from Surakarta and Yogyakarta and forcing them upon the Javanese merchants (de Jonge 1884, p.62). Scholars have often seen Java as falling into a natural division, into the 'Islamic, trade-oriented' coastal area (the pesisir), and the interior, the location of the agrarian kingdoms with their Indianized-cum-nativist inheritance; but it seems that this division may have been overstated, both in its economic and its cultural dimension. The important coastal centres were located on or close to major rivers, whose valleys provided natural avenues for travellers. Panaraga probably had better contacts with the Surabaya-Giri-Gresik area than it did with the 'neighbouring' region of Kaduwang, to which access was actually very restricted because of the difficult terrain, though roads existed. It may be more in accordance with reality to conceive of pre-modern Java as divided into slices, each centring on a river valley, rather than into coast and interior.

It is interesting to note that a Javanese text dating from the early nineteenth century but containing material from an earlier period already notes a distinctive Panaraga personality (Pigeaud 1933, p.54) - a personality which colonial administrators of a later date were to describe, with a mixture of grudging respect and lofty disapprobation, as characterized by independence and self-confidence - praiseworthy qualities - but also by roughness, impudence, pride, hot temper and a lack of attachment to the domestic foyer; not to mention an excessive incidence of homosexuality (Adam 1938, p.288). The persistence of such disorderly traits even after a century of colonial labour in the cause of orderliness suggests that we may have to revise our stereotype of the Javanese peasant as a meek toiler in the rice-fields reluctantly carried off to fight out of a subservient reverence for his lord; some peasants at least must have embraced a free-booting way of life not unwillingly, and had rather a different kind of relationship with their leaders.

Like many rural regions, Panaraga had its own cultural and art forms, of which the most spectacular in this case is probably the jegog, a dance-drama already established as a specialty of the area by the eighteenth century. It is a performance of considerable eroticism and pageantry, in which the dramatic high points are provided by a magnificent barong (peacock, lion, and tiger, lord of the jungle) and by the performances of hobby-horse dancers. These dancers have traditionally - and at least till very recent times - come from the so-called warok troupes, tightly-knit groups consisting of a strong adult warok and a number of young jatil, boys attractive enough to play transvestite roles. In earlier times the warok troupes had specialized in an explicitly transvestite dance known as the gembilakan, which was banned by the colonial authorities on account of the immoral and disorderly behaviour it was said to occasion. As in other
peasant societies, transvestite performances were popular for weddings because of their connotations of fertility. The reyog looks the very type of purely peasant fertility dance (as the hobby dances in England), but even here there is evidence of a continuing exchange with the court milieu: court circles sometimes produced their own - needless to say more refined (alus) - version of reyog (Kartomi 1976, p.112 ff.) and it seems that the original 'text' of the reyog performance may be found in the Panji episodic romance, which celebrates the refinements, languors, and ritualized valour of court life. The warok troupes themselves are only one example of a number of itinerant, extra-local groups which were a feature of Javanese society through the eighteenth and nineteenth centuries, and which will be reviewed below.

To sum up, a survey of the history of this region has revealed the following developments to be important ones for an understanding of the state of its peasantry in the late eighteenth and early nineteenth centuries: a high degree of partisan, factional involvement in dynastic warfare, with peasants following their locally-based leaders in armed pursuit of their extra-local alliances, resulting in dramatic population fluctuations corresponding to periods of major turbulence, and weakness and lack of continuity in the institutional forms of society; yet at the same time a measure of cultural continuity, leading to the development of a recognizable regional culture centring around a particular type of old-fashioned Islam and distinctively local cultural forms. Not all rural regions underwent precisely these developments. The extreme east of Java, for example, emerged from the ferocious wars which devastated this area in the second half of the eighteenth century with neither institutional nor cultural continuity: its former population was dead or fled, leaving a desolate wilderness which was to be reclaimed to human habitation in large part by the Madurese immigration of the nineteenth century, an influx grimly but unsuccessfully resisted by members of the old aristocracy who retained bureaucratic position. At the same time, conversion to Islam was suddenly forced on the region by the Dutch, in a curious reversal of their general policy of containing that religion, in order to break the ties the old Hinduized principalities had had with Bali. Reviewing the situation over the whole of Java, however, it seems that the fact that the Dutch did not possess the military strength to impose their will directly had if anything retrogressive consequences for the development of native society: for the Company was forced to pursue its objectives by forming alliances with one or other of the competing factions struggling to control the kingdom. This compounded the effects of aristocratic disunity, and the resultant warfare entailed a more prolonged disorganization and debilitation of regional society than was the case where the transition to colonial rule was relatively swift, as in Burma or Vietnam.

Though, surprisingly enough, Panaraga seems not to have been much affected by the last major war to originate from the aristocracy (the 'Java War', 1825-30), it was nevertheless annexed by the colonial government in 1830 together with a number of other regions which had formerly been governed by the successor states to Mataram. From the time the colonial government began to plan the administrative reforms it would introduce in the region, Panaraga begins to be described in more detail in official reports. These do not tell us everything we would like to know,
especially about developments in the village, but nevertheless give some interesting information about the administration of the region when it was still part of a Javanese principality. It was found that the situation lacked tidiness. The lands of the region now annexed to direct rule had been assigned to a number of different jurisdictions, which are listed below:

(i) **Kabupaten** (regencies), under a **bupati** (regent).

(ii) The **nava sawita** or **sentana** lands, which the ruler allocated to the upkeep of members of the royal family and more distant relatives living at court.

(iii) The **pangrembe** land, similarly allocated on behalf of persons of high rank actually living on it.

(iv) **Perdikan** grants, for those engaged in providing religious education.

(v) **Kunaang** grants, for the maintenance of specially revered graves ([Louw and] de Klerck 1909, p.170).

The **bupati** (known to the Dutch as the 'regents') performed a key function both under the old and under the later colonial system of administration. In the political systems constructed at the centre, they held office by virtue of appointment by the ruler, and sometimes a trusted official of the ruler might be sent out from the centre to enjoy the fruits of such an office. Very often, however, they were members of the dominant local family, allies rather than appointees of a ruler. This was particularly common in regions like Banyumas, Surabaya, and Penaraga itself where certain **bupati** dynasties had established a very strong position. It seems that the partition of Mataram had led to a marked increase in the number of **bupati** appointed in the regions, which now had to support first two, then three, and then four courts instead of one, and in a smaller proportion of the island's total area.11 The Dutch found that Madiun had seven **bupati** in 1826, where in 1812 there had been only one; Panaraga also had six **bupati** now (Louw 1894, p.10 and [Louw and] de Klerck 1909, p.169). It should be noted - and this tells us something of the nature of the authority of the pre-colonial **bupati** - that the villages under the authority of each **bupati** were not grouped together in one block but were scattered about, lying cheek by jowl with villages which belonged to a different **bupati**'s jurisdiction. Apanage lands were also fragmented into a number of separate parcels of **cacaah**. Rulers granted apanage lands not only to their relatives, but also to those who served them, many of whom - and almost certainly the most generously rewarded group - would have been commanders and subordinate officers of their armed forces.12

We find, in other words, a variable mix of local and central interests among those who were confirmed in the right to draw a certain amount of produce and labour from a certain number of **cacaah**, **cacaah** which may have fallen within recognizable village boundaries, but need not have done so. One important circumstance which allowed the court to make provision for apparently increasing numbers of its own appointees without actually displacing local potentates was the ready availability of new land for clearing.13 In times of peace, when the rural population, though indeed
thinly spread by later standards, was at least not killed in large numbers or driven out of an area which could no longer offer them subsistence, this land could be brought under cultivation. It is possible that a man coming from the capital, if he had been an important military leader, might bring his own men to do this. This personal bond between lord and follower, not tied to a long-established tenure of a particular parcel of land as in well-developed feudal systems, is behind the intricate interweaving of jurisdictions which, as noted above, the Dutch found in Panaraga, and which they were to attack. It is worth remarking in conclusion that Hoadley's study of Javanese law in Cirebon provides striking evidence from a quite different region and at an earlier period (the first decades of the eighteenth century) that these personal bonds between lord and followers cut across the conceptual unity of the territorial village (Hoadley 1975, pp.137-44 and 172-77), so that we may have to revise our whole assumption that the unchanging, introverted, solitary village was the basic unit of traditional Javanese society.

After 1830, things were never again to be the same. The more or less constant coming and going between region and court (whether of peaceful or violent traffic) suddenly fell away: no more Panaraga men fought in dynastic struggles, no more military and other officers received reward for their services in the form of grants in a particular area (perhaps their own), no more royal benefactions were conferred on perdikan desa such as Tegalsari. And it was the end of the old barefoot bupati: the colonial administration was determined to reduce their numbers (a good start was made by dismissing the 'politically unreliable' and absorbing their jurisdictions among those of the remaining bupati) and at the same time to distinguish them more sharply from the general rural populace. The rough and ready samurai must transform himself into an impassive mandarin. It seems the old Panaraga aristocracy were not pleased, for many of their graves are reputed to carry a curse (waler) upon any 'office-holder' (that is, colonial bupati and their subordinates) who dared come there (Adam 1938, 1939; Purwalelana 1866, p.59). Perhaps they knew that most of their descendants would live in poverty, though not without popular distinction.

Despite the very real changes which were introduced, the old ties were not entirely broken, or not at once. Tegalsari, for instance, continued to be a prestigious institution: one of its kyai had a following at the court of Yogyakarta during the 1880s (Kumar, forthcoming) and the last of the pujangga (court literati), the well-known Surakarta poet Ranggawarsita, was educated at the Tegalsari pesantren (Onghokham 1975, p.4). Other links of a more curious nature remained. The forested area of Lodaya had for a long period been used as a place of exile for those whose presence at the Surakarta court had become troublesome to the ruler, and this population appears to have maintained a lively interest in any subversive movement directed against the establishment in their old home.

**PEACE AND SYSTEMIZATION**

'Where the ruler is at the same time a merchant, compulsion knows no bounds' (P.J. Merkus, quoted in Furnivall 1939, p.116).
Though we know that there were no major wars after 1830, the colonial government was less assured of the continuance of peace and maintained an elaborate police and spy network designed to pick up potential trouble-makers early in their careers. Yet it was committed not only to maintaining order but also to making the colony pay, and, like the Javanese rulers of earlier times, relied largely on the productive and constructive powers of the Javanese peasantry. Unlike the Javanese rulers, however, the colonial government was not concerned merely to draw off a proportion of the rice grown by its subjects, but to produce and deliver a rather wide range of export crops, and to do this with a good deal more regularity and accountancy. In construction work too, the peasantry was required to undertake more ambitious projects, though not always by technologically more expeditious methods. The constant colonial demand for more peasant labour revealed, inter alia, by the continuous canvassing of the arbeidvraagstuk (labour question) which runs through nineteenth century official documents, should be seen against the demographic pattern of the early nineteenth century. In its second decade Raffles wrote: 'Over far the greater part, seven-eighths of the island the soil is either neglected or badly cultivated and the population scanty. It is by the produce of the remaining eighth that the whole of the nation is supported; ...' and 'Many of the best spots still remain uncultivated, and several districts are almost deserts and neglected, which might be the seats of a crowded and happy peasantry,' (Raffles 1817, p.108 and p.69). Even allowing for a generous margin of error in Raffles' estimates, we must still accept a very different picture of the Javanese countryside than the one which had developed by the close of the century.

The colonial organization of peasant labour after 1830 was organized under the rubric of the Cultivation System. Its essence was simply that the cultivators, instead of paying a land-rent or tax, would pay their dues to the government by devoting a percentage of their land and time to growing an export crop. Apart from growing this crop, however, they had much else to do. There were three main headings of compulsory labour service: compulsory services for native officials (the so-called pantjendiensten); compulsory labour on public works (heerendiensten); and labour on behalf of the village's own needs (desadiensten). Though according to official regulations there was a limit to the amount of time a peasant could be required to set aside for these services, the vested interests of the different beneficiaries of his labour meant that he might actually find himself called upon to labour for the better part of the year. This left little time to grow the crop which actually fed the population, rice; and in some areas serious famines developed, beginning with the Cirebon region in the early 1840s.

What changes did the demands of the System make on local social and economic structures? Once again, the available evidence is defective and regional variation makes generalization hazardous, but from what research has been done certain developments seem significant. In Panaraga, for instance, there are indications of a change in the distribution of land. There appear to have been two types of landholding arrangement within the village. There was land which had been cleared by the original settlers - the 'elite' group of rural society, usually referred to under the name oekal bakal - to which their descendants had a hereditary right. But there
was also land which was held by the village itself, and which was periodically redistributed among its inhabitants - not only the oakal bakal group, but also other long-term residents. Under the Javanese rulers, these landholding villagers were obliged to surrender a certain proportion of their rice crop as tax, and were also subject to labour service (corvée). In addition, however, to the landholding villagers there was also a class of villagers who held no land, usually designated nwmpang (lodgers). And since many of those with hereditary rights to land had a good deal more acreage than they could cultivate with only family labour, the landless nwmpang became a dependent labour force living and working on the land of wealthier villagers. They were not liable to any labour service for the ruler. Some Dutch officials saw the nwmpang as a disreputable, lawless population who led an itinerant life and were always ready to join up with a leader who inspired them with the feats of heroic figures of former days (Louw 1894, p.26).

Faced with enormous demands for labour in the period of the Cultivation System and with this commodity in short supply, it was necessary for the village to shift as many of its inhabitants as possible into a category liable to labour service, in order to spread the burden. This was done by re-classifying land which had once been hereditary in individual families as communal, village land, in which category it could be divided up among more people: the nwmpang, in particular, were given land (Onghokham 1975, pp.167-88). This had two effects: it broke up large landholdings into smaller parcels; and it tended to fix the nwmpang to the soil of the particular village where they were allotted land, ending their semi-nomadic way of life.

Research on developments in some areas suggests that this initial sharing-out of village lands among a larger number of people in the early years of the Cultivation System was followed by the emergence at a later period of a group of (in Javanese terms) large landholders, who where able to make use of a relatively advantageous position to enrich themselves while the mass of lesser landholders lost ground (Elson 1978, pp.25-29). It is not possible to say yet to what extent this was a Java-wide phenomenon.

Under the Cultivation System, government directives rested not upon the individual but upon the village, and this had important consequences for its future development. During this period and indeed throughout the century the desire for as much administrative efficiency as could be achieved cheaply led to a gradual shaping of the Javanese village into a better-defined entity than it had ever been. Boundaries were more sharply drawn; regulations were enacted requiring official sanction for the hiving-off or amalgamation of villages; and even when some colonial administrators began to feel that policy towards the Javanese village should be drawn up in the interests of the village itself rather than in those of the government, the ideal was still a parochial community, a self-governing territorially-demarcated gemeente (van den Berg 1901, passim). The position of village headman too became a formalized, entrenched institution, and the individual concerned had reason to be increasingly sensitive to the wishes of those above him in the hierarchy. In the early decades of the Cultivation System, the government had frequently departed from its principle of non-interference in village affairs when it came to the choice of a head, but in 1854 the right to elect its own head was guaranteed to every village
under direct rule (van den Berg 1901, pp. 12, 31, 45). Even then, however, an election could be declared invalid if the village's choice was 'unsuitable', and village heads could still be censured, incarcerated, and dismissed on higher authority. If he were co-operative, however, the village head was obviously the prime example of those mentioned above who were able to profit from a 'relatively advantageous position'; and later, when private enterprise became dominant, village heads were insidiously wooed by European and Chinese entrepreneurs, and found themselves receiving suitable 'presents' when satisfactory agreements were concluded with their village.

Yet, though the standardization and fixity brought about at this time were real enough, it would be wrong to depict all Javanese villages as the same, or the entire rural population as now fixed to a small plot of soil. Apart from variations in physical form - the Sundanese village with its pile houses in scattered hamlets, the central Javanese village with its single large complex of houses - there were also variations in legal and administrative status. There was still a limited area of central Java under the direct rule of the Javanese principalities (a 'rule' which was however exercised under the ever-watchful eye of colonial officialdom, always fearful of the recurrence of a significant revolt). Here the system of royal land grants to officials and dependants was maintained well into the twentieth century: and with a burgeoning aristocracy having to make do with straitened resources in land, further fragmentation of apanages was inevitable. It had been the custom for an official who received apanage lands to appoint an agent (the bekel) to exercise authority over the village population, and for the bekel to offer a gift of homage (the bakti) to the apanage-holder at the time he was invested with his appointment. With the necessity for apanage-holders to obtain the same financial advantage from ever-decreasing parcels of land, however, this old custom was transformed so that the bekel-ship was in fact sold to the highest bidder, who had, in turn, to recover the price he had paid from the population under him. As the century wore on, the subjects of the principalities (the so-called Vorstenlanden) were remarked for their poverty; and the aristocracy either for moral decadence or for the development of a neo-traditional culture which offered little in the way of social or intellectual renovation.

Another group of peasants who were subject to the authority of their immediate overlords in a manner we might well describe as feudal, were those living on the so-called 'private lands', that is, sometimes very large tracts of land which had been alienated by the colonial government at one time or another, to private individuals. Here, as in the Vorstenlanden, the limited degree of community self-regulation which was allowed to villages under direct rule did not exist, and officials and police were appointed, and taxes and services levied, irrespective of the wishes of the population or of overall colonial policy. Despite a government policy to repurchase these estates, many remained intact until the end of the colonial period.

One type of village which did retain a greater degree of autonomy, and enjoyed special legal status, was the perdesan daea, a class of villages which had previously enjoyed royal grants exempting them from taxation and service because of their religious functions, and which had been confirmed in this privileged status by the colonial government. There were about
one hundred and fifty such villages on Java in 1912 (Bijblad 1913, No. 7847). The heads of these villages were not elected but appointed by the bupati, who was supposed to choose the most suitable member of the family in which this office had been hereditary - always a family of special status and descent, not infrequently going back to one of the wali. These heads often had exceptionally large landholdings. The perdikan villages apparently had their own distinctive cultural atmosphere: in some of them popular Javanese entertainments such as the shadow theatre and the gamelan orchestra were disallowed in favour of more 'Arab' music and recitation, and a general pall of 'hypocritical piety often combined with low standards of morality' (van den Berg 1901, p.140) was said to hang over them, at least by colonial officials, who tended to view the perdikan desa as an unnecessary hole in the revenue net.

ITINERANTS

As has already been said, it would be wrong to depict all rural Javanese as fixed to a particular village, plot, or estate by the end of the nineteenth, or indeed by the first part of the twentieth century. Some groups of Javanese had occasion to travel widely. Firstly, there were the troupes of players who specialized in one or the other of the performing arts in which Javanese society has always been so rich, and for which rural villagers have been prepared to pay not a small price. The warok troupes mentioned above are a notable example, but there were others, and at the 'upper' end of the performing spectrum practitioners of the wayang (shadow-puppet) theatre played to both court and village audiences, though its scenarios are set in an aristocratic and not a peasant milieu. Wayang seems to have exercised an almost mystical fascination for some villagers, who might travel to quite distant centres and at considerable financial cost to study under famous dalang (masters of wayang) to acquire the difficult theatrical and musical skills, and the language, so far removed from that used in everyday life. One writer has seen wayang theatre as a vehicle producing political and cultural identification with the Javanese state (Onghokham 1975, pp.3-4); but it also contains an element of humour and satire which holds up its aristocratic heroes as less than wise and brave - an element which, if emphasized, could give a rather less 'royalist' tone to the whole.

The second major constituent group of the itinerant population were the travelling santri, the 'students of religion'. There were two reasons for the peripatetic character of much of Java's religious life. The first was the old-established custom of pilgrimage (ziarah or sujarah, from the Arabic term for a pilgrimage to a place other than Mecca) to the sites of holy graves, especially those of the wali. Although these graves might be visited at any time (especially when a favour, such as a child, or success in one's occupation or other affairs, needed to be asked) there was usually a fixed time when the most famous graves were to be visited, leading to the development of a sort of pilgrimage circuit and to the assembling of large crowds at a particular site, so that Dutch officials complained about 'quasi-Masonic fraternities' in which the stronger encouraged weaker reeds to 'fanaticism' and even to active resistance.
On this pilgrimage circuit, members of the most prominent of Java's Islamic families - those from the *perdikan desa* and those with other claims to distinction - renewed their ties with one another, ties which were bound up with an intricate genealogical network created by marriage alliances over many generations. The second reason for which santri travelled was to further their education. It was traditionally believed that a serious student of religion could not consider himself fully educated if he had studied at only one *pesantren*, but must visit a number of *pesantren* in order to acquire the 'specialisms' of different *kyai* in the various Islamic sciences. There was a particular tradition of west Javanese, Sundanese-speaking, students travelling to east Javanese *pesantren* to study, for which they first needed to master Javanese.

Not all santri were serious students of religion, however, and it seems evident that, just as entering a university is not necessarily an indication of a scholastically-minded temperament, embracing the life of a travelling santri was also often done for reasons of congeniality not too much connected with thoughts of the divine or the after-life. There was not always a sharp distinction between travelling santri and other itinerant groups, and some Javanese texts depict santri as taking part in such activities as the highly erotic *gombalan* dancing, and even having affairs with boy dancers, though this type of behaviour is never attributed to the greatest men of religion, who conduct themselves in a much more ascetic fashion. The *warkop* dancers themselves claim descent from the disciples of Ki Ageng Mirah, who first converted Panaraga to Islam, and travesty, acrobatics, and conjuring were all popular in the old santri community. It would be equally wrong, however, to see santri cultivation of theatrical and musical genres as merely frivolous self-indulgence: in some areas musical performances of a religious nature which were of foreign, middle-eastern origin, such as the *elawatan*, were introduced by santri to become popular also among the less devout, leading to the development of something of a popular theatre; and in this way the cultural repertoire of rural Java was enlarged to include genres which celebrated more Islamic values.

This rich and complex lode in Java's culture was not, alas, unaffected by overall developments in the colonial period. Firstly, as the rural population became impoverished, it was increasingly hard to support an itinerant population, and competition among *kyai* for popular support was sometimes intense and bitter. Secondly, men of deep religious commitment and what is nowadays described as outstanding leadership potential were precisely those who were most suspect to the colonial government, particularly when they moved from place to place and seemed to be building up a following in more than one locality, or when they seemed to be establishing the sort of relationship with members of the Javanese aristocracy which had given rise to such a difficult alliance to defeat in the Java War. For this reason, religious leaders were exiled (to non-Muslim areas) for even slighter reasons than Javanese princes, and the natural development of movements within the Islamic community was severely handicapped. Furthermore, colonial restrictions on travelling (such as the introduction of the *reis pas*), made movement between regions more difficult.

Lastly, there was still a considerable amount of migration of ordinary peasants from one area of Java to another. Movement out of indigo-growing
areas was common (indigo was probably the most unpopular of all crops, on account of its exceedingly tedious and onerous demands on the cultivator) as was migration of peasants from central Java to areas further east, such as Kediri, which only 'filled up' during the nineteenth century, or the extreme east of Java, depopulated by the wars of the late eighteenth century, where in-migrants made up a large proportion of the population even as late as the census of 1930.

THE TRANSFORMATION OF PEASANT SOCIETY IN THE LATE NINETEENTH CENTURY: TWO EXAMPLES

A Changing Frame of Reference

Raffles had been concerned to see some improvement in the apparently slow rate of population increase on Java, a rate his calculations estimated to be very much slower than that of the English, and even below that of the French (Raffles 1817, p.76). By the end of the century this concern seems otiose, for the population had actually grown very much faster than Raffles was able to foresee. Land was therefore no longer as plentiful in relation to population as it had once been, a situation which produced further fragmentation of landholdings. Once again, however, it has to be said that regional variation was wide: some districts in Pasuruan regency apparently had virtually no more land available as sawah as early as the 1830s, whereas in parts of west Java serious fragmentation of landholdings does not seem to have occurred before the twentieth century (Elson 1978, p.12; Horikoshi 1976, p.110 ff). Though, as we have seen, migration to other parts of Java continued, it is nevertheless possible that a larger proportion of those who held land entrenched themselves in a particular village as land became progressively less easy to obtain over the island; certainly, it is a question which requires further investigation.

A second major trend over the last decades of the century greatly affected peasant life. This was the gradual phasing-out of the statist Cultivation System in favour of private entrepreneurs anxious to enter the apparently rich field of the Indies, which had contributed so much to the home country's domestic budget. After 1870, these entrepreneurs were permitted to hire peasant land on a hitherto unprecedented scale; it might be said that the peasant now had the worst of both worlds. He had increasingly to contend with the intrusion of a money economy and with the operation of powerful economic interests susceptible neither to social nor, on the whole, to serious governmental control; yet he himself was much more slowly freed from the social and governmental compulsion of the old days. It seems to the present writer that the peasant producer's obvious difficulties in holding his own or responding to the challenge of a modern economy, later to be attributed by colonial economists to the structural 'duality' of the economy itself, cannot really be explained without at least some reference to the 'duality' of the political and legal apparatus. A villager could not, for instance, usually buy off labour services even if it were economically advantageous: the pantjendiensten (services for native office-holders) were abolished in 1882 but the heerendiensten (services for the state) not until 1902, and even after that date the desadiensten (services for the village) were still obligatory. Plantation managements
worked through village heads to the detriment of free choice, and the position of the plantations was strengthened by the fact that labour was no longer a commodity in short supply, so that many peasants now actively solicited work. The whole question of the costs and benefits of the plantation economy is a complex one, and we must await a full accounting from those qualified to provide it. It is clear, for instance, that the irrigation provided for sugar also increased productivity in peasant rice-growing, but equally clear that the terms of the contract with the plantations were a prime focus of peasant grievances, as the outbreaks of cane-burning demonstrate (Elson 1979). Once again, the terms of the contract reflect the political as much as the economic strength of the plantations, as does their reaction to the world-wide depression of the 1880s, which entailed simply paying less in land-rent and in wages. By this time, the returns that could be achieved by the manpower thus turned back into the traditional food-crop sector were not sufficient to compensate for what was lost in wages from the plantations, and the 1880s saw a seriously worsened food situation, and a higher incidence of localized revolt. In the polite phraseology of official reports, the last decades of the century were times of 'diminished welfare' on Java.

A Comparison

For a large part of the nineteenth century, the Javanese peasantry had shared many material and psychological characteristics with their European counterparts, although, if descriptions of European peasant life are at all accurate, one might add that Javanese peasant life was arguably a good deal less squalid. In the late nineteenth century, however, the peasantry in a number of European countries underwent a series of related transformations no less far-reaching because we children of a later age do not readily apprehend how very different things once were. In France, for example, the peasantry had been characterized, for the major part of the century, by poverty and conservatism, and by a degree of isolation which made them see as 'foreigners' those whom we would describe as their fellow Frenchmen living as little as ten or fifteen miles away, and conceive of the 'national' government only as 'le douane et le fisco'. By the end of the century, however, they were much less poor, much less conservative in their economic attitudes and much less 'localocentric', to recall Wolf's term, in their political attitudes; and this radical transformation would continue in the first part of the twentieth century. Let us briefly review the instrumentalities of this process, which made the French peasant, materially and psychologically, a member of a wider community, not a provincial, but a 'citizen' of the nation state. They were: increasing urbanization, which involved both the diversification of upper-class urban society, providing rural people with a wider range of choice in the allocation of their political support, and an increased transmission of innovative urban ideas to rural areas; military service, and the breakdown of regional and local loyalties which it brought about; a great expansion of the education system, which was strongly concerned to improve the oral and written use of the 'mother tongue' and to inculcate the idea of the fatherland and of civic duty; and, not least, economic developments in a period when an expanding and diversifying economy provided new opportunities to those who could acquire new skills, and demonstrated the advantage to be gained by
thinking in terms of a wider, national format rather than of a local one.

Taking them in order, it is clear enough why these instrumentalities did not operate on Java. Such urban development with an economic rationale as had existed prior to the Dutch economic presence had been stultified by that presence, and the nineteenth century did not see a significant development of a native urban society. To the extent that an economically diversified, urban middle class existed, this was predominantly Chinese, and therefore could not provide political leadership to other levels of society. The Javanese 'upper class' did not become more diverse - the *bupati* remained very much the predominant type of the wealthy and influential Javanese - nor more urban, and had neither reason nor opportunity to court political support among the peasantry. When in the following century something of an urban elite semi-independent of the colonial bureaucracy did develop, it was to be an elite whose intellectual aspirations to leadership were not supported by independent economic resources, and whose ability to attach to itself a peasant following was severely restricted both by the lack of those resources and, of course, by the unfree political climate of a colonized polity.

Military service had been, as I hope this paper has demonstrated, a powerful agency by which peasants had been made aware of developments in the larger polity: I say this, of course, without suggesting that either in Java or in France the experience was a pleasant one, or that wars are desirable because they develop national unity. After 1830, Javanese peasants were no longer recruited to fight for their kings, or would-be kings; and a colonial army could not propagate the necessity of loyalty to the *patrie*, as the French army did. A similar reversion of previous developments took place in the educational field. It is arguable, I think, that the pesantren network provided, in spite of imperfections, a curriculum which though not strictly 'national' was attuned to the inculcation of a Javanese language and of a Javanese culture and religion. With the loss of royal patronage and the role of the royal court as the real and functioning cultural centre of the kingdom, the pesantren seem to have been increasingly confined to a purely local ambience. The colonial education system which was - very slowly and partially - to provide a supra-local format of educational reference could not, though it unintentionally developed a sense of common interest and common grievances, provide a coherent sense of identity and commonly-held values. This deficiency was to become disturbing to some of its twentieth century graduates, and to lead them to establish more 'national' systems by their own efforts and often at the cost of incurring considerable official displeasure.

Finally, the presence of an 'expanding capitalist economy' meant very different things to the French and to the Javanese peasant. In Java, the peasant made contact with this economy at a period at which the dominance of foreign interests was long entrenched, and when his own resources and consequent ability to maintain his position *vis-à-vis* the operation of these powerful interests had been significantly eroded; and, as we have seen, a one-sided compulsion remained present in many ways long after the official 'freeing' of the economy. In France, rural populations were able to benefit by the competition for labour among the different sectors of
a diversifying economy: the emigration of workers following job opportunities pushed up wages in the areas from which they emigrated, in which labour was now at a premium. On Java, the economy was not diversifying to anything like the same extent, remaining as it did almost exclusively concerned with the cultivation of food and export crops; nor was there significant competition for labour, due not only to its ready availability but also to pressure from powerful plantation interests on the colonial government to abort any trends which seemed likely to raise the price of their labour. Though a Javanese peasant might migrate in a geographical sense - even, of course, outside Java, where significant numbers of his countrymen worked as contract coolies on plantations such as those of north Sumatra - for some material advantage, there was little opportunity for him to acquire modern skills, and he was always in a relatively weaker bargaining position than his French counterpart. In general it can be said that the modern economy seized upon the Javanese peasant; he could not, unlike his European counterparts, seize upon the modern economy as a means of transforming and bettering himself.

Addressing the question as to why conservatism and resistance to change prevailed for so long in France and new ways, though known, were not adopted, Weber writes:

... we can see now that their narrow vision was the vision of frightened men in desperate circumstances; that the village was a lifeboat striving to keep afloat in heavy seas, its culture a combination of discipline and reassurance designed to keep its occupants alive. Insecurity was the rule, existence consistently marginal. Tradition, routine, vigorous adherence to the family and the community - and to their rules - alone made existence possible...

Since all had to pull together, no deviance could be tolerated (Weber 1976, p.479). On Java, this factor operated more strongly, and not less so as in France, as the nineteenth century drew to a close; and Wolf's article convincingly describes the economic factors underlying the defensive reaction of closing in, of demanding loyalty to the community rather than to exterior ideas or parties, which he found in his case study. This article has attempted, however sketchily, to outline the economic developments and administrative measures of the nineteenth century which are essential to the understanding of the Javanese village in later times; the new precision of its legal definition and status; the fixing of labour within its boundaries, as exemplified by the fate of the *rampan* of Panaraga; the grip on the village headman of a much more firmly-established ruling apparatus; the likely effects of population increase - all made of the village a more tightly-bound and precisely delimited community than it had been before these developments. It has also been suggested that other less obvious developments were of equal significance for the fate of the Javanese village, that the destruction of the old cultural and political context, and its replacement by a colonial state alien by culture and sterile by policy, made of the village the only society of which its inhabitants *could* be members. Where the French village was integrated into the nation-state, the Javanese, in all its newly tight definition, was merely encapsulated; and, in the twentieth century, its inhabitants would have a far, far wider gulf to bridge before they too might become 'citizens'.


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1 One of the earliest officials to take on the task wrote that he was confronted with a situation where 'no district here in Java, no, not even any village, is run on the same lines as another, for everything among the Javanese is based on adats or customs' (Governor P.G. van Overstraten, writing in 1796, quoted in de Jonge 1884, p.408. Van Overstraten apparently never completed his study).

2 The wali (saints or friends of God) were the first apostles and establishers of Islam on Java. Traditional accounts usually list nine of them, though the personalia are not always the same.

3 Under the Mataram dynasty, the Madiun-Panaraga region had been the apanage area of the prince who bore the title Pangeran Purbaya, and who was the most prominent of the ruler's brothers. There was apparently a tradition of intermarriage between the Purbayas and the Kajoran line, whose patriarch was so important in the rebellion of the 1670s; and the Kajorans were related also to the Batara Katong line. On this network of genealogical ties, see Ongkokham 1975, pp.35-36.

4 The dikir is a repetitive litany, e.g. of the name of God (Allah or another referent), sometimes involving ecstacy-inducing techniques.

5 On the foundation charters of Tegalsari see Fokkens 1877, p.318 ff.

6 It is arguable that the separate development of coast and inland dates from the Dutch acquisition of the pasisir from Mataram in the late seventeenth century, an acquisition which many later Javanese rulers wished to see reversed.

7 See map in de Jonge 1884, p.256, showing the clustering of settlements along major rivers.

8 For as much as it is worth, Panaraga was one of the major road junctions, with roads to Pajang (via Kadowang), Japan, Rawa (Tulung Agung) and Kediri (Schrieke 1957, p.110).

9 An excellent description of present-day reyog is found in Kartomi (1976).

10 On the extreme east of Java, see Kumar 1979. In north-east Java, the Madurese influx seems to have led to the establishment of separate Madurese and Javanese territorial communities, with those bupati with Madurese connections encouraging immigration into their kabupaten; see e.g. Bosch 1932.
The two major principalities into which the kingdom of Mataram was divided (Surakarta and Yogyakarta) had later to provide some of their lands for the support of two considerably smaller principalities, the Mangkunegaran (created in 1757) and the Pakualaman (1812). Since rather large slices of territory had had to be ceded to the Dutch, the total area of land available had been reduced.

See Kumar 1980, p.29 on the granting to Mangkunegaran army officers of parcels of land which were of a size to provide a very good living indeed.

Once again, however, it should be stressed that, because of the strong links between local and central elites, not all grants made on 'central' initiative were necessarily against local interests. When Pakubuwana IV's niece married one of the kyai of Tegalsari, her uncle made her a grant of pangrembe land which no doubt enriched Tegalsari (see [Low and] de Klerck 1909, p.172); and it is possible that some of the military officers who received grants were in fact local lads. Finally, some land was not effectively controlled either by central or by local authorities: see, for instance, the account in Soeradio et al 1915, Cantos 239-61, of one of the 'robber villages' which were a feature of the Javanese landscape even in times of peace.

When Panaraga was brought under direct rule, the bupati were instructed that they might no longer go barefoot in public, as they had been accustomed to do, but should wear kasoed ([Low and] de Klerck 1909, p.182), which they can be seen wearing in nineteenth century photographs. At the same time, they were issued with payung (tall parasols) like those used by the coastal bupati, to impress the population. It is said that they were pleased.

See e.g. the official note in Mailrapport 1888, No. 597.

Van Niel (1972, p. 91) makes the point that the Cultivation System was actually not a system but a number of differing local arrangements. This is true, but there is no doubt that in relation to the regulation of agriculture before direct rule it represents a much more systematic approach.

The most usual proportion seems to have been fifty per cent (out of which local officials drew a certain proportion before the remainder was sent to the ruler).

Once again, it has to be said that regional variation had been very great, and in some areas all households, not only those holding land, were liable to labour service.

There were other categories of villager, again classified according to their relationship to land, i.e. those who owned house plus yard and those who owned house alone. They too had no responsibilities to the state. As might be expected, terminology and classification of village groups varies from place to place.
It seems, however, that some of the colonial *bupati* may have used their power of appointment to advance their own relatives at the expense of the family to which the office had traditionally belonged, thus reducing the influence of these old families.

One report gives an *average* of seventy times more than ordinary villagers for some *perdikan* villages in Banyumas (Hasselman 1887-88, p.98).

Many villages freed *dalang*, *gamelan* players and dancers (and also village artisans, such as carpenters) from the burden of tax and labour services (van den Berg 1901, p.104f.)

See in particular the *Serat Cabolang* and *Serat Centini*, summarized in Pigeaud 1933, *passim*.

The *slawatan* became very popular in east Java, and in Bagelen and Kedu 'Arab-style' performances of religious music were popular outside religiously pious circles (Pigeaud 1938, pp.246-78).

Another question which is related to the apparent failure of the growth of a 'modern' economy to stimulate and dynamize the traditional sector is that of landholding. Though the general trend still is not clear, it seems that the transition from communally-held to individually-held land was slower than one might expect in an economy developing in the direction of monetized and capitalist forms. It appears that the plantations actually found it more convenient to continue to deal with communally-held land *en bloc*, rather than with individual landowners who might have too keen an eye on the economic potential of their own plot of land (see Wertheim 1964, p.140; Furnivall 1939, pp.178-79, 319).

Compare the description of almost unrelieved poverty, isolation, brutality and ignorance given in Weber (1976) with that of the material life of Javanese peasants in Mayer (1897) which represents some peasants (particularly of course village chiefs) as living in pleasant, well appointed houses far different to many European hovels. This comparison relies, of course, largely on the subjective judgment of these authors.

Why France, it may be asked. Though other comparisons may be equally illuminating, I have chosen this one on the grounds that French rural society was for long characterized by many of the features - pronounced regional and linguistic variation, a tradition of strong local leadership and weak centralizing government, for example - which we observe in Java. Some may feel that a comparison with another Asian society which was modernized in the nineteenth century would be more appropriate; but the clearest example in this category is Japan where it seems indisputable that even at a much earlier period the village had been incorporated into a relatively centralized system to a far greater degree. We have village records, kept by villagers at central direction, going back to the seventeenth century, a situation inconceivable in Java (and in France, where records of village developments before 1789 were kept either by the the church or by the *seigneurie*).
This at least is the picture one gains from Weber (1976), whose description of the French peasantry is of a collection of individuals or at most villages without common organization, solidarity, or consciousness—comprising a class, in Marx's famous simile, only as potatoes in a sack form a sack of potatoes (p. 245).

Which was in fact not the mother tongue of up to one-fifth of the French population at mid-century (see Weber 1976, p. 310).

This is perhaps a matter of controversy; but in the opinion of the present writer it is highly questionable to see the pesantren as inculcating a well-defined and exclusively 'Islamic' curriculum conceptually distinguished from 'Javanese' cultural attainments.

Compare, for instance, the very different impressions of the world of the ulama we obtain from Soebardi (1975), dealing with an eighteenth century text, and Horikoshi (1976), dealing with the twentieth century.

The best-known of such movements is the Taman Siswa school system founded by one of the earliest Javanese nationalists.

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SECOND THOUGHTS ON INDONESIAN NATIONALISM

W.J. O'Malley

August 17 1980 marks the thirty-fifth anniversary of the Indonesian Proclamation of Independence. Shortly before 10 a.m. on that now hallowed occasion, an exhausted Soekarno read out what still has to be one of the odder political documents of the twentieth century:

We the people of Indonesia hereby declare Indonesia's independence. Matters concerning the transfer of power and other matters will be executed in an orderly manner and in the shortest possible time.

Jakarta, 17.8.'45
On behalf of the Indonesian people (signed) Soekarno Hatta

This was terse indeed for people with the experiences and personalities of Soekarno and Hatta, but much of the strangeness of the proclamation we now know to be attributable to the confusion caused by the abruptness of and the uncertainty surrounding the Japanese surrender, to the behind-the-scenes struggles for power and for clarity of ideas, and to the nervous fatigue suffered by the victims of the kidnapping to Rengasdenklok only the day before (Anderson 1961; Dahm 1969, pp.276-315; Legge 1972, pp.181-202). It is not clear that all of the matters referred to have even yet been executed, but it is remarkable how efficiently and effectively any confusion about one important matter, the historical background to the proclamation, was soon dispelled. There came to be little doubt, either among Indonesian leaders or among those who wrote about them, that the proclamation of Indonesian independence was closely tied to a political current that had been rushing along since 1908. The day, the document, and the fact that there were many Indonesian lives pledged to defend its message constituted a high point in a struggle already four decades old, a struggle destined to last some years longer, a struggle the sweeping power of which has dominated Indonesian political history in this century - the struggle of the Indonesian nationalist movement.

The story of the Indonesian nationalist movement has been told well and often (Kahin 1952, pp.1-100; Vlekke 1965, pp.338-99; Zainu'ddin 1970, pp.169-204). Social and economic strains associated with the colonial systems of the nineteenth century, when combined with changes in values being wrought by Ethical programmes introduced after 1900, produced in the Indies, and particularly in Java, a world in which politics, long muted and pent up, could no longer be denied. Budi Utomo founded in 1908 by students who had both political and social aims in mind, has won recognition as the first quickening of a movement that eventually awakened the people of the Indonesian nation (Nagazumi 1972). When soon after its founding, it limited its scope to the Javanese people and its interests largely to cultural affairs, Budi Utomo lost much of its potential and saw itself surpassed by two newer and more broadly based organizations. The Indische Partij was
the first group in the Indies to espouse radical political changes, but its
complexion - it was seen as a Eurasian party - and stiff government
opposition limited it to the point where it became merely an item of note
in the history of the nationalist movement (Van der Veur 1955, pp.151-76).
Sarekat Islam suffered from neither of those limitations and by 1915 its
vague opposition to the status quo, and the drawing power of its chairman,
H.U.S. Cokroaminoto, attracted hundreds of thousands of members, making
Sarekat Islam the first mass organization in the Indies (Dahn 1969, p.13).
Floundering somewhat purposelessly in a welter of religious, social, and
economic ideas, Sarekat Islam, with many members but little in the way of
direction or principles, came in the late 1910s to be seriously influenced
by a socialist group which had direction and principles but few members.
This promising combination broke down under the stress of personal rivalries,
of conflicting world views, and of increasing police pressure, leaving the
much reduced Islamic group to cast about ineffectively for further popular
support and the socialist group, now grown into the Indonesian Communist
Party (PKI), to pursue openly anti-colonial aims which eventually led it to
sponsor the disastrous uprisings of 1926-27 (McVey 1965).
The decline of Sarekat Islam and the demise of the PKI left an
organizational void that was soon filled by a new force, that of the secular
nationalists. Drawing on the intellectual strength of leaders trained at
universities and on the eclectic ideological and oratorical skills of its
dynamic leader Soekarno, the Indonesian Nationalist Party (PNI), with its
goal of leading to independence a united nation made up of all the
Indonesian peoples, rapidly pushed to the forefront of politics in the
Indies (Petrus Blumberger 1931, pp.204-49). This push, however, was
perceived by the Dutch as a serious threat to their rule, and late in 1929
the police arrested Soekarno and three other PNI personalities and
subsequently had them tried and sentenced to gaol. The spirit embodied in
the PNI was not so easily extinguished: two new radical secular nationalist
organizations swiftly arose to take its place (Pluvier 1953, pp.45-52).
Partai Indonesia pursued the same goal - independence as soon as possible -
and used the same methods - mass meetings to raise nationalist spirit - as
the defunct PNI. Pendidikan Nasional Indonesia, on the other hand, stressed
not so much mass action as the building up of an educated nationalist cadre,
able to maintain their sense of purpose and to spread their political ideas
no matter how oppressive government actions might be. Those government
actions, in reality, proved too much for both parties, for their chief
leaders were exiled, their meetings were proscribed, and by the mid-1930s
both were leading declining existences. In this harsh, police-dominated
climate, many politically-minded Indonesians re-evaluated their staunch
anti-government stands and formed or joined parties which participated in
the governmental councils set up by the Dutch. Gerakan Rakyat Indonesia and
Partai Indonesia Raya were the leading nationalist parties in the final
years of the Dutch era, and working through both of them Indonesian leaders
pushed for a review of the Indies' position within the Netherlands Empire
and for a meaningful parliament within the colony. Deaf to these appeals
and blind to the hopes that lay behind them (Abeyasekere 1976), the Dutch
were unable to garner popular support for their resistance to the Japanese
in 1942, and a humiliating debacle ensued. During the Japanese occupation,
the nationalist figures returned from exile and, under the guise of support
for the war effort, once more stirred Indonesians with the dream of an independent and united nation. The determination inspired by that dream and the military skills and spirit instilled in a young Indonesian army by Japanese training proved to be an indefatigable combination (Anderson 1966), and through four years of diplomatic, economic, and military struggles, that Proclamation made on 17 August 1945 was successfully defended. Though the 1949 agreement recognizing Indonesia's independence denied the new republic complete sovereignty both over its economy and over all its territory, those shortcomings were rectified when debts to Holland were repudiated in 1956, when Dutch-owned firms were nationalized in 1957, and when control over western New Guinea was transferred to Indonesia in 1963. This completed the achievement of the nationalist ideal, a sovereign Indonesian state, free from Dutch imperialism, stretching from Sabang to Merauke, and wrote a successful ending to the movement started half a century earlier with the establishment of Budi Utomo.

This is a dramatic story, the story of the nationalist movement. It has its own momentum. It has its own compelling logic. It even has its own form of grandeur, incorporating as it does a sequence of high ideals, high risks, high sacrifices, and, ultimately, high rewards. The skeletal version of the story presented above is necessarily incomplete and superficial, but it represents the heart of the version of Indonesian nationalism subscribed to in Indonesia and in much of the world outside. And it is becoming clearer that there are serious problems with it.

The concept of nationalism in a general sense can be, and indeed has been, discussed in soporific detail, and there is probably little new that can now be added to a debate which has failed to stir anyone for the past two decades. From that old debate, however, it is possible to put together what is likely to be the most generally acceptable definition of nationalism: nationalism is a conviction, more or less commonly held, that a people are one and that they ought somehow collectively to make the decisions which shape their shared future. This is a fairly broad definition, but though aspects of it can be questioned, most people would be reluctant to stray very far from it. It is important, nevertheless, to add to it that in a colonial context, this meaning has little significance without introducing a further element, the determination to bring that idea into being. This leads to what has always dominated the discussion of nationalism in Indonesia, the movement. When 'movement' was first applied to political stirrings in the Indies, it had a wide, yet clear, meaning (Petrus Blumberger 1931, pp.1-15). Movement involved participation in organizations, usually but not always parties, which were structured along what people associated with them would have called modern lines: they had statutes; they had a combination of goals and methods which could be considered a programme; they had voluntary members whose roles, rights, and responsibilities as members were delineated; and they had at least a semblance of centralized control. That meaning of movement, however, was gradually narrowed. As there began to be a tradition of these modern parties, and as parties with a particular temporal orientation such as the socialists and the radical nationalists began to appear, the old idea of movement was elided into an almost linear conception of political development, of progress through time. Simply, then, the nationalist movement came to mean, as it appeared in the historical sketch above, a series of parties succeeding one another as the foremost standard-bearer in forwarding the drive that would bring
Indonesians to independence and thus to the ability to make their own political choices. Political concepts and choices came to be judged by their relationship to the vanguard of this movement. And the movement itself came to take on the appearance not only of embodying the nationalist determination to achieve independence but also of moving that conviction which is nationalism from a situation where it was less commonly held to one where it was more commonly held among the people of Indonesia.

This idea, basically equating modern Indonesian political history with the nationalist movement and the nationalist movement with Indonesian nationalism was, in its clarity and in its utility, attractive both to Indonesian political leaders and to those concerned with them and with their problems. Almost fifteen years ago, however, that equation began to lose some of its certainty, as the period for which it was assumed to be valid came gradually within the purview of historians. In sifting through the evidence before deciding what it all meant, historians began raising questions about the movement. Generally speaking, those questions were of two kinds. The first has to do with debunking the effectiveness and the importance of some of the mythical elements in the movement. Basing their considerations on contemporary documents rather than on panicking Dutch or nostalgic Indonesian impressions, scholars have reduced Sarekat Islam from a massive organization to a respectable-sized group and have reduced the PNI and its successors from respectable-sized groups to things considerably smaller (Dahm 1969). They have also raised doubts about Soekarno's role in turning the movement onto purely nationalist tracks (Ingleson 1975, 1979). Perhaps more importantly, they have restored some of the less radical nationalist organizations and leaders to a more proper sense of time and of proportion (Abeyasekere 1972). From the second angle, scholars of Indonesia's recent history have looked at various traditional forms of social organization, expression, and protest, and have found that they were not necessarily superseded by the nationalist drive or even subsumed into it, that in fact many of them continued to exist simultaneously with and oblivious to nationalism, or that it was nationalism which was making concessions to them rather than the idealized opposite (Benda and Castles 1969; Dahm 1969; Sartono 1972, 1973).

This historical approach has begun the process of bringing the nationalist movement into a more realistic perspective. In so doing, it enables and encourages scholars interested in Indonesia to look more closely at the parties which collectively made up that movement and to try to re-evaluate their places in the times in which they existed. It has not yet, however, clearly confronted the problem of whether the nationalist movement can with confidence be considered the equivalent of nationalism embodied. Brief investigations into two different areas of Indies politics, into popular understanding of nationalism and into regional organizations, can help to illustrate the weakness of that equivalence.

Late in 1929, Dutch officials, concerned about rumours that there were soon to be outbreaks of anti-government violence, and recalling the PKI incidents three years before, moved suddenly and concertedly against the PNI. Four of the party's West Java leaders were arrested and charged, members elsewhere were detained for some time, and the houses and offices of prominent PNI people were broken into and searched. This was at a time when the party, in its own estimation, had sufficiently propagated its
fundamental principles and grown in strength to such an extent that it had already gone over to its action programmes intended to speed up the achievement of Indonesian independence (Paget 1975, pp.71-73). In the trial that ensued some nine months after his arrest, Soekarno, as PNI chairman, put up a defence in the form of an impassioned plea for an understanding of his party and its platform. According to his arguments, imperialism as a system, as a 'lust', should in fact have been on trial instead of him and his PNI colleagues. It was imperialism which had ensured the misery of local peoples while draining colonized areas of resources. This had naturally awakened a political response among the colonized peoples, and if in Indonesia it was the PNI which was said to be leading the drive for independence, this was only because it was 'simply more forthright in advocating these ideas; it simply lays more stress on national independence' (Paget 1975, p.53). In doing this, it was doing 'no more than give voice to a commonly held sentiment' (Paget 1975, p.52). Soekarno stated that the PNI had not directed attacks specifically against the Dutch government in the Indies but rather against the system in theory and that it had nothing to do with creating, in fact had tried to squelch, rumours that there would be anti-government actions in 1930. After deploring the breadth, vagueness, and harshness of the laws under which the PNI leaders were being prosecuted, laws which made political organizing in the Indies all but impossible but which, nevertheless, he and his colleagues had not broken, Soekarno ended with a moving statement. Citing 'Mother Indonesia' nine times and the Indonesian people 'no fewer than twelve times, Soekarno proclaimed that Gatot, Maskun, Supriadinata, and he 'were innocent, but that if they were found guilty they would willingly suffer, since their sacrifice would not be in vain (Paget 1975, pp.140-42).

Soekarno's speech was more than simply grand political theatre or even political oratory at its best; it was also a chance to show the Dutch the legitimacy and antecedents of his political thought and to argue, fairly convincingly, that the PNI leaders ought to be found innocent of the charges brought against them. But the trial provided more than an opportunity for Soekarno to show his skills. It also made it possible to see how far the nationalists' ideas had carried, how far they were 'giving voice to a commonly held sentiment'.

It is difficult under any circumstances to get an idea of how politicians are doing at getting their messages across to the people who give attention to them. It is particularly hard in a situation such as that which obtained in the Indies. There political speech was constrained at all levels, and the chances of non-literate people ever having their views sounded, never mind recorded, were slim. The 1930 trial, however, does provide an opportunity to see the way in which some people less extraordinary than Soekarno were grappling with political terms and their application. For while Soekarno was devoting a good bit of his months of detention to the preparation of his defence speech, the prosecution was not idle. With the vast resources of the administration and police open to them, those responsible for preparing the government's case against Soekarno and his colleagues were able to use that time to gather numerous witnesses and statements with which they proposed to prove that the PNI had indeed advocated the overthrow of the government. Together, these form an incomplete picture. The prosecution was interested only in certain kinds of witnesses
and statements, that is, incriminating ones. The prosecution was willing to promise those from whom statements were taken that they would not be gaoled for what they revealed. And the very process of examination by police or civilian officials was probably sufficient to influence testimony along certain directions. All of this means that even collectively the witnesses' statements are unlikely to reflect a consistently true picture either of the events they were describing or even of their perception of those events. But the statements do present an opportunity, within the bounds of the above and of other caveats, to hear PNI members and hangers-on try to describe what the organizations meant to them.

Sudar was thirty years old in 1930. He was born in Ambarawa in Central Java, but was working as a tailor in Bandung when he was interrogated by the police. He was a full member of the PNI (membership card number 75) which he had joined in September 1928. As a member he attended courses almost every Friday evening, had been present at seven of the large public PNI gatherings and, though he held no office within the party, propagandized frequently in the kampung. The following are some police questions put to him, and his answers:

Q: At the courses or public gatherings was there ever any talk about independence? How is the purpose of it explained? By what road was it to be reached? When was it to come?

A: Yes, I heard about independence, which is, according to the PNI, being free from the present (Dutch) government. When Indonesia is independent, there is going to be a Republic established here. At its head will be a president chosen by the people. The president will carry out his tasks in accordance with the wishes of the people; he will be in office for at most five years. Independence is to be reached by uniting the people, uniting them by holding courses and public meetings, by publishing newspapers, and by propagandizing in the kampung. About the coming of independence, I don't know. I just heard at the courses that when the Indonesian people have reached unity (become one nation), independence will certainly come.

Q: When the Indonesian people have already become one nation, how are they going to bring about independence?

A: I don't know about that, because it wasn't explained at the courses.

Q: At the courses, were there ever explanations about the imperialists and the capitalists? What were the explanations like? Did the leaders ever say anything about, or even hint at, attacking or changing the present government?

A: The imperialists are people who establish the system which exists in colonized lands to bring profits to the colonizing country. Therefore, in Indonesia, the imperialists are the Dutch, those who have governing
power here (the Dutch East Indies government). The capitalists are people who have much money, capital, and try to see that their money (capital) finds large returns. In Indonesia there are different kinds of capitalists, there are Dutch, English, Japanese, and other capitalists, but the most numerous are the Dutch capitalists, the same as the Dutch East Indies government which exists here in Indonesia. I never heard anything about leaders saying words about or hinting at making any attack on or changing the present government.

Q: What does revolutionary mean?
A: Revolutionary means trying to speed up the intended process, but without violence (not using firearms or machetes).

Q: At the course which you attended on 6 December 1929, did Ir. Sukarno say that the Republic of Indonesia will use modern revolutionary means?
A: Yes, he said that the Republic of Indonesia will use modern revolutionary means, that is, a new style of revolution, meaning revolution without violence, without firearms or machetes, but speeding up the intended process. Also, I want to clarify that the PNI doesn't agree with the revolutionary style like that in France.

Q: Don't you think that Ir. Soekarno, speaking like that, aroused feelings, either by hints or allusions, so that people would destroy public order or attack the Dutch East Indies government?
A: No way.

While this is not in complete agreement with all of Sukarno's statements - Sudar had no need to avoid talking about specifics, and thus for him the imperialists were the Dutch, and not merely those who supported and benefitted from the system of imperialism - it is impressively close, and Sudar's forthrightness and his devotion to the party are obvious.

A great number of those associated with the PNI, however, whether they were members or people further out on the periphery, were not much like Sudar, either in their understanding of the party's precepts or in their loyalty to its service. The police investigations among these people, done both to collect evidence of the rumours of unrest before the arrests and to build up the case against Soekarno and the others afterwards, show quite a different set of motivations and interpretations. People were urged to, and did, join the PNI for any number of reasons both positive - because PNI members would get stone houses and f.1000 in 1930 (MC:Mr 20X/30, V9 May 1930 C⁹, Appendix 3, p.6); because if one joined the PNI, relatives gaol ed in the PKI aftermath would be freed (MC:Mr 501X/30, V9 May 1930 C⁹, p.13, p.14); because PNI members would soon get wide stretches of sawah (MC:Mr 501X/30, V9 May 1930 C⁹, p.13) - and negative - because in 1930 all non-PNI
members would be slaughtered like sheep (MC:Mr 20X/30, V9 May 1930 C9, Appendix 3, p.8); because people did not want to miss out on whatever the other 17 million PNI members in Java might get (MC:Mr 167X/30, V9 May 1930 C9, Interrogation of Sukardi). People had heard of imperialism, but they, like Sudar, had little need for verbal gymnastics: the imperialists were the Dutch, of whom they were soon to be rid. And they had been told by the PNI how they would be shed of them: either by a general strike which, by eliminating Dutch profits, would cause them to depart, or, failing that, by a war in the Pacific into which the Dutch would be drawn, leaving the land empty. The independence which would exist after the Dutch were gone also did not look much like Sudar's Republic: Soekarno was to become king, taxes would be lowered, people would be able to ride free on the trams and trains, wages would be raised, village services would be abolished, and PNI members would get land and the fine houses which the Dutch would leave behind.

Few of these popular concepts will be foreign to those who have looked at the literature on the Samin is t movement or on traditional forms of Javanese protest, but it is striking how little nationalism is involved here. Where the ideas are anti-government, they are opposed to the government for what it does rather than for what it is, and independence, in turn, is desirable not for what it means but for what it will bring. It is possible to speak of a gap in sophistication between Soekarno and Sudar, to whom the PNI chairman's quotes from European scholars and socialists when he was explaining imperialism to the judges would probably have meant little. There is an entire world, however, between Sudar's understanding of the PNI and that of two members recruiting another man by telling him that the aim of the PNI was to do away with the Europeans, the Chinese, and the other Asians so that Java could be free and all taxes could be abolished (MC:Mr 20X/30, V9 May 1930 C9, Appendix 3, p.5).

If there are difficulties in trying to establish, even within the PNI at its peak, what that 'commonly held sentiment' was to which the party was giving voice, the situation becomes even more complex if the entire political spectrum within the Indies is considered. With the idea of a progressing movement, only the party at the forefront is considered at any one time. Those parties which preceded it drop from sight, and those which are to succeed it, if they already exist, are as yet of little importance. The real situation was that many parties and other kinds of organizations existed for years and that almost all of them have, for the most part, simply escaped attention. A glimpse at the principles and popularity of just two from the multitude of little-known Indies organizations is sufficient to show what complicating factors they are in the nationalism equation.

Paguyuban Pasundan was founded in 1914, a Sundanese counterpart of Budi Utomo. Recruiting its members from among teachers, lower-level officials, and other professionals in West Java, it soon expanded beyond its original apolitical aim of 'promoting popular customs in the lands of the Sundanese by working to improve the intellectual, moral, and social development of the people' (Petrus Blumberger 1931, p.26), and it began to compete, often successfully, for positions in administrative councils. Though it continued its cultural work, running schools, sponsoring social
institutions, and publishing its own Sundanese-language monthly magazine and daily newspaper (MC:Mr 723X/34, Letter 657/K-II Secret, dated 29 April 1934), Pasundan had by the end of the 1920s carved out a fairly important niche for itself in the political world of the Indies. In 1927, it had joined in forming the radical-inspired Permuftakat Perhimpunan-politik Kebangsaan Indonesia (PPPKI), hoping thereby to improve the 'sense of unity and patriotism which were still lacking among the people' (Petrus Blumberger 1931, p.294). This move, which brought the Sundanese group into step not only with other moderate parties but also with the PNI and Partai Sarekat Islam, was taken because Pasundan was coming to the view that the Sundanese were a people but not a nation, that they formed a part of Indonesia, and that the Indonesian peoples ought to be progressing toward independence. From this position, Pasundan was able to work together with the government in order to try to achieve independence along evolutionary lines, to work together with its new associates to achieve the 'ideal of self-determination', and to feel free to criticize either of its allies when mistakes were made (MC:Mr 723X/34, 'Note on the character . . .', pp.3-4). In the 1930s, Pasundan stuck steadily to that unsteady line, continuing its cultural work and criticizing either the government or radical politicians when it believed the time and the issue were right. Maintaining its goal of strengthening the position of the Sundanese people, it won backing from among the educated Sundanese and the common Java and alienated itself farther and farther from the aristocracy of the region, who came to see the party as a greater threat to their position than that represented by the extremists.

On its way to becoming the most popular party in West Java, Paguyuban Pasundan struck alliances with both the colonial government and the radical nationalists, and it made serious enemies of the local nobility. In Yogyakarta things were quite different. There, the leading political party of the 1930s earned the enmity of both the administration and the radicals, and it was inspired, founded, and led by members of the local royal family. The Pakempan Kawulo Ngayogyakarta (PKN) was established in 1930, and from the beginning its combination of political, social, and economic aims, when taken together with the aura of nobility which surrounded it, was sufficient to ensure it great popularity in the lands of the Sultan and Paku Alam (O'Malley 1978). Opposed by the nationalists, who found it a divisive tool of the outdated aristocracy, the PKN also came into bad repute with the Dutch administration, which found the party's size (over 200,000 members) and some of its stances (for tax reductions; against sugar plantations) difficult to accept. Though government opposition eventually proved sufficient to cause the PKN to withdraw from the political field, the organization continued to work for the economic and social betterment of the Yogyanese, and it held the loyalty of many from its vast membership rolls right down to the Japanese occupation.

The interesting thing about Pasundan and the PKN is that their existence and success in the world of Indies politics tells little about the nationalist movement (from the normal recounts of which they are usually excluded). They do, however, say quite a bit about nationalism. The parties were founded, continued to exist, and even prospered on the basis that there was something unique and valuable about local people and their customs, something that should be preserved and even enhanced. In the case
of Pasundan, that preservation and enhancement were seen to be possible, and perhaps possible only, in connection with an independent - and federative, for that was always Pasundan's goal - Indonesia. For the PKN, the question of independence never arose as an important issue; to its royal leaders and its commoner members, the improvement of local conditions and the strengthening of relationships between the two classes were the chief goals, and they could be addressed and perhaps accomplished irrespective of who ran the central bureaucracy. For both parties, popular support was not built up on the basis of philosophical anti-imperialism or devotion to an Indonesian nation which was in the process of becoming. The parties instead grew by establishing and building on a tradition of service to those whose support they wished to attract. They did this so well that the PKN's membership figures were only ever exceeded in the Indies by those of early Sarekat Islam while in the late 1930s only Partai Sarekat Islam Indonesia, of all the well-known parties, had more members than Pasundan (Dahm 1971, p.76).

The traditional way of understanding modern political history in Indonesia has been to think that within the Dutch East Indies there existed an Indonesian nation bound and kept in place by the colonial government and by the economics of Dutch imperialism. In these terms the nationalist movement represented that nation's stirrings of self-awareness and its four-decade progress toward ultimate independence. It is now becoming clearer that this was not the case. Historians, in looking at the movement's size, its direction, and its effects on the population, have seen a world far more complex than that. They have uncovered a world in which radical nationalism might not have been the natural outflow of political thought and action in the Indies up until 1927, a world in which radical nationalism thereafter certainly did not obscure all other forms of politics. The glimpses which the Soekarno trial offers of some popular conceptions of nationalism are more complicating still. Some simplification of ideas might have been expected along down the ladder from educated thinkers to unskilled followers, but the real distance between the two is staggering. The right defence at the trial would claim, of course, that the leaders were being completely misunderstood by the masses, but it is fitting to ask whether it was not in fact the leaders who were completely misunderstanding the masses. The continued and useful existence of Pasundan and the PKN in what is ordinarily assumed to be a nationalist era also makes the situation more difficult. Their regional bases and their dwelling on local interests made them stronger, not weaker, parties, and they and particularist organizations among Madurese, Acehnese, and other ethnic groups must begin to be appreciated for what they were, spokesmen and formulators of valid alternative viewpoints, instead of as stunted offshoots of a dominant nationalist movement.

If the equation modern political history equals nationalist movement equals nationalism is in danger of breaking down, life among scholars and students of Indonesia is unlikely to be any easier for its passing. The periods of occupation and revolution are going to have to be seen as much more crucial in the welding of national symbols and the moulding of national spirit than they have hitherto been, and much more attention is going to have to be paid to the basic process of nation-building in studies of the years since 1950. New ideas about the place of nationalism among Indonesians and in Indonesian thought are going to have to be built, painstakingly, on what
can be learned of many, many individual and group commitments made to the idea of Indonesia over the course of time. The bases, the depth, even the nature of those commitments are likely to be extremely varied, but the problem of re-creating Indonesian nationalism is likely to make scholars more appreciative of the difficulties involved in trying to create an Indonesian nation in the first place.

NOTES

1. It is generally thought that Soekarno, knowing he was going to be found guilty no matter how effective his defence, pleaded his cause rather than his case. In actuality, his speech does both extremely effectively.

2. The personal information on Sudar and the questions and answers below are from the transcript of his 30 January 1930 interrogation by the police in Bandung. The transcript is part of Mailrapport 167X/1930, filed in Verbaal 9 May 1931 C9. This is from the archives of the former Ministry of Colonies of the Netherlands, at present maintained in The Hague by the Department of Interior Affairs. I am grateful to the Department for permission to consult and cite these materials. Further citations will be noted in the text in abbreviated form. The formula for the document cited in this note would be MC:Mr 167X/30, V 9 May 31 C9. This indicates the Ministry of Colonies archives, the appropriate Mailrapport, and the Verbaal in which the Mailrapport is filed.

3. The writer's attention was first drawn to some of these witnesses' statements in a class given by Professor B. R. Anderson in the autumn of 1972. The trial was covered in some detail in the newspapers De Locomotief and Suluh Rakjat Indonesia, and the testimony given at the trial can be found in them. The sources cited here are official and police statements and interrogations taken before the trial itself.

4. In some cases, of course, parties dropped from more than sight: the PKI, the PNI, and Partai Indonesia were all dissolved after leaving centre stage. Others, however, such as Budi Utomo, the various successors to Indische Partij, and Pendidikan Nasional Indonesia, continued to work long after the spotlight was turned elsewhere. Sarekat Islam, which ordinarily escapes attention and analysis after the split between religious and socialist elements in the early 1920s, was still the largest political organization in the Indies in 1939 (Damn 1971, p.76).

5. This position is taken from the address of the Pasundan chairman, Oto Subrata, at the 1929 Pasundan congress in Tasikmalaya (Petrus Blumberger 1931, p.295).

6. At a regents' conference in West Java in 1934, the Regent of Bandung said that Pasundan 'undermined the outposts of the governmental system and in so doing weakened the fortress against the attacks of extreme organizations'. For that reason, the Regent, presumably one of the outposts himself, saw more to fear in Pasundan than in Partai Indonesia (MC:Mr 723X/34, Letter G5p/9/14, dated 24 March 1934).
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SECOND THOUGHTS ON INDONESIAN NATIONALISM


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At the present time in Indonesia, communism is outlawed both as a movement and a doctrine. Adherence to communism, engaging in communist activities, or possession of communist literature constitutes an offence punishable by imprisonment, or, in some cases, by death. Scores of thousands of Indonesians are in prisons and detention camps because of their past communist activities or associations, and such communist groups as do exist now can only operate in great secrecy. This has been the situation since October 1965, when responsibility for an unsuccessful 'coup' against army leaders was sheeted home to the Communist Party and it was violently repressed by the military.

Immediately prior to October 1965, however, the Communist Party of Indonesia (Partai Komunis Indonesia - PKI) was a very large and popular political organization. It claimed to have over three and a half million members, making it the largest communist party outside the communist countries themselves. In addition, some twenty million people belonged to various organizations linked to the PKI - trade unions, peasant leagues, women's and youth bodies, etc. Moreover, the Party was highly regarded by President Soekarno, the nation's foremost leader since independence was achieved, who insisted that the communists be given more prominent roles in political life and (so many observers believe) favoured them to become his political heirs as leaders of the nation.

Overnight, in the wake of the October 1965 incident, the PKI was deprived of its strength and influence and became a hunted movement. President Soekarno was no longer able to protect it from the wrath of the army leaders whose colleagues had been killed during the coup attempt, and the communists put up little resistance themselves against their persecution. Seldom in history has so large and seemingly powerful a body collapsed so rapidly and ignominiously. Yet this was not the first occasion on which the PKI had amassed considerable mass support, only to be wiped out with one sweep of the sword. Twice before, in 1926-27 and in 1948, similar catastrophes had occurred, marking clear stages in the history of communism in Indonesia.

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Three features of Indonesian communism therefore stand out in its cycle of fortune and misfortune: the capacity of the movement to gather large popular followings; its vulnerability to the attacks of its enemies; and its regenerative powers, which have enabled it on two occasions to recover from destruction and experience a new upsurge of strength. Indonesian communism clearly has notable strengths and weaknesses, then, and an examination of these contrasting features of the movement will go a long way towards explaining its place in Indonesian life.

THE STRENGTHS OF INDONESIAN COMMUNISM

The Appeal of Nationalism

The Indonesian communist movement arose out of and in association with the national movement that began to develop in Indonesia in the early years of this century. Communist ideas were first introduced into the country by a group of Dutchmen living and working in the Dutch East Indies, who had embraced Marxism back in their homeland and carried their beliefs to the colony. They gathered around them a small number of educated Indonesians, most of whom were already members of the first widespread nationalist organization in Indonesia, Sarekat Islam. By 1920, the Indonesian pupils of the Dutch masters were ready to stand on their own feet, and founded the Indonesian Communist Party 'to supply socialist information and to cultivate a core of socialistically thinking and feeling people'.

The leaders of the newly established PKI worked in two main spheres. They remained within Sarekat Islam and tried to gain leadership of that organization and convert it to their own aims; at the same time they established or penetrated trade unions to bring workers directly under their influence. In both spheres they were remarkably successful, and by 1922 the PKI was challenging the founders of Sarekat Islam for control of that body and were also running some of the largest and most important trade unions in Java. In 1923 a direct collision between the communist and non-communist leaders of Sarekat Islam took place, and the former were expelled from the organization. However, the communists took with them more than half of the mass membership of SI and re-formed them into a Sarekat Rakja or People's Association.

Within a short time, however, the PKI began to suffer from the same problems that had afflicted the SI and all previous nationalist movements in Indonesia; they commanded large-scale support, but every time they tried to mobilize this support for some tangible objective, they came up against the power of the Dutch colonial army and police. The communists were no more able to overcome this problem than their predecessors; their best leaders were exiled or imprisoned, their strike actions were suppressed, their newspapers outlawed, their members and supporters intimidated into passivity. By 1926 the PKI was definitely on the decline, its membership shrunk and its cohesion undermined.

Yet at this very time, when their fortunes were low, plans were laid for an uprising against the Dutch. The Party's leaders and branches were split over the issue, and when the uprising did take place, it took the form of weak and unco-ordinated sallies in two areas only - West Java and
and West Sumatra - while the remainder of the PKI organization vacillated or repudiated the rebellion. The Dutch very easily put down the disorders and launched a full-scale campaign to crush the communists. So effectively was this done that the PKI ceased to exist as an organized movement for the remainder of the Dutch colonial period.

Summing up this period of the PKI's existence, Ruth McVey in her book, The Rise of Indonesian Communism, comments:

The PKI drew its cadres from the ranks of those who found themselves socially, economically and psychologically on the border between Indonesia's traditional and modern worlds. Though its core was urban, lower-class, and ethnically Javanese, it extended its appeal to Outer Islanders, merchants, the religiously orthodox, members of the lesser aristocracy, and wealthier peasants, in addition to and in some places even in exclusion of the more familiar sources of Communist support. Frankly playing upon popular messianic traditions, it thus gathered a heterogeneous following whose only common characteristic was bitter discontent at the colonial status quo. In accomplishing this, the party sowed the seeds of its own destruction, demonstrating the danger of relying too much on the anarchist element, which is part of Communism's appeal: the price of the PKI's popularity was the promise of revolution, and in the end it found itself leading a rebellion its leaders knew could not succeed (McVey 1965, P. xiii).

The first phase of the Communist Party's existence in Indonesia thus ended in a whimper, but it had not been all in vain by any means. The first school of PKI leaders had demonstrated that there was a considerable latent support for a movement of their character in the country, and as the initiators of the first attempted revolt against colonial rule in the modern era they had won for themselves credentials as nationalists that were to stand them in good stead in later years. As President Soekarno wrote:

A Nationalist who is reluctant to stand alongside of and to co-operate with Marxists ... forgets that the origin of the Marxist movement in Indonesia or Asia is the same as the origin of his own movement ... He forgets that hostility towards his Marxist compatriots is equivalent to rejecting a travelling-companion ... (Sukarno 1969, p.43).

The second stage of communist development in Indonesia once again coincided with the upsurge of nationalism, on this occasion the outbreak of the national revolution in August 1945. A small underground communist party had functioned during the Japanese occupation (1942-45), and had recruited some of the youth radicalized during that period. This nucleus re-formed the PKI openly in October 1945, and the Party's ranks were soon strengthened by the return of PKI veterans from exile abroad. Once it had become consolidated in March 1946, the PKI devoted its efforts primarily towards the struggle for national independence, and its policies at that time were not noticeably different from those of many other nationalist parties that
flourished during the war of independence against the Dutch. That is to say, the PKI again identified itself closely with the national movement, and leading members of the Party were included in a number of Republican cabinets.

In 1948, however, the PKI began to take a more militant anti-imperialist line critical of negotiations between the Republican government and the Dutch. It formed a coalition of opposition parties which threatened to displace the government, rely more heavily upon international support from the communist countries, and combine armed struggle against the Dutch with radical social changes in the Republic. It attracted a sizeable proportion of the Republic's armed forces to its side, but proved utterly incapable of standing up to loyalist military units in a direct encounter. In August 1948 a clash between pro- and anti-government forces broke out in Central Java, the causes of which are obscure and controversial. The government, however, branded the affair a communist rebellion, and called for the destruction of the PKI forces. The PKI leaders felt obliged to take up the challenge, and a short but bloody round of violence took place in which the communists were quickly put to rout and decimated. For the second time in its history, the PKI ended a brief bout of success with a shattering defeat, but this time, unlike the first, it could be accused of sabotaging the nationalist struggle or 'stabbing the Republic in the back', as its enemies were fond of saying in future years.

The effect of the 'Madiun Affair', as the episode became known, upon the PKI was important in several respects. In the first place it meant that the Indonesian communists, unlike their fellow communists in Vietnam, Yugoslavia and China, were unable to emerge from the anti-colonial struggle as the acknowledged leaders of their country's struggle for national liberation, with all the prestige and power that that involved. On the contrary, when the Republic finally won recognition of Indonesia's independence, in December 1949, the PKI had been reduced to a small, weak and dispirited minor party.

Secondly, the bloody ordeal which the party had undergone and had barely survived had a profound effect upon the future leaders of the PKI. Only young men at the time, and active nationalists before they became communists, they seem to have drawn the conclusion from their experience that the PKI must at all costs prevent a repetition of the Madiun Affair, and therefore must do everything in its power to avoid an armed confrontation in which the communists would be isolated and risk another shattering defeat. They determined to re-establish the PKI's credentials as a truly national party, and at the same time gain the protection afforded by association with other nationalists who shared some of their ideals. The opportunity to apply the lessons they had learnt came in January 1951, when the older leaders of the PKI were forced to make way for a group of younger men led by the intelligent and dynamic D.N. Aidit. The third phase of the PKI's history had begun, one that was to prove the Party's longest, most successful and ultimately most tragic to date.

The new youthful leaders of the PKI were nationalist by temperament, and they held the view, shared by a great many Indonesians at the time, that the terms of independence won for the Republic from the Dutch were so unsatisfactory as to amount to a betrayal of the national revolution. For
this reason alone, they were prompted to regard the revolution as incomplete. Their belief was strengthened by Soviet and Chinese communist attitudes at that time, which regarded most of the governments of the newly-independent countries of Asia as still dependent upon their former colonial masters and hence as only nominally independent.

Accordingly, the Indonesian communists made the starting point of their policies the issue of achieving complete independence for Indonesia by removing all Dutch economic and political influence from the country, and by 'liberating' Irian Jaya (west New Guinea) from Dutch control. This was a popular political line. In particular, it was a view shared by the radical wing of one of the government parties, the Nationalist Party (Partai Nasional Indonesia - PNI). In 1952, the PNI radicals won the leadership of their party, and in the following year broke with the Masyumi party and formed a government more or less dedicated to the kind of nationalist programme to which the PKI adhered. Since the government was dependent upon a number of smaller parties, including the PKI, for parliamentary support, it was prepared to make concessions to its allies in return for their votes. The PKI obtained the two things it most urgently needed - freedom from persecution by the authorities and the opportunity to expand its mass support.

Under the PNI-led governments which held office for the best part of the next four years, nationalist issues became more prominent in Indonesian political life than they had been since the end of the war of independence. The government took a strongly anti-colonialist stance in world affairs, promoted Asian-African unity, agitated for the return of Irian Jaya, and balanced its economic dependence upon American and Dutch interests with closer relations with the communist countries. This shift of government concerns from routine administration to ideological issues suited the communists very well. They had in office a government tolerant of them and raising the kind of issues which the PKI could use to popularize its anti-imperialist, pro-communist message.

The communist leaders, ever mindful of past misfortunes, were careful not to run too far ahead of government policy and risk isolation; instead, they tried to demonstrate that they were the most active and dedicated supporters and initiators of policies which the government coalition and its supporters shared. Thanks to their tight and disciplined organization, and their freedom from the temptations and corruptions of parliamentary office, the communists were fairly successful in their endeavours. Nationalist reputation was an important factor in the rapid expansion of the communist movement between 1951 and 1957, when its numbers grew from under 10,000 to over one million members, and it created the largest trade union federation in the country and thriving organizations of peasants, youth and women. The extent to which the PKI had succeeded in re-establishing its fortunes was revealed in the election results of 1955, when the party emerged as the fourth strongest in the country with over six million votes, 16.4 per cent of the national total. In provincial elections in 1957, the PKI did still better, increasing its vote in Java for instance by more than two million.

However, by 1957 the parliamentary system in Indonesia was in its death agonies. President Soekarno and the army leaders, viewing political party conflict as divisive and destructive of national morale, and being faced with
widespread regional rebellions, suspended constitutional procedures, declared martial law in the country, and began to work out the framework of a new system of government which Soekarno labelled 'Guided Democracy'. In effect, the new system concentrated power in the hands of Soekarno and his circle of intimates, on the one hand, and the army leaders on the other. The two groups were by no means united in their objectives, but they were both determined to use more authoritarian means to preserve national unity and discipline.

The PKI leaders were apprehensive at the overthrow of parliamentary institutions under which they had been making spectacular progress, and especially fearful of more power passing to the army leaders, who were well known to be anti-communist in their outlook. However, the communists were in no position to challenge the new system of government, especially at a time when the central government was under attack by anti-communist rebels in the regions.

One thing more than any other reconciled them to the new situation. President Soekarno needed a powerful mass organization to mobilize the population behind the nationalist goals dear to his heart, and at the same time to strengthen his position in rivalry with the military leaders. The PNI, the party with which he had been identified, no longer fulfilled his requirements; its long period in government had sapped that party of grass-roots vitality and it was split into warring factions. Soekarno had come to look more and more favourably upon the PKI leaders because they obviously had a dynamic and unified organization behind them, they shared his nationalist commitment, and they were even more interested than he was in restraining military power. He was satisfied that the communist leaders were genuinely patriotic and free of foreign control and that they would follow him loyally. For their part, the PKI leaders saw Soekarno as the force which could offer them political protection and also promote causes which would further heighten an anti-imperialist atmosphere in Indonesia. They decided to throw in their lot with the President, back him to the hilt, and allow him to make the pace in the policy areas in which they were most vitally interested.

The PKI decision proved to be of great benefit to the Party in the following years. Soekarno embarked on his crusades against the imperialists, colonialists and neo-colonialists, backing up his verbal denunciations with direct challenges to the Dutch in Irian Jaya and the British-promoted Federation of Malaysia. Nationalist fervour and activity became the most important passports to influence and presidential favour, and in this political climate the PKI flourished. It showed itself to be the most devoted and reliable supporter of Soekarno's ideas and policies, and hence earned the esteem that flowed from his popularity and authority. In addition, the party was able to mount its own campaigns within the context of the anti-imperialist crusade. Thus the PKI, in the name of patriotism and anti-imperialism, pressed for measures to oust Dutch, British and American influence; called for communist inclusion in the national government; attacked Soekarno's and its own opponents and critics as unpatriotic and faint-hearted; advocated land reform as a means of raising production, etc, etc. Not all the communists' efforts were successful by any means - they never managed to obtain positions of real importance in the government, for example - but they helped to create a mood in the country that Soekarnoism and communism were virtually indistinguishable, that anti-
communism was unpatriotic, and that they, and they alone, knew and were prepared to carry out the social reforms which would make Soekarno's vision of a free, independent and prosperous Indonesia realizable. On the other hand, the anti-Malaysian campaign, like the Irian Jaya campaign before it, led inescapably to the strengthening of the PKI's old foe, the army.

In the period from the onset of full-scale confrontation against Malaysia in September 1963 to the October 1965 coup attempt, the PKI enjoyed its greatest success in linking nationalism with campaigns for the domestic changes desired by it. Confrontation severed Indonesia's relations with the West and drew the government ever closer to China, the most fervently anti-imperialist of the communist countries. Capitalizing on this situation, the communists successfully agitated for the takeover of British and then American enterprises in Indonesia, and forced the withdrawal of most US cultural and welfare agencies in the country. They made a virtue of the cessation of Western aid to Indonesia by preaching the benefits of economic self-reliance. They pushed their land reform campaign in the name of raising production for patriotic purposes. They launched vigorous agitation against their enemies amongst Indonesia's 'new rich' bureaucrats and right-wing politicians by accusing them of sabotaging the patriotic struggle, succeeding in driving some but not all of these opponents out of public life in disgrace. They attempted with some success to penetrate the army rank and file and win sympathy from lower-ranking officers, while at the same time press for the creation of a 'fifth force' of armed workers and peasants, ostensibly to help defend the country but in reality to give them some counter to the vastly superior armed might of their foes among the army leaders.

By 1965 the PKI was enjoying such affection from Soekarno for its militant nationalism and reforming zeal that many inside and outside Indonesia thought that he was preparing the way for an eventual communist takeover. This argument will always be a controversial and unresolved one, but there can be no dispute that nationalist fervour acted as the closest bond uniting Soekarno and the PKI leadership, and that it therefore was the factor above all which brought the party closest to power.

The ability of the communists to use nationalism so effectively to advance their interests was partly due to the fact that they sincerely believed in the close connection between national interests and radical social reform, and partly because Soekarno's nationalistic crusades needed an organized popular base which only the PKI, with its commitment to the uplift of the workers and peasants, could provide.

Social Welfare

Not surprisingly, the PKI from its outset was concerned to mobilize the common people of Indonesia to improve their lot in society. This concern flowed directly from the fundamentals of communist belief. When an Indonesian was attracted to communism rather than to the forms of nationalism which confine their aspirations to national liberation from colonialism, he adopted two basic concepts: one, that the workers and peasants constitute the most revolutionary force in society, upon whom the national struggle must be
based; and two, that the ultimate aim of the struggle against imperialist oppression is not merely independence but a socialist society dedicated to the abolition of class struggle and oppression.

For both these reasons, the PKI tried to organize the workers and peasants for the defence and improvement of their material interests. The fact that in pre-independence days the main exploiter and oppressor was a colonial master ensured that communism would be part of the nationalist movement if it were to amount to anything, but the PKI's particular concentration upon social and economic issues rather than political independence alone also gave it a distinctive character within that movement. This should not be pushed too far, however. Actually, some leaders of the Sarekat Islam in particular had recognized the potential and interests of the workers before the communists came on the scene, and had organized a number of trade unions which had engaged in sporadic strike action. The PKI carried on and developed the same tradition, and before long dominated the major unions of workers in Java, among railway workers, sugar workers, metal workers, automobile mechanics and drivers, and pawnshop employees.

Like their predecessors, however, the communists found that the colonial power had too many means of suppressing workers' activity to enable trade unions to win many of their struggles for better wages and conditions. After initial support and enthusiasm, the unions tended to wither away when the members discovered that the costs of militant action were higher than the tangible benefits. By 1926, when it launched its disastrous uprising, the PKI had lost much of the worker support it had had a few years earlier. The Party in this period made little effort to tackle the far more difficult task of organizing the peasantry.

When it was reorganized in 1945, the PKI was the first political party in Republican Indonesia to set about organizing the workers and peasants in a concerted way. It soon headed the largest union federation in the Republic, and the largest and most active peasants' league. For the most part, however, the Party engaged in little explicit social action during the national revolution; subscribing to the notion that social changes must be postponed until after the common struggle for independence has been realized, it confined its work among the workers and peasants largely to political agitation and propaganda.

It was only after the PKI had been reconstructed a second time in 1951 that it made full use of the opportunity to bind the workers and peasants to it by activity on behalf of their immediate interests. Trade union action took priority at first, if for no other reason than that PKI links with the workers were already of long standing and well institutionalized, while it had yet to reach out to the peasants to any significant degree.

It did not take the PKI long to discover, however, that militant industrial action was a costly business for a small party when the government and army were hostile to it and the working class itself weak in numbers and self-consciousness. After a series of strikes in 1951, the government clamped down hard on the Party, threatening it once again with the prospect of destruction, and the leaders reassessed their tactics. Even when times changed, and PKI relations with the government became much more friendly, there was a clear understanding between the two that class agitation by the communists would not be tolerated. The PKI was only too well aware that the
army leaders were anxious to be given another opportunity to crush it. Accordingly, the PKI leaders were very restrained in their industrial tactics from that time on. They used various kinds of pressure to protect the living standards of the workers, particularly against the ravages of inflation, and preserve their jobs, but strikes were rarely resorted to. Communist influence and pressure undoubtedly helped to persuade the government to introduce measures to cushion the workers against inflation, such as the direct supply of food and other essentials to workers in government employment. But the workers never became a major base upon which the PKI could rely to force political concessions in its favour. The fact that hardly any industrial development took place between 1951 and 1965 contributed to a situation where the unions were relatively powerless to act independently in support either of their own interests or specifically of communist objectives.

In 1951, the communists had declared that 'the Indonesian revolution was above all an agrarian revolution' and that, next to the expulsion of imperialists influence, their major objective was to put an end to feudal exploitation of the peasants by ensuring that the land should belong to those who worked it. It followed from this that they planned to win the support of the peasants on the basis of radical social reform. But for years the party had only very sparse organizational connections with the peasantry, sufficient to win votes among them but not to mobilize them effectively on the basis of their special interests.

Realizing this weakness, the PKI leaders set the Party only very moderate tasks in this field in the fifties. The communists had to win the confidence of the peasants, they argued, and the best way to do this was by small, modest activities which would have the support of the overwhelming majority of villagers. The success with which they carried out this policy accounts in no small way for the tremendous expansion of communist support in this period.

With careful diligence and patience, the PKI tended to the everyday problems of the peasants, 'organizing the sharing of agricultural tools, arranging mutual assistance when feasts were held, building new water channels, and helping the victims of fire and floods' (Feith 1963, p.339), as well as forming sporting, cultural and other associations to relieve the tedium of village life and in particular provide attractive outlets for the interests of young people.

One factor aiding the PKI in winning peasant support was the absence of competition from the other political parties. The Muslim parties carried out welfare activities among the more devoutly religious peasants, but the great majority of villagers were given slight attention by the major parties. Most of the leaders of these parties were educated men from the cities and towns of Indonesia, with little knowledge of conditions in the countryside; coming largely from families of high status in the traditional society, they were prone to share the attitude of disdain towards the villager typical of their class.

By the early sixties the PKI had made substantial headway in organizing the peasantry in the moderate ways described, but the very moderation of its approach meant that class sentiment and activity had not been developed among the villagers. Consequently, the communists could not rely on their
huge peasant base as a solid phalanx should they find it necessary or desirable to press their revolutionary aims more strongly. An attempt was made by the party to change this state of affairs in 1964, by means of a campaign to mobilize the peasants to carry out land reforms. The PKI based these actions on laws passed by the government in 1959 and 1960, which promised the share-cropping peasant a minimum of 50 per cent of his crop, and provided for the division among landless and poor peasants of large landholdings held by a single landowner. The laws had not been implemented very energetically by the authorities, and so the PKI sought to radicalize the peasants and strengthen its power by having them take land and divide the crops by direct militant action.

The campaign aroused a good deal of support among the poorer peasantry of Central and East Java in particular, but it also aroused strong resistance from local authorities and devout Muslim groups in the countryside, many of whose members belonged to the class of richer villagers. Violent clashes took place between supporters and opponents of the land reform, with religious passions being injected into the conflict. In the end, the results were rather inconclusive, with the communists forcing some land redistribution but getting the worst of the violence. They were obliged by the end of 1964 to phase out their land reform actions in order to avoid further losses and the risk of harming their top-level political alliances.

Taken overall, the PKI may not have been able to do anything very spectacular to improve the conditions of the peasants and workers in a period of economic stagnation and mounting inflation, but the fact that it tried hardest of all the political parties to do so won it the greatest support from these classes. How useful this support was to the party as a lever to achieve its revolutionary objectives was another matter, as we shall consider in more detail below.

Moderation and Flexibility

Enough has already been said about communist policy to indicate that the PKI leaders were anything but wild revolutionary agitators. They aimed at nothing short of total political power in Indonesia, but they were intelligent, careful and pragmatic leaders who appreciated their own strengths and weaknesses, and acted on the assumption that their road to power was a long and difficult one. They had decided that they could not mount a successful armed revolution, and must work through the existing political system to gain their objectives, making the maximum use of important allies such as President Soekarno. Consequently, they went out of their way to try to impress those in power, and potential followers, with their moderation, patriotism, and constructive approach to the country's problems.

The general policy of the PKI leaders was to base themselves on Soekarno's ideas and declarations, interpret them in the most favourable light for themselves, and judge other political figures by their reaction to these interpretations. In this way, opponents of the communists could be made to appear as opponents of Soekarno, an uncomfortable position for any prominent person under Guided Democracy. Confining the targets of their opposition to their most obvious foes, the PKI tried to isolate those on the political right, push the general political climate steadily to the left, and thus make
easier its eventual claim to leadership of the nation. It enjoyed considerable success in this endeavour, with increasing co-operation from Soekarno after full-scale confrontation with Malaysia began in September 1963.

Organization and Ideology

The PKI demonstrated its organizational ability early in its history, when it succeeded in taking over most of the local branches of the Sarekat Islam. Again, during the national revolution, the party very soon established itself as the most successful founder of workers' unions and peasant leagues. After 1951, when the PKI commenced the longest and most successful phase of its existence, its growth in numbers, its successful sponsorship of mass organization, and its ability to deploy these mass battalions effectively behind its policies, were all quite phenomenal in the Indonesian context.

As one expert observer of Indonesian communism noted in the early sixties, the PKI leaders displayed 'intellectual rigour and shrewdness' of a high order, they 'motivated and inspired dedicated cadres', and promoted 'an intellectual ferment which is lacking elsewhere'; he paid tribute to the 'honesty, integrity and dedication' of the Party's leaders, as well as their 'skill, realism, imagination and boldness' (Pauker 1965, pp. 258-60, 276).

A large reason for the PKI's strength in organization lay in the fact that it believed more strongly than any other party or group in the value of mass organization and the role of the workers and peasants in social change. This belief, of course, sprang from the ideology of communism itself, which cannot hope to reach its goal of total social change without mobilizing the actual and potential dissatisfied elements in society. Of the other parties, the Muslim groups could lead the faithful into action, often with devastating results, when their religious interests appeared in danger, but for the most part the non-communist parties wanted to preserve the distance between the elite and the masses of the people.

Independence

A common view of communist parties is that they are merely appendages of one of the major communist countries, either the Soviet Union or China. There is no doubt that many communist parties were heavily under Russian influence, especially in the Stalinist period (1924-53), and some continue to follow the USSR or China blindly. On the other hand, particular communist parties have adapted to conditions in their own countries and developed original strategies designed to advance their prospects in them.

In the case of the PKI, we have a communist party which at all times was largely independent from outside control or direction. In the colonial days, a number of factors served to insulate the PKI from Moscow control - distance, poor communications, the preoccupation of the Comintern (International Communist Organization) with developments in other parts of the world, and the effects of Dutch persecution. It is notable that of the two most important decisions taken by the PKI in this period - to break with the Sarekat Islam in 1923, and to stage the 1926-27 rebellions - the first was made without consultation with Moscow and the second in defiance of its directions.
During the national revolution, influence from Moscow only began to make itself felt to any degree on the very eve of the Party's destruction at Madiun. Until that time, the communists had little contact with Moscow, and followed their own inclinations and insights, although some of the leaders, having spent many years in exile in international communist circles, felt that they were being consistent with Comintern principles.

In the PKI's heyday, between 1951 and 1965, the Party leaders were very jealous of their independence. They re-established the PKI's strength with no help or guidance from outside, and this made them confident of their ability to handle Indonesian political problems themselves. They respected Soviet and Chinese experience, and studied it to help them formulate policies, but they themselves decided what parts of those experiences were relevant to their conditions. They not only valued their independence, but knew it was an important political asset. Their PNI allies and Soekarno would not have been prepared to co-operate closely with the PKI if they had believed that it was subject to orders from foreign communist powers, while the party's enemies, who were always keen to depict it as an alien force in Indonesian politics, would have made great play upon any evidence of foreign control.

When the Soviet and Chinese Communist parties came into open conflict from 1960, the PKI was very careful to adopt a neutral stand between them, and to reassert its independent policies. This approach served the PKI very well, as shown by the fact that it was one of the very few communist parties in the world which did not suffer serious splits in the course of the Sino-Soviet dispute. Eventually, in 1963, the PKI came down more decidedly on the side of the Chinese party, but only after Soekarno in the wake of confrontation with Malaysia had himself turned to China for moral support; even then, the PKI only accepted those aspects of Chinese ideas which were congenial to its own strategy in Indonesia. At no time did the PKI leaders allow themselves to be dictated to by either of the major communist powers.

The Javanese Tradition

The PKI was always a predominantly Javanese party, and particularly so after independence. This was clearly revealed in the 1955 general elections, when more than 88 per cent of its vote was received in that part of Indonesia. Later, the PKI did succeed in expanding its support in the other islands, but to nothing like the extent of its backing in East and Central Java. A number of factors accounted for this geographical limitation on PKI support. During the revolution, the Dutch controlled many of the Outer Islands, and did their utmost to suppress communism there, while after independence army commanders exercised considerable power outside Java and were equally intolerant of communist activities. Religious and sociological factors also influenced the situation: the predominantly Muslim and Christian communities in the Outer Islands resisted communist penetration, and the individualistic type of cash crop farming and trading widely practised outside Java made the inhabitants more prosperous and less susceptible to communist appeals.

The basis of the PKI's support in Java after independence can be established with some confidence. From the 1955 election results and other
evidence it is clear that communism appealed particularly to that section of the peasantry and urban poor known as the *abangan*, the majority of Javanese who are nominally Muslims but who in fact adhere to many pre-Islamic (animist and Hindu-Buddhist) customs and beliefs. The PKI made very little impact upon the *santri* or devout Muslims of Java, who had their own religious and political organizations to take care of their interests. The *abangan*, on the other hand, were relatively deprived of political and social representation in independent Indonesia. Their traditional patrons, the *priyayi* or urban official class, tended to take peasant support for granted and did little to serve the interests of this numerous class.

Yet the *abangan* after independence were in urgent need of a political champion. They felt themselves vulnerable in two respects. In the first place, the *santri*, who were better organized and more active in social and political life, were threatening to dominate village life and force their customs on the peasants to the great discomfort and dislike of the *abangan*. Secondly, as subsistence rice-farmers, the *abangan* felt the effects of land shortage, government taxes, military power and other pressures of population growth and 'modernization' as dangers to their very existence.

Consequently, when the PKI came to them with its promises of economic and social reform, the preservation of social customs and communal rights, and protection against bureaucratic abuses, they took the party to their hearts. This was all the more the case since the PKI could present itself as the ally of the non-Islamic nationalists and later of Soekarno, who based his appeal strongly on ancient Javanese cultural traditions. The PKI at first demanded little of the peasantry other than generalized support, and it tried to ease their situation by constant and painstaking attention to their grievances, as well as establishing social organizations to meet their cultural and recreational needs.

The PKI, then, had a ready-made electorate among a large underprivileged and politically underrepresented section of the population.

THE WEAKNESS OF INDOONESIAN COMMUNISM

Failure During the National Revolution

As mentioned earlier, the inability of the Indonesian communists to win the leadership of the national revolution represented a major handicap for them in post-independence politics. In almost every case where communist parties have come to power as a result of their own efforts (Russia, Yugoslavia, China, and Vietnam), it has been under conditions of war where the communists were able to take advantage of a vacuum of power resulting from the dislocation caused by the hostilities. In each case, nationalism was a crucial element in the communist appeal to populations shaken and uprooted by the wars. (Cuba is the sole exception to this rule.)

In Indonesia, on the other hand, the communists lost out in their struggle to win the leadership of the national revolution against the Dutch, partly as a result of the fact that there was no significant communist underground during the Japanese occupation. Consequently, when the communists had to devise tactics for revolution in an independent Indonesia, they were
faced with a government and an army in control of the country and themselves clothed in the mantle of nationalism. The communists decided that they could not directly challenge these forces by armed struggle with any hope of success, and therefore had to work through the established political system with all the constraints that this implied.

In a sense, the PKI was always in the position of an 'out' group trying to replace an 'in' group under conditions which favoured the latter; hence the pains they took to win friends and allies among the powerful, to cultivate an image of moderation, patriotism and responsibility, and to prevent themselves becoming isolated and open to repression by stronger opponents such as the army.

Weakness of Class Factors

The strongest appeal of communists everywhere is to the class interests of the workers and peasants. The workers are organized around the struggle to improve their wages and conditions, and the communists try in the course of these struggles to accustom the workers to the value of solidarity and mutual sacrifice. At the same time, they try to give the workers political consciousness - in other words, to convince them that their basic interests demand a revolutionary struggle for socialism.

Mention has already been made of some of the difficulties faced by the Indonesian communists in this field. The Indonesian working class was small in numbers, and vulnerable to governmental and army repression in the urban centres; even the PKI's allies in the government after 1953 were not prepared to tolerate strikes and other forms of radical worker action on any scale. It is doubtful, in any case, if the workers would have been prepared to follow the PKI if it had forced them into stern confrontations with the authorities. Only a relatively small proportion were in large enterprises where numbers would have given them any security, while in the smaller workplaces, where most of the workers still had attachments to the land, the employer was often regarded as a bapak or patron who could be counted on to protect his employees during periods of slackness or illness. Consequently upon these circumstances, there was little opportunity for the PKI to develop the workers into revolutionary material.

The position among the peasantry was similarly unhopeful from a revolutionary point of view. In China and Vietnam, for example, the communists had aroused the militancy of the poor peasantry by directing their grievances against landlords who monopolized the land, charged high rents, etc. In Java and the rest of Indonesia, too, on the other hand, landlordism was not highly developed; in most villages, there were few landholders who owned more than enough land to maintain themselves, and the main problem facing the Javanese peasantry was an absolute shortage of land. The most prosperous farmers were usually the village lurah (headman) and his subordinates, who received grants of land instead of money payment for their services, and who after independence were elective and therefore not hereditary owners of their land.

For these reasons, the PKI found it difficult to find issues which would develop class divisions within the villages, and it tended instead to promote welfare and social reforms which benefited richer and poorer villagers
alike. Only in 1964 did the communists try to stimulate more class-conscious actions around land reform, and, because of the conditions already described, including the antipathy between abangan and santri, these actions do not seem to have been very successful in raising the revolutionary outlook of the poorer peasants.

The attitude towards the PKI on the part of most of the workers and peasants appears to have been that they were prepared to support the communists so long as the latter could bring them benefits without too great a cost. But when the PKI was put on the defensive after October 1965, and it became dangerous to be associated with it, then the masses of PKI supporters deserted it by the million.

In other words, conditions in Indonesia were not ripe for class programmes and class action. The PKI could not hope to win power by relying upon the militancy of the poor, and its hopes had therefore to be pinned upon the goodwill of a patron such as Soekarno. This was a grave disadvantage for a party standing for the complete restructuring of society.

Hostility of Civilian and Military Elites

Muslim party leaders and most of the senior officers in the army were always strongly opposed to the communists, and distrusted Soekarno's policy of giving them a share of governmental power. In addition there was a strong right wing in the PNI which shared this hostility towards the PKI. Even among those in the government or bureaucracy who paid lip service to Soekarno's policies, however, there were only a relatively few who wholeheartedly endorsed the view that the PKI could be and should be drawn fully into the government and other key positions.

There were many and varied reasons for this suspicion and hostility towards the communists, but one general explanation stands out. No matter how moderate and accommodating the PKI leaders might show themselves to be, they did stand for a revolutionary transformation in society, and greater power for the workers and peasants. But those already in positions of power in Indonesia were naturally more satisfied with things as they were than eager for radical changes in the existing state of affairs. If the communists succeeded in bringing about such changes, most elite members, in the light of experiences in other communist states, could have little confidence that the PKI would genuinely share power with them or preserve their privileges as men at the top. Therefore, as a matter of self-preservation, they resisted any moves that would increase communist prospects of gaining power.

This presented the PKI leaders with a considerable problem, since, for reasons already advanced, they had little alternative but to rely upon a significant section of the elite in power to acquiesce in their hoped-for takeover of the country. The PKI's only solution was to try to divide the elite among themselves to the point where they would be unable to offer any concerted opposition to communist pressure for greater positions of power. They were accomplishing this very skilfully until the coup of October 1965 put an end to their plans, but it is by no means certain that they would have succeeded in any case; crisis of one sort or another was always around the corner in Indonesia at this time, and the PKI lacked the real
punch to stand up to the army in a crisis. Its support in the armed forces was insufficient to be more than a provocation to the generals, while the Fifth Force proposal had yet to materialize.

There is no agreed version of the October coup of 1965. The present Indonesian government, and a considerable body of expert Western opinion, believe that the PKI planned and carried out the putsch against the generals to rid themselves of the major obstacle in their path to power. Other writers who have studied the events, however, disagree with this view; they argue that the PKI was doing very well by pursuing peaceful pressure tactics, and the Party leaders would not have been so foolish as to tackle the army on its own ground by precipitating violence. According to this second view, the PKI leaders were caught up in the coup attempt by the intrigues of other elements, particularly pro-Soekarno officers who wanted to get rid of their 'reactionary' chiefs.

Whatever the truth of the affair, its aftermath revealed the acute weakness of the PKI in the face of any army onslaught, and the extent of the hostility it had aroused among the politically powerful. Soekarno stood almost alone in defending the PKI and trying to protect it from army vengeance, while most prominent Indonesians showed little sympathy with the victims of the massacres which took half a million or more lives.

The Javanese Tradition

Having described the positive effects of this tradition in providing the PKI with a large electorate among the *abangan*, it remains to put the other side of the story - the limitations for the PKI of being a Javanese and *abangan* party. The first thing to note is that, so long as the PKI was weak in the Outer Islands, it could not hope to come to power nationally except by working through the national government apparatus, based in Java. A revolutionary path to power was, in other words, ruled out by the communists' geographical limitations alone; if by any stroke of fortune they could have taken over Java, they would have faced a counter-revolution on the other islands which it is difficult to see them subduing. Java, on the other hand, was unsuitable terrain for peasant guerilla warfare - a crowded island, it had relatively good road and rail communications, few safe sanctuaries, and no line of retreat whatsoever.

Next, the *abangan* themselves were not strong revolutionary material. Quite apart from the absence of sharp class differences among them, already referred to, their culture placed a high value on social harmony and deference to superiors. It was therefore a major problem to persuade them to engage in activity which would divide village loyalties or bring them into conflict with the authorities. That the communists did succeed to some degree in overcoming these disadvantages is a tribute both to their persistence and the extent to which the sheer pressures of land hunger were breaking down long-established *abangan* traditions. But when it came to a showdown in which the *abangan* were pitted against other powerful social forces, the weakness of the PKI position became clear. Thus in 1964, during the land reform conflict, the *santri*, who are freer of traditional restraints than the *abangan*, proved to have more stomach for a fight and eventually forced the PKI to retreat. Similarly after the coup episode in 1965, the *abangan*
(admittedly deprived of clear PKI leadership) succumbed to combined army and Muslim assaults with hardly any resistance.

The PKI position forced it to champion the *abangan* against the *santri*, and so to attract and reinforce the antagonism of the committed Muslims. In doing so, it found itself at critical stages on the losing side of communal conflicts.

In conclusion, it would appear that the place of communism in Indonesian life has been that of representative of the material and cultural interests of the workers and subsistence peasants of Java, the most numerous classes in the country. Its revolutionary aims and objectives undoubtedly equipped it to fill this role, but the objectives themselves could not be attained in a country where the national revolution was consummated under non-communist auspices and class differences have not developed to the point where they override commitments to older loyalties. So long as the communists could meet needs felt by their huge following without subjecting that following to undue attack from other forces in society, they prospered. But as soon as this borderline was passed, the communists found their support wilting and their organization exposed to drastic repression. The irony for the PKI, then, was that its large numerical strength was useful for everything except the revolutionary aspirations it held. This may change in the future, if the gulf between the well-to-do and the poor in Indonesia grows, but so far communism has had to play a role far short of that which its ideology lays down for it.

NOTE

1 Hartough, an early Communist leader, quoted in McVey 1965, p.49.

REFERENCES


In the last few years the political significance of Islam has once again become a subject of widespread interest throughout the world, among non-Muslims as well as Muslims. The Iranian revolution of Ayatollah Khomeini, the firm intention of the government of Pakistan to implement the Shari'a, the restlessness of Muslims in Southeast Asia (especially among the Patani and Moro people in Thailand and the Philippines respectively) and the increasing tension between Muslims and non-Muslims, particularly the Christians, in Indonesia, have aroused concern in many quarters. Some look upon this development as a possible resurgence of Islam across the world, perhaps as an alternative to prevailing ideologies and lifestyles, while others see it as a danger which will retard progress in the countries concerned and revive the lifestyle of the Muslim Middle Ages.

This paper will deal with the position and role of Islam as a political force in Indonesia in the twentieth century. More stress will be laid on the developments since the achievement of independence, but some discussion of Islam in earlier periods, especially the late colonial period, will be necessary if we are to assess present-day Indonesian Islam in a historical perspective. The character of Indonesian Islam has indeed been influenced greatly by developments over the last sixty or seventy years.

THE DUTCH PERIOD

Ever since the seventeenth century Muslims in Indonesia have in general played a prominent part in spearheading the resistance of various groups throughout the archipelago to the intrusion of Dutch colonialism. This was manifested in various small and large-scale uprisings, right down to the time when Dutch power became firmly secured in the archipelago in the early twentieth century. This Islamic resistance to the intrusion of alien influences was also expressed in activities of a peaceful nature, such as those of the Islamic educational and social organizations and political parties, notably the Muhammadiyah and Syarikat Islam, starting from 1912. The various pesantren and other religious schools became centres of opposition to Dutch power and quite a number of their teachers, whether traditionalists or modernists, were exiled by the Dutch. The fact that the Dutch were non-Muslims constituted sufficient reason for the Muslims to adopt an inimical attitude toward them. Such an attitude was also inflamed by the various forms of injustice, discrimination and suppression which colonial rule gave rise to throughout the country, as manifested not just in the political sphere, but also in other fields of activity as well (Noer 1973).

Aware of the potential threat that Islam posed for them, the Dutch tried to appease the Muslims by adopting an apparently tolerant attitude toward Islam as a religion, while at the same time trying to keep Islam separate from politics. The Dutch also tried to give an impression of neutrality.
toward religion in general. They allowed freedom in practising rituals and Muslim religious courts were also maintained. An adviser on religious and native affairs was appointed and a number of schools which had been set up by various Muslim organizations obtained government subsidies. The Dutch government also assisted with the hajj (pilgrimage) by, inter alia, opening a consulate in Jeddah. Dutch shipping companies made special arrangements for the transportation of pilgrims to Mecca.

Muslim reactions to the Dutch policy toward Islam were, however, based on distrust for obvious reasons. Unlike the Spanish government in the Philippines, the Dutch government was not much concerned with proselytizing efforts to convert the local people, but it was very conscious of the 'white man's burden'. On many occasions, including the inauguration of the Ethical Policy in 1901 as expressed in the royal address to the Dutch Parliament, the government expressed support for the spread of Christianity in Indonesia. It therefore gave assistance to Christian missionaries, who gradually also penetrated Muslim sultanates. Subsidies to Christian organizations and schools amounted to more than one hundred times the sum given to Muslim schools.

Muslims also resented the curtailment of the power of their religious courts. Following the Dutch recognition of adat as distinct from Islamic law around the beginning of this century, the 'reception theory' was adopted, according to which Islamic rules were considered as law only if they had been absorbed so into the adat. In the 1930s cases of faraid, the Islamic law of inheritance, were transferred from the religious to the civil courts (Lev 1972; Hooker 1978, Chapter 5).

Muslims did not regard the establishment of the Dutch consulate in Jeddah and the office for Islamic and native affairs in Jakarta as a help to them. Both offices, they said, were opened with the aim of monitoring and controlling the Muslims at home as well as in the Holy Places. The Dutch shipping companies were certainly aiming to make profits from the pilgrimage rather than engaging themselves in such activities for religious or humanitarian reasons.

Subsidies to Muslim schools were very insignificant. Much more money was needed, and it was in the field of education that the government could have done more. In general it can be said that since the turn of the century Indonesians demanded more and more schools. But from the Islamic point of view the Dutch policy on education was detrimental to the development of Islam. On the basis of the ideas of Snouck Hurgronje, the Dutch adviser for Muslim and native affairs at the turn of the century, the Dutch embarked upon an 'emancipation' policy of the Indonesian youth by establishing secular schools. Future leaders of Indonesia, at least a part of them, became therefore estranged from their own religion. They also came to share the idea developed in the West that religion was simply a personal matter, and that it was concerned merely with the spiritual aspects of life. Thus the idea of the separation of church (i.e. religion) and state was introduced. Only the spiritual realm of Islam was recognized, as also was part of its family law. Yet, in matters of personal law the authority of Islamic law was weakened, as witness the declining role of religious courts.
The pre-war Indonesian educational system had a dual character, with secular and religious (Islamic) schools existing side by side. The Muslims tried to overcome the secularization process by demanding the introduction of religious lessons at school (which was conceded by the government in the 1930s for secondary schools, although they were given only after school hours) as well as by setting up their own schools in which secular subjects were taught. Modernist Muslim teachers were especially active in this field. In addition, leaders of Muhammadiyah, Persatuan Islam, Al-Irsjat and Partai Syarikat Islam Indonesia, especially men such as Haji Agus Salim and Ahmad Hassan, were active in looking after the spiritual needs of the educated youth. In 1925 the Jong Islamieten Bond (Union of Young Muslims) was established with the aim of enabling young Dutch-educated Muslims to upgrade themselves in matters of religion (Noer in Soemarsono 1978, pp.240-55). They also became cadres in the political struggle as well. Muslim scout movements also did a great deal to prevent their members from becoming estranged from their own religion. Many Masjumi leaders of the independence period came from JIB and these scout movements.

The dual character of the educational system produced on the one hand secularly oriented intellectuals or leaders and, on the other, religiously-oriented (i.e. devoutly Islamic) people.* This polarization, which continues to exist today, was reflected both in political groupings and in the dominant ideas about various matters, such as education, law and the nature of the future Indonesian state. The secularists did not necessarily have an antipathy toward religion; in fact, quite a number of them were themselves devoutly religious. They did, however, adopt a neutral attitude toward all religions in general by looking upon them as equal in status to each other. They were also of the opinion that real unity in Indonesia could only be brought about on the basis of nationalism rather than religion.

On the other hand, the Islamic-oriented people wanted to see Islamic teachings implemented not only in individual life, but also in social and political life. Naturally debates occasionally flared up between the two groups. The most serious of these were reported around 1930 when nationalist leaders, mostly from the Indonesian Nationalist Party (PNI), branded as out of date certain aspects of the teachings of Islam on matters which included marriage and divorce and even the hajj. The decline of the federation of political parties PPPKI, in the late twenties, was caused by, inter alia, these differences.

In the second half of the thirties the two groups became reconciled in the political federation GAPI and joint actions were launched as part of the struggle for independence. But it was already clear then that tensions between the two groups would arise again in the future. The MIAI, a federation of Muslim organizations, resolved in 1941, for example, that the future head of the Indonesian state and two-thirds of the cabinet ministers

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* This term is used throughout the paper to refer to the more devoutly Muslim, or santri, people who identify strongly with one or other Islamic organization or party.
should be Muslims, that there was a need for a ministry of Islamic affairs and that parliament be based on Islam.

Muslims blamed the Dutch for their differences with the nationalist group who, they said, were products of Dutch educational policy. Even traditionalist Muslims, who previously were more concerned with the spiritual than the political aspects of Islam, began to be active in the political sphere as well. Together with the modernists, they mounted a campaign for the withdrawal of the Dutch plan in 1932 for an ordinance on private schools which would have hampered the development of Muslim and nationalist education; and in 1937 they opposed a marriage ordinance which would have secularized marriages of Muslims. Both plans had to be abandoned by the Dutch in the face of the widespread opposition they aroused.

It was thus that the Muslim movement developed during the last four or five decades of the Dutch period. Originating as a diversity of local organizations in various parts of Indonesia, it had established itself by the early forties as a unified force that had to be taken very seriously by the Dutch as well as by the religiously neutral nationalists. On many occasions the latter had to come to terms with the Muslims, who in turn were increasingly beginning to regard themselves as part of the global Muslim movement.

THE JAPANESE OCCUPATION

In spite of the difficulties of the period, the Japanese occupation of Indonesia during World War II gave ample opportunity for Indonesians, including Muslims, to prepare themselves for an independent Indonesia. Quite a number of Muslim leaders, including traditionalists from the pesantren, joined the government bureaucracy. Religious offices were expanded into the regions, all manned by Islamic-oriented people. The Muslim youth obtained military training and were even allowed to set up their own armed groups, such as Hizbullah. Some of the prominent pre-war members of Muslim organizations became Peta (defence army) commanders, including Kasman Singodimedjo and Sudirman (both of them from Muhammadiyah, the latter subsequently becoming overall commander of the armed forces during the revolution).

In the national leadership, as reflected in Putera and Jawa Hokokai, Muslim leaders could not match the popularity of Soekarno and Hatta, but neither were the latter able to ignore the Muslim part of the population. Both admitted the need to join hands with them, and invited one of the Muslim leaders, Kyai Haji Mas Mansur, to become a member of the Empat Serangkai (Four-leaf Clover). Soekarno and Hatta as well as other nationalist leaders had regular contacts with local pesantren and kyai, and leaders from Muhammadiyah and Nahdatul Ulama. The strength of the Muslims was also reflected in the continuation of their federation, MIAI, and later on in the establishment of Masjumi. This unity of Islam was maintained not only through organizational means, but was also promoted through visits of their leaders to various regions. It was further strengthened by the training of ulama by the government. Some Sumatran leaders also visited their colleagues in Java. A feeling of self-esteem among the Muslims was aroused by news about the firm stand of Haji Abdul Karim Amrullah, a very respected ulama who had been exiled by the Dutch from West Sumatra to Sukabumi, West Java, in
the early forties, in defiance of Japanese instruction to bow in the direction of Tokyo as a token of respect to the Japanese emperor; this fortified their spirit in the struggle.

However, the Muslim position during the Japanese occupation also had its drawbacks. The devout Muslims were certainly outnumbered in the bureaucracy, which had never been attractive to the Muslims during the Dutch period. In the various 'representative assemblies' they did not have a proportional number of seats. Only fifteen out of sixty members of the Investigation Committee for the Preparation of Indonesia's Independence, formed in 1944, belonged to the Islamic group. In the Preparatory Committee for Indonesia's Independence, set up in July 1945, only two out of twenty-one members (later on three out of twenty-seven) were Islamic-oriented people.

But the small representation did not automatically produce a negative result for Islam. This was made possible by the firm insistence of the Islamic representatives to incorporate Islam into the constitutional framework of the future state. On 22 June 1945 an agreement was signed by Soekarno, Hatta, Subardjo and Yamin (on behalf of the nationalists), A.A. Maramis (a Christian), and Haji Agus Salim, Abikusno, Wahid Hasjim, and Abdul Kahar Muzakkir (on behalf of the Muslims), in which the 'obligation to follow the Shari'a by adherents of Islam' was stipulated. The agreement, later known as the Jakarta Charter, was honoured by all the signatories throughout the rest of the Japanese period. It was also incorporated in the preamble of the draft constitution of 1945 (Anshari 1979).

However, one day after the proclamation of independence, on 18 August 1945, the 'Shari'a clause' was deleted.

THE INDEPENDENCE PERIOD

This period started with the revolution (1945-49), followed by phases of parliamentary democracy (1950-57), 'Guided Democracy' (1957-65), and the New Order (from 1966 on). The role of the Muslims in this period of independence varied from one stage to another.

The revolutionary period saw a very significant role for the Islamic-oriented people. They fought in the battlefields with their own armed bands (Hizbullah, Sabillillah), or as part of the official army, which was headed by a former Muhammadiyah member, General Sudirman. Kyai in the villages gave moral support while quite a number of them joined the fighting themselves. The call of 'Allah Akbar' (God is Greatest) was heard everywhere. Muslim organizations and ulama issued fatwa (decisions of a religious character) that it was obligatory for every Muslim to defend the country from the Dutch.

In the political field the Muslims were represented by one of the largest parties, Masjumi, which was set up in November 1945. In almost all the cabinets of the revolutionary period, the Masjumi (which until 1952 included the Mahdatul Ulama) participated. The one exception was the cabinet headed in 1947-48 by Amir Sjarifuddin, a socialist Christian who later declared himself a communist. But even Amir Sjarifuddin could not ignore the Muslims and invited pre-war PSII leaders to join the cabinet, thereby
reviving the PSII party. Masjumi's representation in the provisional parliament was also substantial at this time.

In the field of diplomacy Mohammad Roem of the Masjumi was one of the key figures. He participated in negotiations with the Dutch as a member of the Indonesian delegations. He was head of the Indonesian delegation in 1949 when he was able to extract from the Dutch delegation an agreement that the Indonesian Republican government, many of whose members had been captured by the Dutch following their second military action in late 1948, should return to Yogyakarta, then capital of the Republic of Indonesia as a prelude to negotiations towards independence. This agreement paved the way for the Round Table Conference in The Hague which resulted in the transfer of sovereignty from the Dutch to Indonesia toward the end of 1949. Roem was later vice-chairman of the Indonesian delegation to the Round Table Conference (Soemarsono 1978).

It was also during this difficult period 1948-49 that another Masjumi leader, Sjafruddin Prawiranegara, headed the Indonesian emergency government, following the capture by the Dutch of Soekarno, Hatta and several other cabinet ministers.

The second phase of parliamentary democracy (1950-57) saw a balance in the roles of the Islamic and the nationalist forces, represented by the Masjumi and Partai Nasional Indonesia respectively. Both parties in turn led successive coalitions of cabinets. The position of the Islamic-oriented people declined, however, after the withdrawal in 1952 of the Nahdatul Ulama from the Masjumi and its transformation into a separate political party. Although NU and other smaller Islamic parties adhered in general to their Islamic principles, as reflected in their stand at the Constituent Assembly, in day-to-day politics they often adjusted themselves to the various circumstances that arose, and especially to the wishes of the head of state, Soekarno. The period was characterized by a struggle for power among the main political parties, and it was in this connection that the Islamic parties, other than Masjumi, seemed to have been swayed by short term considerations of tactical advantage. The Masjumi was often regarded as inflexible in its attitude.

In one instance, however, the Muslim parties were firmly united. This happened in the Constituent Assembly, which was elected in 1955 and dissolved by President Soekarno in 1959. All the Islamic parties in the Constituent Assembly defended their wish that the state be based on Islam. They were not against the existing five principles of the state, *Pancasila*, but they thought they should express what for them would be the ideal basis of the state and in line with the mandate they obtained from their voters. When in 1959 preparations were made to reach a compromise on this issue (the chairman of the Constituent Assembly having said that only 10 per cent of the Assembly's work remained to be done), the government proposed that the Assembly should revive the 1945 Constitution. The Islamic faction made a counter proposal accepting the 1945 Constitution but also incorporating the Shari'a clause of the Jakarta Charter into it. This was rejected by the other members of the Constituent Assembly as well as by the government. As neither side obtained the necessary two-thirds majority, the government simply dissolved the Assembly and inaugurated the 1945 Constitution by decree, thereby expanding the power of Soekarno from his titular position as head of state to be also the effective head of the government.
The main aim of the Islamic parties at this time was the establishment of a state as mentioned in the Qur'an: 'baldatun tayyibatun wa rabbun ghafūr' (a fair land and an indulgent Lord [Q 34:15]) in which the government exercises its authority by consultation with people through their elected representatives; in which the norms of democracy, freedom, equality, tolerance and social justice as commanded by Islam have to be realized; in which the people are granted the opportunity to arrange their lives as individuals and as a community in line with their respective religious teachings.

Conditions in Indonesia had deteriorated in 1957, however, when several Outer Island military commanders established their own regional councils as the basis for their authority in place of the normal government administrative hierarchy, in order to meet the rising demands of people in the Outer Islands. These regions, especially Sumatra and Sulawesi, felt that the central government had neglected their development, although most of the country's export produce came from there. Masjumi ministers withdrew from the cabinet after they had failed to convince the PNI prime minister, Ali Sastroamidjojo, that a resignation of the cabinet would ease the tensions and contribute toward a solution of the regional problems. Eventually early in 1958 those regions revolted against the central government, not with the aim of separating themselves from the rest of Indonesia but in order that the central government should be replaced by more trusted leaders. Many local and several national leaders of Masjumi joined the revolt. The government suppressed the revolt quickly, arrested many of the leaders, and, in spite of granting of a general amnesty, continued to detain them. In the meantime the government had begun to overhaul its administrative apparatus, replaced legislative assemblies with appointed ones, indoctrinated the people with the idea of Nasakom unity (nationalists, religious people and communists), limited freedom of expression and association and extended its control over the press (Feith in McVey 1967, pp.304-409; Lev 1966).

Following the failure of the revolt the political role of the Islamic-oriented parties declined considerably. The Masjumi was banned in 1960, but NU was not able to give the sort of leadership necessary to unite the Islamic-oriented people, in spite of the fact that it maintained its position in successive cabinets as well as in the central and regional legislative assemblies. It was, however, successful in demanding full loyalty from its followers. But the government's methods of rule by oppression and intimidation caused leaders of the opposition, to whom former Masjumi leaders belonged, to lie low. Some of them secretly maintained contact with each other as well as with their followers. There were also some who were double-faced, pretending to support the government while in fact they sided with the opposition in order to prepare for any eventualities. Tensions mounted in the last few years of the Guided Democracy period, especially between communists and anti-communists. It was generally felt that since the communists had successfully penetrated large parts of the government apparatus, and since they had been able to build up the strongest party in Indonesia at that time, they might take over power at any opportune moment. The army, however, was anti-communist (Crouch 1978).
A dramatic turn of events occurred with the attempted coup of 30 September 1965, followed by a struggle between communist and anti-communist forces in which Islamic-oriented elements played a prominent part on the anti-communist side. Within the Muslim fold, a significant development occurred in the political field. Former Masjumi leaders made efforts to revive the party, but this was rejected by the government. Quite a number of young Muslims, under the leadership of Mohammad Hatta, tried to organize themselves into a new Muslim party, Partai Demokrasi Islam Indonesia, which was again unacceptable to the government. Finally a new Muslim party, Partai Muslimin Indonesia (Parmusi), was formed in early 1968, supported by various social and religious organizations previously affiliated with the Masjumi (Singgih 1972; Ward 1972). Government approval, however, was coupled with various restrictions which in general prevented former Masjumi leaders from taking up the leadership of the new party. Among the leaders proscribed were not only those who were involved in the 1958 rebellion, but also others as well. Thus, Mohammad Roem, who was elected president of the party in 1968, was unable to assume office as he was not recognized as such by the government. It seems that the government tolerated as party leaders only those whom it thought would be willing to support its policies. Thus when Djarnawi Hadikusumo, the first president of Parmusi, became inclined to oppose the government, the party leadership passed to Mintaredja with the support of the government. Mintaredja had been known as a strong supporter of President Suharto, and in the 1971 election campaigns he went so far as to express sympathy with the government party, Golkar. He also stated that Parmusi was a completely new party and not a revival of Masjumi, with a result that many Masjumi sympathizers lost enthusiasm. The party got only 5.36 per cent of the votes and twenty-four seats in parliament in the 1971 elections (Pemilihan Uman 1971–1972; Nishihara 1972; Ward 1974).

NU succeeded throughout the New Order period in maintaining its standing as a party to be reckoned with. Its leaders during the Guided Democracy period have continued to enjoy the support of its members, and have sat in the cabinets and legislative assemblies. Group loyalties and the attachment of many Muslims to their kyai have certainly contributed towards the relatively strong position of NU in the political arena of Indonesia. Thus the NU gained the second largest number of votes in the 1971 elections (18.67 per cent) or fifty-eight seats.

Two other Islamic parties, PSII and Perti, have fallen into insignificance in comparison with their position during the Guided Democracy period. The close relations of their leaders with President Soekarno and the communists in that period were largely responsible for their decline, for they had been regular participants in conferences organized or sponsored by either Moscow or Peking. PSII gained only 2.39 per cent of the votes or ten seats in the 1971 elections, Perti 0.7 per cent and two seats.

In early 1973 after pressure from the government over a period of several years to 'simplify' or consolidate the nine recognized parties into two blocs, one Muslim and one 'nationalist', the four Muslim parties merged into a single party, Partai Persatuan Pembangunan. The pressure from the government to bring about such a merger turned out to be a blessing in disguise for the Islamic-oriented people, as this had long been a widely shared aspiration which they had not been able to achieve on their own. This new party even obtained support from former Masjumi leaders, including the influential
Mohammad Natsir, and in the 1977 elections they openly voted for the party. The result of the 1977 elections was not overwhelming for PPP, but it was able to gain control of the regional assembly in Jakarta, the national capital, and Aceh, the northernmost province of Sumatra. Overall, it gained 29.29 per cent of the votes or ninety-nine seats in parliament. Considering the malpractices in the elections (PPP claimed that in East Java alone more than one million of its supporters did not receive ballot papers), and the restrictions on its campaign in contrast to Golkar's activities, which gained every support from the government apparatus (including the military), PPP did well to retain such extensive popular support in the elections and proved that it was the major threat to the dominance of the government party, Golkar. PPP leaders look optimistically to the next elections in 1982 provided that clean elections are guaranteed (van Dijk 1977a, 1977b; Liddle 1978, pp.18, 175-185).

Several other developments in the Indonesian Muslim world also deserve attention in the study of Islam in that country. The first was the recent emergence of a new wave of reformist ideas which a number of young people, especially Nurchoilih Madjid, began to propagate in the early 1970s. They championed the 'liberation' of ideas in Islam, including the secularization of politics. These ideas were at first warmly welcomed by certain sections of the people, including the government and non-Muslims, but their impact later diminished, especially after H.M. Rasjidi, professor of Islamic Studies at the University of Indonesia, who was from Muhammadiyah and a former Masjumi supporter, launched severe criticisms against them. Many considered that the young people had not devoted enough study to the character of Islam (Rasjidi 1972; Boland 1974, pp.37-50).

Another development was the establishment of Dewan Dakwah Islam Indonesia (Indonesian Islam Missionary Council or DDII) by former Masjumi leaders under the leadership of Mohammad Natsir. Banned from political activities, these leaders devoted their energy and attention to dakwah (missionary activities), in order to improve the position of Islam in Indonesia. The dakwah movement has been active in the educational field by supplying books and equipment to religious schools, training missionaries, offering scholarships for further studies abroad, and organizing upgrading courses for teachers, including those from ordinary universities. It has also organized regional educational conferences in which pesantren and other Muslim educational organizations have participated. Dakwah activities have also been directed towards resisting the proselytization efforts of Christian missionaries who have been very active among Muslims since 1966, often causing tensions in the society. Likewise, efforts have been made to curb the spread of kebatinan (Javanese belief) which has grown considerably during the New Order period. DDII has also established close relations with Muslim organizations elsewhere in the Islamic world. Natsir, who has often been consulted by Muslim leaders in other parts of the world, sat in the Committee of the World Muslim League, which has its headquarters in Mecca, and the World Muslim Congress of Karachi (Puar 1978).

Dakwah has indeed been able to bring many less devout Muslims more fully to the Islamic fold. Religious discussion groups have been formed in almost every section of the Muslim population, especially in big cities and towns – and they include housewives, artists, university and secondary school
students, government servants and military people - in order to learn more about Islam. During school holidays students organize training camps in Islamic studies, usually located in mosques or pesantren, or any religious schools. There has also been an increasing desire on the part of people from various walks of life to perform the hajj.

The relations of the Islamic oriented people with the government in the New Order period have undergone changes. This can be concluded from the above discussion on Islamic political parties, but such changes have also been noticed in non-political fields as well (Noer 1978). After the honey-moon phase of solidarity among anti-communist forces immediately following the 1965 coup attempt was over, and the danger of a communist take-over had been eliminated, relations between the government and Muslim groups became increasingly strained. The government not only resisted the political aspirations of the Muslims but also thwarted their efforts in more directly religious matters. A plan of the Muslims to hold an all-Muslim Congress in 1968 could not be realized because of government disapproval, although the preparations had already developed to an advanced stage. The government monopoly over the hajj since 1969 has been looked upon not only as an attempt to deprive Muslim enterprises of an opportunity to develop their business in certain areas, but also to control and check the pilgrims from any 'undesirable' influence at home as well as at the Holy Places. Previously Muslim religious and educational organizations had helped their members and sympathizers with the pilgrimage, thereby strengthening their relationship or their mutual loyalties. If this desire to exercise control was indeed the reason for the hajj monopoly, it reminds us of the Dutch government's suspicious attitude toward the Mecca pilgrims. In the educational field, the government's efforts to modernize Islamic religious educational institutions, especially those which followed the appointment of A. Mukti Ali in 1971 as Minister of Religion, have been related to an alleged secularization programme pursued by the government in the 1970s. Rumours have circulated to the effect that the government wants to introduce lessons on religion in general in its schools at all levels, from elementary to the tertiary, rather than the present separate religious courses in Islam, Christianity and Buddhism/Hinduism. The government's abolition of school holidays in the fasting month of Ramadan this year has also been mentioned as part of the secularization programme. It has also been alleged that devout Muslim businessmen have been deprived of necessary facilities. As is well known, trade and business activities among the indigenous people of Indonesia have long been in the hands of the more devout Muslims.

The strongest opposition so far launched by the Muslims against the government's programme in the religious field arose in 1973, when the government introduced a draft marriage law which was considered by all devout Muslims, especially the ulama, as in conflict with the teachings of Islam. Almost all Muslim organizations protested, particularly the Islamic youth who joined in demonstrations in the capital and elsewhere; at one stage they even broke up a parliamentary meeting. Eventually the government agreed to incorporate all Muslim demands pertaining to the law, which as finally passed was quite different from the first draft bill (Noer 1978, pp.51-52). As regards relations with other religious groups, the Muslims have been questioning the government's attitude toward Christian missionaries, who have enjoyed facilities and freedom from the government to carry out their work, often at the expense of the Muslim interest. Restrictions on dakwah activities
have been considered much more severe than those on Christian missions (Natsir 1969, pp.188-216; Kristenisasi dan Transmigrasi di Sumatera Barat 1975).

All in all, it can be said that a widening gap has developed between the government and the Islamic-oriented people since 1968. Viewed from another angle this can perhaps be related to one's view of development. The New Order government has committed itself to development, for which stability, peace, and security are needed. Therefore tensions between different religious streams have had to be kept to a minimum by any means whatever, or even completely eradicated. The government has therefore been engaged in social engineering in order to see its ideas on development realized as quickly as possible. Social groups, especially the youth, and people's ideas have been shaped, moulded, and directed towards specific goals in line with the government's development policies.

For those who wish to see more freedom realized in society and also for those who considered that Guided Democracy was a deviation from the original goals of Indonesian independence, it is inappropriate that developments should be confined to the economic field only. They believe it should also include social and political development as well. This means, inter alia, a more just distribution of wealth and the promotion of political freedom.

Islamic-oriented people have never been opposed to development. They have traditionally been the ones who travelled abroad for trade and study purposes; and to a certain extent it was they who introduced changes in the past in their own communities. What they have opposed is the interpretation of development merely in materialistic terms which neglect man's spiritual and social needs. According to them, when these aspects are also developed, peace and tranquility will prevail in society, and development will therefore be promoted in the desirable direction. Besides, as Islam wants to bring about a balance of man's spiritual and physical development, devout Muslims in Indonesia wish therefore to see Islamic teachings promoted in any government programme. They regard the present tensions in society, especially among the young people, as resulting from the inappropriate basis for the government policies in development (Noer 1977; 'White book of the 1978 students' struggle' 1978; 'Defense of the student movement' 1979).

Wa'llâhu a'îlam - God knows best.

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Tentang Dasar Negara Republik Indonesia (n.d.)


ASPECTS OF CONTEMPORARY POLITICS
A quick survey of Indonesian politics in the last four years suggests that the Suharto polity has survived a period of high instability - in a way which makes it arguable that those like myself who expected radical discontinuities in the country's politics were operating on false assumptions. The long period of stability and continuity which began in 1966 and was re-established after the January 1974 riots certainly looked to be threatened by a number of events between early 1976 and early 1978. That two-year period was replete with embarrassments for the government: the revelation of Pertamina's huge debts, the failure to achieve either military or diplomatic victory against Fretilin in East Timor, several big corruption scandals and the need for a drastic expansion of rice imports in 1977. And it was replete with challenges, particularly the attempted 'spiritual coup' of Sawito Kartowibowo in 1976, the fiery Muslim denunciations in the rallies which preceded the May 1977 elections, and above all the student-spurred opposition movement, indulged at least episodically by sections of the army leadership, which flourished in the six months before the People's Consultative Congress session of March 1978.

But Suharto was successful in getting himself re-elected at that session of the Congress. And, once re-elected, he quickly defused the major challenges to his rule. In the period since March 1978 many of those who are knowledgeable about Jakarta politics have been talking as if the present group of rulers can assume that their position is safe, at least until the elections scheduled for 1982.

Are we then to assume that those who spoke in 1976-78 of a situation of regime impasse were seriously underestimating the ballast which supports the Suharto project? Are we dealing with a polity which is now well on the way to becoming institutionalized? I myself continue to question judgements of this kind. But I am now more inclined than I was two or three years ago to concede that the continuityists have a chance of winning their wager. The arguments for probable rupture are still strong, particularly in the light of instabilities in the political economy of the world at large. But those who expect further continuity and a dialectic of reform have a case worth serious consideration - whether they are arguing that the regime has proved its flexibility in a fast-changing international environment, or that it has proved to be responsive to the demands of its middle class constituency, or that it will continue to draw strength from middle class fears of the Pandora's Box of popular politics being opened once more, or that it stands a good chance of remaining the beneficiary of crucial external support from the US and Japan.

In this paper I want to look at the questions of continuity, ballast and institutionalization from the point of view of one of its determinants, that of legitimacy. In addition I want to open up questions to do with
how that one determinant is coming to be affected by a particular set of changes in world society and world culture.

What then are the patterns of legitimacy by which the Suharto polity is sustained? What are the would-be legitimizing messages its leaders send out -

(a) to the members of the state apparatus;

(b) to the non-apparatus members of the political public, and its various class and ethnic segments (the political public being seen as a group roughly coterminous with that of regular newspaper and magazine readers); and

(c) to the mass of the population, and its various class and ethnic groupings?

(My assumption is that achieving legitimacy in the eyes of the first two of these three categories has been a major objective of the Suharto leadership throughout its period of rule, and that it has also accorded some importance to achieving a measure of legitimacy in relation to the third category, though legitimacy is far less important there as a means of generating acceptance and compliance than coercion and manipulation.) And what are the responses to these messages?

Perhaps the central message the Suharto group sent out in its early years of rulership was 'We have saved the country from chaos, hyper-inflation and the prospect of communist domination. Now leave it to us to establish stability on a solid footing'. Supplementing this were messages like 'All of us want development, and development requires the kind of stability that only continuing army rule can provide', and 'Our army has a right to rule because it is a special kind of army, one which has made unique contributions to the freedom and integrity of the nation in the past'.

After a few years these messages were further supplemented by 'Look how well we have done in economic stabilization. And look how much foreign support and foreign investment we have attracted. We are a government the outside world trusts and one that delivers the goods'. And after the 1971 elections a further major theme was added: 'We are the legally constituted government, a government that has the consent of the people, expressed through the established procedures'. The relative importance of this last theme has grown since 1971, partly by the very effluxion of time as the events of 1965-66 have receded further from memory.

The Suharto government has also advanced a series of what might be called defensive appeals. They seem to me to fit into six main headings, corresponding to six main types of grievance with which it has had to contend. These are:

1. Nationalist appeals: 'We are standing up to the multinationals'. 'We are helping indigenous Indonesian businessmen against their established Chinese competitors', and 'We are taking an active part in the struggle for a New International Economic Order';
2. Traditionalist appeals: 'We are a government that does things in the Indonesian way', 'Far from wanting to make Indonesia a country of slavish imitators of Western ways, we are determined to maintain the vitality of Indonesian culture';

3. Moral appeals: 'We are taking firm action against corruptors, smugglers and other blood-suckers', 'We are maintaining vigilance against the encroachments of cosmopolitan decadence into our cities';

4. Egalitarian appeals: 'We are working hard to see to it that the new wealth is widely shared' and 'Development certainly means uplifting the victims of poverty in the villages and urban kampung';

5. Appeals to counter anti-military sentiment: 'We are moving away from a situation in which the armed forces are a privileged caste, though this has to be done slowly'; and

6. Appeals to do with political freedom: 'We do allow criticism, even when it is anything but constructive. Look at the freedom that students are getting to criticize the government. Look at the way the press is free to find fault with everything officials do. Look at the things the Muslims have got away with saying in pre-election rallies. And we have released most of the communist political prisoners'.

But the principal would-be legitimizing messages are the positive ones. These are I think to be seen in terms of three main categories, legal-constitutional, practical-technical, and developmentalist. The three central messages are:

1. 'We are the established constitutional government, the guarantors of stability and orderly change'.

2. 'We are a group of practical sensible people who are doing the technically feasible things - and keeping a check on politics lest the old forms of sectionalism, fanaticism and traditionalistic irrationality re-emerge'; and

3. 'We are the promoters of development, the government that has transformed the skyline of Jakarta and moved Indonesia into a period of fast exciting change. We are the leadership group which is moving the country forward to a better future'.

I will not attempt here to address the question of how persuasive these would-be legitimizing messages have been to particular segments of the population. Rather I propose to look at some dimensions of what has changed over the last thirteen years with respect to legitimacy questions.

In other papers I have discussed the way in which the anti-populist backlash which undergirded the Suharto government's acceptability to middle class Indonesians in the late 1960s and early 1970s has more
recently been ebbing. I have argued that this ebbing can be seen in the emergence of a new interest in the person and ideas of Soekarno and the birth of a new search for what is to be learned from Indonesia's history of emancipatory nationalism, particularly in its manifestations between 1908 and 1949 (see Feith 1978 and 1979). Here I propose to survey some predominantly external dimensions of cultural-intellectual change. I want to examine some new elements in the character of world society which are affecting Indonesian responses to the Suharto government's appeals for legitimacy.

My general argument is that the cultural-ideological character of world society into which Indonesia has become more and more fully integrated puts major restraints on the capacity of regimes like that of Suharto to justify exclusionary and anti-populist political arrangements, and anti-egalitarian trends in income distribution, by reference to an over-riding goal of fast development. A corollary is that Suharto's successors would be likely to come up against major politico-cultural obstacles, both international and domestic, if they attempted to move in the direction of a more streamlined and more repressive developmental polity.

Here I can do no more than sketch three dimensions of my avowedly speculative argument. The propositions are asserted in bald and unqualified form to provoke controversy.

THE INTERNATIONALIZATION OF POLITICS

What happens within nation-states has come to be determined more and more in the last fifteen years by actions taken beyond their borders, not only by processes of interaction and interpenetration among states and governments but also by the actions of intergovernmental agencies (OPEC, the Group of 77, UNESCO), of transnational corporations, and of transnational associations - religious, professional, scientific, and so on (World Council of Churches, International Press Institute, International Commission of Jurists, Amnesty International, Worldwatch Institute, etc.). This trend reflects the intensified internationalization of business activity in this fifteen-year period, especially the expansion of multinational manufacturing. It also reflects the fast expansion of international travel, especially conference travelling and tourism, the growing scale of labour migration, the expansion of expatriate communities (including communities of political exiles using the free space of other societies to organize opposition to the governments of their countries of origin), and the rapidly growing readership, listenership and viewership of transnational media organizations. Moreover it reflects the growing importance of transnational cultural flows, both those originating in the industrialized North, like James Bond, Donald Duck, Christian Barnard and Mohammed Ali, and those originating in the South or Third World, like reggae music, Indian gurus, batik and acupuncture. There are major political implications in the fact that the world is coming to be a global village, that growing minorities of people in every part of it are becoming involved in long 'distance interactions with others outside their own countries and cultural regions, interactions which are becoming more fully empathetic and more frequently dialogic.
The internationalization of politics and the increased porousness of most nation-state borders means that the rulers of states, both powerful and weak, have no alternative but to pay increasing attention to norms and values which hold sway in the world outside their borders - because the successful management of states depends more and more on the skillful handling of events outside. Malcolm Fraser's recent stances in relation to racism and Zimbabwe-Rhodesia should probably be understood in this light.

In addition the political publics of all countries have come to include small but fast-growing minorities of persons whose perspectives on their own countries' problems are informed by a disposition to draw conclusions from what they see to have been happening elsewhere. Thus significant numbers of Indonesians have been drawing inferences for Indonesia in 1979 from what has been happening in Iran, South Korea, China, Kampuchea, Pakistan and the Philippines.

**THE EFFORTS OF DOMINANT STATES TO ESTABLISH CONSENSUAL NORMS FOR WORLD SOCIETY**

The dominant states and dominant classes of world society, frightened by the tenuousness of world order, have had a high and rising incentive in this fifteen-year period to support initiatives likely to enhance global stability. This is partly because of the tinderbox-like character of an increasingly militarized world, a world in which weapons of large-scale mass destruction are being acquired by more and more states. It is also because of the mounting urgency and saliency of various tasks requiring a wide measure of international co-operation, from hijacking and the atmospheric testing of nuclear weapons to world food shortages, refugee crises and the encroaching thresholds of ecological disaster - marine pollution, the destruction of forests, the dangers to the ozone layer, and so on.

Increasingly aware of these many dangers, the dominant states and classes have promoted a variety of initiatives intended to stabilize world order on the basis of at least minimal consensus. The heads of the OECD states have sought to draw in the leaders of the USSR, China and various states of the Third World behind efforts to fashion new rules and new values, not only rules governing inter-state transactions but also ones relating to the behaviour of states towards their citizens. So there has been a tendency for more and more areas of government business to become accepted as legitimate areas of international and transnational concern. This has occurred in relation to torture, the long-term arrest of untried prisoners, unexplained disappearances, the harassment of minorities and the denial of rights to emigration. And there has been a tendency for the major states to give increasingly active support to the attempts of UN agencies and other transnational bodies to fashion acceptable norms for political and social life within states, particularly norms to do with human rights, racial equality and the protection of the environment.
THE DECLINE OF DEVELOPMENTALISM AS AN IDEOLOGY

The same period has seen major changes in the way in which Third World societies perceive their problems. This is partly a result of the way in which Third World solidarity has grown in the years since OPEC's successes of 1973, of the processes by which the Group of 77 has become a major factor in the previously US-dominated United Nations, and of the way in which the world agenda has come to be shaped by demands for a New International Economic Order.

But it is also a result of other, subtler processes whereby the leaders and publics of Third World societies have been redefining their goals in response to the development debate, and particularly in the light of what they have observed of the questioning of social and cultural directions in the industrialized states. The various ways of new consciousness which Western societies have experienced since the 1960s, environmentalism, feminism, counter-culturalism, and more recently anti-nuclear-power movements and the search for alternatives in energy and technology - all of these have had major reverberations in Third World thought. In the words of the Brazilian, F.H. Cardoso, 'People in the Third World are convinced that alternative styles of development are possible - precisely because there is a crisis of confidence over the predatory-industrializing model among the elites of the industrialized countries' (Cardoso 1977, p.31).

It would of course be foolish to talk as if GNPism were dead in the Third World. Large numbers of Southern states continue to be ruled by people who see their central task as catching up to the advanced industrial states, and use this goal to justify policy stances which are pro-Western, exclusionary and repressive and anti-egalitarian. But stances of this kind have become difficult to justify in Third World assemblies, where the dominant ideological themes are those of the Cocomo Declaration of 1974: self-reliance, popular participation, basic needs, eco-development and the restructuring of global society. And for that very reason they are becoming increasingly difficult to justify at home.

I propose to argue that each of these three trends has helped to corrode the foundations on which Suharto's project was initially built. The managers of the project have adapted to a number of the elements of the changed situation - and have gained a degree of legitimacy as a result. But some of the gestures they have made in the direction of what their critics have demanded have been purely tokenistic, and manifestly so, and may thus have aggravated the legitimacy problems they face.

NOTE

1 This Declaration and a number of similar documents are published in Erb and Kallab 1975. See also various contributions to Development Dialogue (Dag Hammarskjold Foundation, Uppsala), Alternatives (Centre for the Study of Developing Societies, New Delhi and Institute for World Order, New York) and IFDA Dossier (International Foundation for Development Alternatives, Nyon, Switzerland). The principal Indonesian vehicle of this orientation is Prisma.
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When General Suharto seized power in the disguised coup of 11 March 1966, few observers of Indonesian politics would have dared to suggest that not only would he take over the presidency but that he would still be in office at the end of the 1970s. The two decades of instability and upheaval that preceded the military's take-over of power did not offer strong grounds for believing that the next two decades would be characterized by stability and consolidation under an increasingly strong and unified political elite. During the early years of the New Order some observers continued to expect that factional conflicts within the military would soon lead to a new phase of instability in which coups and counter-coups would follow each other in quick succession. By the late 1970s, however, the orthodox view - shared by both sympathizers and opponents of the regime - is that the present system of government is likely to last without undergoing fundamental change for a good many years to come. In this paper I intend to question this view and suggest that there are still grounds for believing that the instability which some observers had expected in the early 1970s might appear in the early 1980s. While not denying the force of some of the arguments supporting the view that stability will continue, there seem to be other factors which are either not taken into account or are underestimated.

THE CASE FOR STABILITY

The case for continuing stability has been put from several different points of view. Attention has been drawn to growing internal consolidation within the army itself, the increasingly dominant position of the state bureaucracy in society, and the integration of the Indonesian economy with the world economic system.

Consolidation within the Army

One of the main arguments of those who predicted instability in the early New Order period was based on the long history of factional conflict within the armed forces. The armed forces had been formed during the revolution as local fighting units over which the central army leadership had only nominal command. Personal and factional rivalries were strong and several regional rebellions involving local military forces took place after 1949, the most serious in 1956-58. During the Guided Democracy period inter-service rivalry was encouraged by President Soekarno and the army itself was divided between various factions. Finally in 1965 military officers participated in the coup attempt in which several top army leaders were assassinated. With such a history of political conflict and internal disunity before 1965, it was hard to believe that the armed
forces would eventually unite behind General Suharto after 1966. In the early years of the New Order Suharto was faced with the need to deal with the Soekarnoist remnants in the army and other services, a challenge from a group of New Order militants, and the disaffection of the former Defence Minister, General Nasution, all of which were potential threats to his hold on the government.

But, as Ulf Sundhaussen has pointed out (Sundhaussen 1971), the apparent turmoil within the armed forces since 1945 could also be seen as a process of gradual consolidation. Even during the revolution the army shed its leftist wing in the wake of the Madiun affair of 1948 and extremist Muslims with the formation of the Darul Islam. The regional rebellions of 1956-58 formed another watershed which allowed the central army command to strengthen its authority when its main rivals were defeated and detained. The 1965 coup attempt led to another purge of the armed forces, firstly of those thought to have been associated with the communists and then of supporters of President Soekarno. Suharto gradually moved against other potential challengers such as the militant group led by Generals Dharsono and Kemal Idris while neutralizing General Nasution, and in 1969 carried out a reorganization and integration of the entire armed forces under his own command. By gradually purging the armed forces of dissidents and potential dissidents whom he replaced with his own men, Suharto succeeded in creating a military elite dependent on his patronage and sharing a more or less common political outlook.

It could be argued that this trend towards consolidation will continue. As a new generation of professional officers, trained at the Magelang Military Academy after the revolution, rise through the ranks, it could be expected that the old factional and inter-divisional rivalries will become even less important. Although personal and group rivalries are normal in any organization, it has been argued that the professional ethos, discipline, and respect for hierarchical authority of the new generation will serve to limit internal conflict and make officers less inclined to involve themselves in political ventures (see Sundhaussen 1978, pp.79-81).

Thus it is argued that the long-term trend towards consolidation and professionalism makes it unlikely that junior officers will be drawn into plots and coup attempts directed against the senior officers in control of the government. Later in this paper, however, it will be suggested that new sources of cleavage might arise between the professional officers of the younger generation and those of the generation now in power.

Emergence of the Bureaucratic Polity

In a recent study Karl Jackson has argued that Indonesian politics can be understood as a form of 'bureaucratic polity', a concept originally formulated by Professor Fred Riggs to describe the political system of Thailand in the mid-1960s (Riggs 1966). By broadly defining a bureaucratic polity as 'a political system in which power and participation in national decisions are limited almost entirely to the employees of the state', Jackson is able to argue that the bureaucratic polity emerged in Indonesia with the collapse of the parliamentary system in 1957 and has not 'changed fundamentally since then (Jackson 1978). This broad definition, however,
fails to take account of the mobilizational aspects of Guided Democracy politics, particularly the growing power and influence of the Indonesian Communist Party (PKI). Thus, for Jackson, the post-coup elimination of the PKI, the fall of the charismatic President and the abandoning of his mobilizing campaigns did not lead to a fundamental change in the form of government. While the concept of bureaucratic polity does not seem to me to be of much use in understanding the dynamics of Guided Democracy, a strong case can be made, however, in support of Jackson's view that Suharto's New Order should be seen as a bureaucratic polity.

The main features of a bureaucratic polity - to define it more narrowly than Jackson does - are: firstly, the dominant political institution is the bureaucracy, defined broadly to include the army and police. Secondly, other political institutions, such as parliament, political parties, and independent interest groups are weak and thus unable to balance or check the power of the bureaucracy. Thirdly, the masses outside the bureaucracy are politically passive, which is a major cause of the weakness of the political parties. Thus, the political passivity of the masses means that political parties and interest groups are weak, which in turn allows the bureaucracy to be strong. As a result of this structure of power, political competition is limited largely to manoeuvres and counter-maneuuvres within the bureaucratic elite itself between rival factions and personalities whose success or failure does not depend on support from outside the bureaucracy. In these circumstances political struggle is not really concerned with issues, policies and ideologies, because the participants share a more or less common outlook and a common interest in preserving the system. Rather, the goal is power and the perquisites that go with it.

The political system of Indonesia during the 1970s conformed in many ways to the bureaucratic polity model. The army-controlled bureaucracy was clearly the dominant institution in society. Although elections were held and political parties continued to exist, the power of the bureaucracy was not seriously challenged by forces outside itself. Increasing pressure was put on the political parties, which were forced to merge themselves into two new parties under leaders acceptable to the government, while steps were taken to undermine their bases of support through the implementation of the 'floating mass' programme of depoliticization, especially in the rural areas. Unchallenged in power and purged of ideological dissidents, the members of the military-dominated bureaucratic elite were free to pursue their struggle for the spoils of office. For many of the participants a major objective of the struggle was to obtain contracts, licences, monopoly rights, credits, exemption from regulations and so on for firms with which they themselves were associated, as well as to get straight-out bribes. Although intra-elite struggle was vigorous it took place within limits, as the competition did not involve contrasting ideological programmes and everyone had an interest in not permitting excessive conflict to endanger the system. Moreover, losers were often compensated with consolation prizes. The stability of the system was undergirded by the provision of business and other opportunities on a diminishing scale down through the hierarchy to the colonels and majors and indeed, to some extent at least, to ordinary soldiers.
The bureaucratic-polity model helps to explain the stability so far enjoyed by Suharto's New Order and leads to the expectation that the system will continue much as it is for some time to come. But the continuation of the bureaucratic polity rests upon two key assumptions: firstly, that the bureaucratic elite will remain ideologically homogeneous and that all factions will remain content with the system as it is; and secondly, that the non-elite will remain politically passive. While the concept of the bureaucratic polity provides us with a useful model to understand the politics of the New Order's first fifteen years, I am not, as will be discussed later, as convinced as Jackson is of its value in our efforts to foresee probable trends in the future.

Integration with World Capitalism

The view that the New Order regime will be able to continue in power for the foreseeable future is also generally supported by adherents of the radical, 'political-economy' approach to the politics of the Third World. For them, the dominant trend during the New Order period has been the re-integration of the Indonesian economy with world capitalism, especially through the large increase in foreign investment - mainly Japanese and American - that has taken place since 1967. The effect of this investment and related policies has been to destroy the small indigenous national bourgeoisie and block the possibility of such a bourgeoisie re-emerging in the future. Instead, domestic businessmen have aligned themselves with foreign capital either as partners in joint ventures or as managerial employees. There is thus no possibility of a significant national bourgeoisie class developing to oppose the dominant comprador class. Although personal and group rivalries within the dominant class might be intense, that class itself is fundamentally united so that the nature of the system cannot change. The only way basic change can take place, according to this view, is through a revolution of the workers and peasants, but this is unlikely in the foreseeable future (see Mortimer 1973).

The radical view thus also tends to support the prediction that the present system will remain stable in the immediate future. But I feel it underestimates the possibility of significant change. While the radicals make the important point that whatever non-revolutionary change takes place must be within limits set by the nature of its integration with world capitalism, there still seems to be scope for the emergence of different types of regime. A regime can be more or less nationalist, more or less welfare-oriented and more or less repressive while still remaining part of the world capitalist system. Changes in the leadership need not simply be a matter of General X replacing General Y, but may involve important changes in policy and style of government.

The arguments outlined above have some force. They have the merit of helping to explain why stability was achieved during the last fifteen years despite contemporary expectations to the contrary and they also give grounds for believing that this stability is likely to continue. The case for the view that instability might re-emerge does not so much deny the strength of factors making for continuing stability but stresses other factors which might endanger that stability.
POTENTIAL SOURCES OF INSTABILITY

As noted above, the concept of bureaucratic polity rests on two assumptions that can be questioned in the Indonesian context: firstly, that the bureaucratic elite is united in general outlook; and secondly, that the masses are passive and therefore do not support alternative centres of power like political parties which can balance the power of the bureaucracy. The radical, political-economy approach also sees the ruling class as essentially united with the comprador component completely dominant over the national element while the masses, represented by the peasants and workers, are still not ready to revolt.

In seeking sources of instability we can look for (i) signs of conflict and disunity within the elite; (ii) signs of discontent outside the elite.

The Elite

It could be argued that a bureaucratic polity can last indefinitely. The elite is fundamentally united in outlook and in its desire to preserve the system. Competition is confined to the struggle for power within the system; no one wants to change it. At the same time the masses remain passive, at least as long as the elite can provide them with the bare minimum of basic necessities. The patrimonial states of the past, with similar structures, continued more or less unchanged in essentials for centuries. Why can't contemporary bureaucratic polities last for centuries too?

The basic problem for a contemporary bureaucratic polity is its need to meet rising material expectations at the elite, middle and mass levels. The legitimacy of a modern bureaucratic polity depends on its ability to promote economic development. The material aspirations of the elite are most easily met because its members are few. But there is increasing pressure to provide bigger material benefits for a widening circle of senior bureaucrats, military officers and political leaders whose cooperation the regime needs. Equally important is the growing 'middle class' of middle-level bureaucrats, managers, professionals, medium-scale businessmen and white-collar employees with their expectations of improving their own lot and providing better opportunities for their children. Finally, the masses themselves are not in fact isolated from the revolution of rising expectations so that more resources have to be set aside to alleviate discontents that might propel them into political activity. Repression has its place in maintaining a bureaucratic polity, but is unlikely to be effective in the long run in the absence of economic growth.

Can a bureaucratic polity in fact promote sustained economic development? In the early stages of development the patrimonial atmosphere of the bureaucratic polity need not be an obstacle to growth. Under patrimonial conditions investors, foreign and domestic, get the security they need by placing themselves under the protection of powerful patrons in the bureaucratic elite. This association increases the material resources at the disposal of the patron and thus further strengthens his political
position and his ability to protect the investor. The stronger the patron, the more secure the investment.

Ultimately however, as Max Weber pointed out, this type of structure is likely to hinder economic development because of the inherent incompatibility between the arbitrariness and unpredictability of patrimonial-style rule and the needs of industrial capitalism (see Weber 1968). In the early stages of industrial growth, when the number of big investors is small, the security needed by investors can be obtained through alliances with powerful patrons, but as the number of investors grows and the economy becomes increasingly complex, investors want more concrete guarantees than can be given by individuals, no matter how powerful, whose tenure of office need not be permanent and who, in a patronage-sellers' market, increasingly have an incentive to play investors off against each other. In the early phase of development security can be obtained through patrons, but eventually a stage is reached at which investors feel secure only when the conditions of their investment are guaranteed by consistently applied laws, rules and regulations.

The Indonesian economy is still largely under patrimonial domination. Virtually all major enterprises have alliances with military patrons, often in the form of joint ventures between foreign investors and Indonesian firms in which prominent military figures are associated with Chinese businessmen. While the foreigners and the Chinese supply capital and commercial expertise the military officers ensure favourable treatment at the hands of the bureaucracy. Under this system big profits can be made by investors who pick the right patron but the pervasive uncertainty makes rational calculation difficult and inhibits long-term investment, especially in manufacturing. Many investors complain that additional taxes, for example, are imposed by regional authorities which were not part of the original agreement signed in Jakarta. One case illustrating the uncertainty of the system is that of a Singapore company, Prima, which in the early 1970s had its plan to establish flour plants approved but at the last moment had to withdraw in favour of the newly-formed Bogasari flour company with which the President's wife and his business colleague, Liem Siu Liong, were associated. The rise and fall of patrons further complicates business decisions, as investors who had linked their fortunes with Ibnu Sutowo discovered after 1975. While some investors continue to invest their capital in alliance with military patrons, especially in industries like mining and oil, it could be argued that the system deters many other potential investors, especially in manufacturing, who, despite the lure of high profits in Indonesia, prefer to invest in places like Singapore and Malaysia where patrimonial pressures are either absent or not so strong. Indonesia's rapid economic growth during the New Order period has been heavily dependent on the oil boom rather than industrial development.²

The domination of patrimonial features in the Indonesian politico-economic structure has not meant the complete absence of legal-rational elements, however. The generals who took over power in 1966 were conscious of their need for technocratic advisers to guide them through the economic chaos that they had inherited from the Guided Democracy period. The technocrats were needed to devise policies to overcome inflation, restore balance to the balance of payments, attract foreign investment and give
assurance to foreign governments that their loans were being properly used. Originally attached to General Suharto's private staff, the leading technocrats were later appointed as ministers in the cabinet, where most of them still serve. The technocrats, however, have had to propose policies in a patronal context. Major economic institutions such as the oil corporation, Pertamina, and the rice trading agency, BULOG, lay outside their control while technocratic guidelines for foreign investment were often ignored when the Indonesian partner in a project was associated with a powerful general. It would appear that the influence of the technocrats has grown during the 1970s in part because the increasing complexity of the economy has made them all the more needed. The falls of the heads of BULOG in 1973 and Pertamina in 1976 were not due directly to pressure from the technocrats but showed an awareness in the government that patronal excesses could do enormous harm to the economy and endanger the government's developmental objectives.

Pressure towards regularized, rule-based administration does not come from the civilian technocrats alone but appears to be supported by sections of the armed forces themselves. It is obviously dangerous to be dogmatic about the assumed attitudes of dissident military officers, especially those of the younger generation who are not in the habit of airing their discontents publicly. But there are signs that many younger officers - as well as some retired officers - are deeply concerned about the long-term legitimacy of military rule. Unlike the officers of the 1945 generation who won their spurs on the battlefield and were drawn from many social backgrounds, members of the new generation have mainly middle-class backgrounds, that is they are from families which could afford to give their sons a full secondary education and thus make them eligible for selection to the Military Academy. At the Academy they have received a professional military education and been indoctrinated in the formal values of the military leadership. While their middle-class backgrounds and military education might make them, as Sundhaussen expects, disciplined professional soldiers whose respect for hierarchy would inhibit them from taking political action against their superiors, it seems equally possible that their very professionalism might become the source of their disillusionment with the present military elite which itself so conspicuously lacks the values that the Academy extols. It is quite likely that the majority of young officers do more or less conform to Sundhaussen's picture; others, no doubt, are just waiting patiently for the day when they can get their hands on the booty after the passing of the present leaders; but it is also reasonable to believe that some will feel motivated by their professionalism to cleanse the army leadership of the men accused of giving it a bad name. Although ideology might play a part, the most important factor is the self-interest of this generation, some of whom can foresee that the condition of the nation will be parlous indeed by the time that they are ready to inherit power if reform measures are not carried out soon. Moreover, it is the field officers of the younger generation who have the distasteful duty of maintaining order when student demonstrations and urban riots break out as expressions of popular discontent with the regime. Although the patronage system remains strong, the influence of the reform-minded officers, from both the younger and older generations, is likely to grow, especially if the patronal character of the present leadership is seen to be an obstacle to economic development.
The growing contradiction between a patrimonial politico-economic structure and the need for rapid economic development in order to satisfy rising material expectations can be seen as a crucial source of factional conflict within the armed forces. Certainly the normal rivalry between 'ins' and 'outs' is always important as one group of generals tries to oust another group which is closer to the President's ear. But several of the crises that the New Order has faced could also be interpreted as attempts by reform-minded officers together with other dissidents to curb the powers of the leading patrimonial dispensers of patronage and replace them with officers committed to a more regularized and bureaucratized form of administration. In most of these confrontations students were used as the shock-troops who in each case were 'sacrificed' when the move failed. This pattern appeared initially in mid-1970 when student demonstrations and a newspaper campaign were directed against several generals such as Ibnu Sutowo, Suryo and Sujono Humardhani, all of whom were very close to the President. A similar combination of forces, this time clearly associated with General Sumitro, challenged the President's inner circle of advisers in late 1973, leading to the Malari rioting of January 1974. Again in late 1977 and early 1978 students, presumably with the backing of military dissidents, not only campaigned against the President's advisers but called on Suharto not to stand for re-election as President. The falls from office of leading patrimonial-type figures such as Generals Ahmad Tirtosudiro in 1973 and Ibnu Sutowo in 1976 could also be seen against this background.

The argument of this section, then, is that the struggle between elements of the military-bureaucratic elite probably involves more than the straightforward factional rivalries envisaged in the bureaucratic-polity model. To some extent the struggle between elite groups in Indonesia appears to involve contrasting perceptions of how the government should behave and the objectives that it should pursue. While patrimonial struggles for power can usually be settled through compromise and the compensation of losers, conflicts which involve contrasting perceptions of what the government should be doing are more difficult to resolve. If this argument contains some truth, we can expect increasingly sharp conflict within the military elite, especially if investment fails to grow at a rate sufficiently fast to meet elite and middle-class expectations for rapid economic growth.

The Non-elite

A key assumption of the bureaucratic-polity model is that the non-elite - the middle class and the masses - will accept their political powerlessness and remain passive. After the political mobilization and upheaval of Indonesia's first two decades after 1945, the New Order government set out on a programme of depoliticization in which the political parties were gradually emasculated, the bureaucracy cleansed of political affiliations, and the villages largely isolated from political activity. This programme has succeeded in curtailing the activities of formal political organizations, but whether it has eradicated the urge to participate in politics is another matter. By suppressing the formal channels of political communication the government may only have succeeded
in forcing political discontent to express itself informally and more dangerously from the point of view of the government itself.

There seems to be no prospect of revolutionary change in the foreseeable future, however. Even the PKI during its heyday was not a revolutionary party but one which tried to mobilize one part of the Javanese peasantry in defence of its interests within the existing order; indeed, one of the reasons for the quick decimation of the PKI in 1965 was the party's lack of revolutionary capacity. That part of the Javanese peasantry which formed the mass base of the PKI before 1965 is still as poor as it was then, but poverty alone does not lead to revolutionary activity. The poor are usually too dependent on better-off patrons to be attracted to revolutionary movements directed against the interests of these patrons; in most cases of peasant revolution it has been the middle peasants rather than the very poor who have provided the key base of support for the movement (see Wolf 1971). In Java, however, it is the small landholders who, among the rural classes, seem to have gained most from the Green Revolution and commercialization of agriculture. This is not to deny that there are signs of potential tension in rural Javanese society. It is now common for observers to visit Javanese villages and note signs of progress such as increased numbers of bicycles and motor cycles, and even the presence of a few cars; the political significance of these changes, however, might lie more in the fact that they indicate a sudden and very visible widening of the gap between rich and poor at the village level in a society which in the past was not marked by the sharp contrasts found in, for example, the Philippines and Vietnam. Increasing stratification is likely to have political consequences, especially in the context of Professor Sumitro's scenario of the gradual urbanization of rural Java; by the year 2000, he calculates, the population density of the entire island of Java will be greater than that of any West European city today (Djojohadikusumo 1976, p. 163).

If history is a guide, revolutionary opposition to the government is more likely to come from Islamic movements outside Java than from revived communism in Java. While the PKI struggled to win constitutional respectability during the parliamentary and Guided Democracy periods, Muslims revolted in several regions, such as West Java, Aceh, and South Sulawesi, and Muslim support was an important element in the PRRI revolt of 1956-58. Although there are no signs at present that a Muslim regional revolt is likely - despite some unrest in Aceh - the possibility cannot be dismissed completely, especially if developments in Jakarta were to lead to a weakening of the authority of the central government. In the meantime, Islam has become the main rallying point for constitutional opposition to the government. After their high hopes of playing a major role in the post-1965 government had been disappointed, the Muslim leaders felt themselves increasingly pushed into a corner by the military leaders. Although the role of the political parties has been sharply curtailed during the New Order period, the Muslim group has been able to maintain contact with its supporters through the mosques and religious schools, with the result that it has fared much better electorally than the secular party formed by the merger of the old nationalist and Christian parties. In 1977 the Muslim party won nearly 30 per cent of the votes, with majorities in several provinces. The most serious threat posed by Islam
to the government, however, does not lie in the remote possibility of the Muslim party eventually winning an electoral majority, but in the capacity of religious leaders to mobilize mass agitation on particular issues. The most notable case in the 1970s was the campaign against the proposed marriage law in 1973 which eventually forced the government to make substantial amendments. Indeed, two senior political figures in Jakarta believed that the government would have fallen if it had not compromised with the Muslims a few weeks before the January 1974 rioting.

It is the possibility of a repeat of what happened in 1974 that worries the military leadership most. An important element in the background to that riot was the growth of general middle-class disaffection. The urban middle class has certainly been the major non-elite beneficiary of the New Order's economic policies. Civil servants' salaries have increased sharply and lucrative new employment opportunities have opened up with foreign enterprises. But it is precisely members of this class who are most alienated by restrictions on political freedom, large-scale corruption which gives the government such a bad image, small-scale corruption which affects them directly, and the general sense that the system is geared primarily to serve the interests of those at the top. It is this class too which would react very quickly to any slow-down in economic expansion. While middle-class parents often feel alienated from the regime, their sons and daughters in the universities from time to time burst out into the streets following the tradition established in 1966. And when students demonstrate on a large scale, there is always the possibility that the urban poor - the unemployed and semi-employed people of the urban kampung - will join them, following the pattern of the 1974 riot in Jakarta and creating conditions in which a coup attempt would be possible.

CONCLUSION

The fragile legitimacy of the regime makes it vulnerable to dissident groups within the armed forces who are ready to exploit Muslim, student or other agitation for their own purposes. On the one hand military discipline and the bonds of patronage stand in the way of a successful coup attempt; on the other, we have to take into account the probability that more and more officers are being convinced that the regime needs to be reformed, and that, as members of the middle class themselves, they increasingly reflect the alienation felt by many members of that class. In the past, student demonstrators have been encouraged by military dissidents to spearhead opposition to the regime, and there is every possibility that they will be used again.

In the event of a major change in government taking place, what could be expected? It is of course possible that the new government would be much the same as the old one, but with new faces. On the other hand, it seems possible also that a new military government might be more technocratic in outlook, more concerned with administrative regularization, perhaps more interested in alleviating social conditions for particular sections of the poor, and possibly more nationalist. It might also be more repressive. The main aim of such a government would be to carry out reforms in order to strengthen the viability of the existing social order. As the political-economy writers remind us, the extent of integration of
the Indonesian economy with international capitalism is such that it would be difficult for a new regime to adopt a radically nationalist stance, while the middle class origins and self-identification of the officer corps would inhibit a new government from taking measures in favour of mass interests at the expense of the middle class.

NOTES

1 The following argument is based in part on Crouch 1979.

2 The dismal progress and prospects of industrialization are discussed in McCawley 1978.

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INTEGRATING AND CENTRIFUGAL FACTORS IN INDONESIAN POLITICS SINCE 1945

J.A.C. Mackie

'... Archipelagic in geography, eclectic in civilization and heterogeneous in culture, Indonesia flourishes when it accepts and capitalizes on its diversity and disintegrates when it denies and suppresses it ...' (Clifford Geertz).

One of the most striking but least well understood features of Indonesian political life during the last thirty-five years has been the apparent transformation of the relative strengths of the disintegrative and centralizing tendencies at work there. The new Republic was plagued throughout the first fifteen years of its existence by problems arising out of sporadic regional dissidence, demands for greater local autonomy and the centrifugal pulls of an economic system which the Jakarta government appeared quite unable to control. These problems seemed to pose a serious threat to the precarious unity of the nation in its early years, culminating in the 1956-58 regional revolts in Sumatra and Sulawesi, when an overt challenge to the authority and effective power of the central government was launched in those provinces (Feith 1962; Mossman 1961). The rebellions were easily crushed, however, and with the advantages of hindsight we can now see that the victory of the central government on that occasion marked an important turning point.

Ever since then the power of the central government has been paramount; regional dissidence has been muted and the continued existence of regionalist sentiment almost tends to be forgotten by outsiders. Moreover, the patrimonial character of the political system, marked by the overwhelming dominance of the central government in the control of financial resources, coupled with a top-downwards flow of funds and decision-making power, has become increasingly apparent since the 1973-74 oil price rises. The main purpose of this paper is to examine the extent and causes of this transformation by trying to identify the nature of the various factors involved in it.

Throughout the last decade the power of the central government in Indonesia has been so preponderant that foreigners often find it hard to comprehend why the nation's leaders still seem so nervous about potential threats to their country's unity. One of the reasons most commonly given for Indonesia's unwillingness to tolerate an independent East Timor, for instance, was the fear that secessionist tendencies might then develop elsewhere in the eastern islands of the archipelago, especially if it became known that the Jakarta government could be defied with impunity. Whether or not that argument was valid is beside the point; it is the touchiness of Indonesian leaders on this score that is significant. Certainly it would be premature to assume that Indonesia's national unity can be taken for granted as something now settled and beyond question, in view of such self-evident facts as the nation's archipelagic character, its ethnic and cultural heterogeneity, ramshackle transport system and still rudimentary administrative structures. And because Indonesia's territorial boundaries were determined by the Dutch through the historical accidents of their dealings with the British, Portuguese, Spaniards and others during the colonial era, it has often been asserted that the new nation is a factitious, even unnatural, entity, therefore intrinsically fissiparous and fragile.
The same has been said, of course, about many of the new nations that have arisen out of former colonial territories which were not coterminous with previously existing political units. It may indeed happen that as the forces of change released by the process of decolonization continue to unfold, various colonial boundaries will at some future date be called into question - as, indeed, the boundary with Portuguese Timor has already been. But I do not anticipate that Indonesia will disintegrate just for this reason. Few of the new nations of Asia or Africa have been eager to upset the boundaries they inherited from their colonial masters, not least because the very sense of nationalism which lay behind their drive for independence was itself defined mainly by reference to the territorial unit that had been created in colonial times. Modern India does not conform to the empire of the Moguls or that of Asoka, nor China to that of the Tang or Ming dynasties. And while Indonesians have claimed that the fourteenth century kingdom of Majapahit was a forerunner of the present-day Republic in some sense, neither the boundaries nor the political structures of the two entities were identical. The raison d'être of the latter owes little to the former, except as an exemplar of former greatness. The sense of nationalism and pride in a glorious past which, I would argue, has been one of the important factors helping to bind the Indonesians together as a united people has, indeed, been nourished by the historians' reemphasizing of Majapahit and the other early empires of the archipelago. But it has also been nourished by other elements, notably the widespread adoption of Islam, the spread of bahasa Indonesia as the national language and the diffuse sense of being racially akin to each other as bangsa Indonesia. We will need to examine the scope and limitations of these factors in the nation-building process later. But contrary the argument that modern Indonesia has no real roots in either historic unity or shared traditions, customs and values, one could equally well formulate a case that the new nation-state represents the latest and strongest in a long historical series of political or socio-cultural entities that have exercised a substantial degree of paramountcy over much of the archipelago (Srivijaya, Majapahit, Mataram etc.). The historical roots of the new nation go a good deal deeper than is implied by the assertion that modern Indonesia is just a creation of Dutch colonial rule or a manifestation of Javanese hegemony over the rest of the archipelago.

Previous writings on various aspects of the process of national integration or central-regional relations in Indonesia have thrown valuable light on some of the problems involved here, but none gives an entirely satisfactory survey of their relevance to the present-day state of affairs. In a set of papers on 'Regional, ethnic and national loyalties in village Indonesia' which he edited in 1959, G.W. Skinner observed that 'most of the traditional loyalties are related to the kinship structure, religious organizations, or the civil-adat administrative hierarchy' - virtually, to what Clifford Geertz later categorized as 'primordial ties', that is kinship, ethnicity, language and religion (Skinner 1959; Geertz 1963). There was little sense of a broader regional identity, he argued, and even less self-identification with the more remote and abstract nation-state. It would be hard to gauge how much the perceptions and attitudes of village Indonesians have changed since then. But I would guess that among the urbanized elites, even in the more remote Outer Islands, the twin processes of education and political socialization have created a much stronger sense of Indonesian-ness. Fifteen years after Skinner's articles, however, a leading Indonesian social scientist, Professor Harsja Bachtiar, still felt it necessary to warn us
against overestimating the extent to which the nation-building process has yet proceeded, insofar as it entails self-identification of individuals with the national community (Bachtiar 1974). Among the various 'old nations' or 'ethnic societal groups', as he calls them (e.g. Acehnese, Minangkabau, Balinese, Buginese etc.), the sense of primary identification as members of these groups has by no means been displaced by a new sense of Indonesian-ness, although the vast majority of inhabitants of this archipelago probably do think of themselves as members of both categories. The problems known variously as 'regionalism', 'provincialism', 'daerahism' or 'sukuism' arise, he observes, when local loyalties come into conflict with the claims of the nation-state.

The phenomenon of regionalism has been analysed by several writers. Nawawi (1969) seeks to identify its causes in the character of regional elites, relating the latter to the degree of ossification and stagnation they suffered during the colonial era. Liddle (1970), in a study of regional politics among the Simelungun Bataks has given us a very detailed account of the ways in which primordial sentiments (in particular, Outer Islands' antagonisms towards Java) became intermeshed with both local and national politics in the ideologically polarized circumstances of Guided Democracy. Barbara Harvey's (1974) admirable studies of the Kahar Muzakkar and Permesta revolts in Sulawesi in the 1950s and Nazaruddin Sjahmsuddin's (1975) careful account of the Darul Islam rebellion in Aceh under Daud Beureueh (1953-61) give us excellent case studies of the diverse causes of regional discontent with the national government, deriving from elite rivalries and the problems of mobilizing or maintaining followers in their struggles; both are dealing with avowedly Islamic movements, but reveal the significance of non-religious factors also. Legge's (1961) standard work on Central Authority and Regional Autonomy in Indonesia, written against the backdrop of the PRRI-Permesta rebellion in 1958-59, although now somewhat outdated, also throws a good deal of light on the way regional hostility to central government policies had become intermeshed with debates about how the system of regional government should best be reorganized to provide a greater degree of local autonomy.

My own approach to the problem will be a combination of the analytical (identification of the major centrifugal and centripetal forces that have had a bearing on Indonesia's national unity) and the historical. By starting with three 'snapshot' pictures of the state of relations between the central government and the regions (pueat and daerah, in the common parlance) at different points of time, the main elements I want to highlight can be summarized fairly briefly.

The first of these depicts the early post-independence period, around 1952-53, when central authority still seemed to be very shaky, regionalist or suku ('ethnic group') sentiments were still very powerful and national unity was rather precarious maintained. The second reveals how greatly the situation had changed by the end of the Soekarno era, 1964-65, after all the regionalist challenges to the central government had been crushed. Jakarta's authority then seemed unchallengeable, at least so long as the armed forces were solidly behind the government, and the intensely nationalist ideology of President Soekarno seemed to be a potent unifying force, although the outward facade of national unity did not entirely hide the deep-seated strains on the political system which had both ideological and regional ('Java versus the Outer Islands') dimensions (Liddle 1970). A third snapshot of Indonesia in
1974-75 shows yet another radically different picture of central-regional relations. Powerful centralizing and integrating forces were now at work, for the central government had command of vastly greater resources, financial, administrative and logistical, than ever before. President Suharto had tightened his control over the armed forces to a degree which had earlier seemed barely conceivable. Regional 'war-lords' were a thing of the past (McVey 1971-72; Sundhaus sen 1978). A new law on regional government was steamrollered through the parliament in 1974, amounting to a virtual abolition of any real local autonomy for regional assemblies or regional authorities. And yet nagging doubts persisted, even then, about the real strength of the edifice behind this new facade. Would it be able to survive unexpected shocks to the political system, or was it inherently fragile and brittle?

That is the essential question we will need to analyse in the concluding section on centrifugal and integrating factors. Meanwhile let us examine the changing pattern of forces revealed by our three snapshots.

1952-53

During the early years of Indonesian independence, the Jakarta government was confronted by a series of challenges to its authority which all had their roots in the fact that its writ simply did not run in many parts of the country (Peith 1962; Nawawi 1969). Indonesia was not yet united either by consensus on political and social goals or by the central government's capacity to impose its will on dissentients. In the South Moluccas, the least serious of the regional revolts, the resistance was led by pro-federalist elements who had never been reconciled to the dismantling of the Dutch-sponsored federal state in 1950: the government eventually stamped out this revolt by force, although it took some time to do so. In West Java, a Darul Islam insurgency had been dragging on since 1948-49, as much an expression of regional and social discontent as a strictly Islamic movement; but the government and the army seemed powerless to do more than contain it until its leader was finally killed in 1962. In Aceh, a serious regional revolt broke out in September 1953, which combined a very strong Islamic colouring with smouldering regional discontent which arose from both political and economic causes. In South Sulawesi a low-level but troublesome rebellion led by Kahar Muzakkar, a former guerrilla leader in the revolution, broke out in 1951 under the banner of Darul Islam and continued until 1964. But its religious character was relatively unimportant and the deeper causes of the movement were social and political, reflecting acute regional discontent in many forms.

The causes of regional discontent in Aceh and South Sulawesi have been analysed well in two recent studies (Sjamsuddin 1979; Harvey 1974). In both cases a crucial factor was that the new Jakarta government created a lot of antagonism in its early years by appointing outsiders to influential positions there over the heads of anak daerah, local men, who were deemed to have inadequate educational qualifications or bureaucratic seniority, although their revolutionary records were in their eyes sufficient to qualify them for higher ranks in the bureaucracy or army. It was only when the army leaders and politicians later abandoned the attempt to impose uniform universalist criteria throughout the entire country in matters of appointments and promotions and began instead to deal with each province on a case-by-case basis that they were able to mollify the anak daerah and win over at least a part of the local elite to Jakarta's side. An intriguing feature of the
politics of both rebellions was the interplay of local-level and national-level political jockeying which was at least as important as the straightforward tug-of-war between the regional governments. Underlying the conflict in South Sulawesi, for example, was an intra-elite rivalry between the Jakarta-oriented men with pro-Republican records in the struggle for independence, some education and a capacity to deal with the new, modernized national political and bureaucratic apparatus (most of them Christian Minahasans who had found jobs in Makassar under the Dutch) and the local men who had little western-style education and hence poor job prospects in the new society that was being created. This rivalry became entangled with the Permesta regional revolt of 1957-58 in a very complex way because of the internal army politics involved, but that story cannot be adequately summarized here. Both groups were essentially trying to exert pressure on the Jakarta political scene in the hope of bringing to power there the groups who were most likely to be sympathetic to their demands. They were not 'secessionist' in a crude sense and their demands for greater autonomy were not at all carefully formulated, but the political crisis they generated in 1957-58 posed a real threat to Indonesia's national unity. In the Acehnese case, the objectives of the rebels were more concrete: they wanted separate provincial status (later conceded), the right of 'barter trade' with Penang (also conceded) and a greater degree of autonomy. The religious factor was undoubtedly more important in Aceh, but by no means a sole explanation.

Why could the pusat not simply crush these rebellions by force majeure? One reason was that the various governments of that time were loose and precarious coalitions with rather shaky authority, always susceptible to pressures from their constituent parties, including some which were sympathetic to the rebels. Another was that the army was logistically weak and politically divided by many of the same cleavages as the society at large, ethnic and regional loyalties, ex-guerrilla versus 'professional' orientations, 'bapak relationships' (mutual loyalties between leaders and followers of former irregular forces) etc. Several regional commanders were anak daerah who identified more strongly with their regions than with the central army leadership - and in some cases became heavily involved in smuggling ('barter trade' was the euphemism), allegedly to promote regional interests at a time when inadequate central government funds were forthcoming.

'Barter trading' increased greatly in the years after 1953, at a time when inflation and the depreciating value of the rupiah were creating economic difficulties, all of which aggravated the regional unrest which culminated in the much more serious regional rebellions of 1957-58, the PRRI-Permesta revolt. Regional discontent and demands for greater local autonomy played a central part in these also, but there was an important difference in that this whole episode was intermeshed with a complex governmental crisis in the national parliament and government, a veritable regime crisis, in fact, which marked the collapse of parliamentary democracy (Feith 1962). Questions about the army leadership were also in dispute. I will not elaborate on the episode in detail, but merely observe that an important causal factor was the widespread belief at that time that the central government had lost both its moral authority and any capacity to restore control over the economy or to prevent the dissident regional officials from condoning barter trade. The government seemed to have no further instruments at its disposal except the ultimate resort to force - and the disunity of the armed forces was widely thought to have made that too perilous a gamble to attempt. What the regional
dissidents were trying to do was not to secede (they always denied that) but to bring about the collapse of a government they disliked in the hope of imposing one they favoured. They were confident that in the last resort they had the strongest cards in their hand, because it was in the Outer Islands that by far the largest part of the country's foreign-exchange-earning export commodities were produced. In this belief they were wrong - and when their bluff was called they collapsed.

1964-65

By this time, the relationship between the regions and the central government had changed radically in several respects. The PRRI-Permesta regionalist challenge of 1957-58 had brought to a head the national political crisis (resulting in the collapse of the parliamentary system and its replacement by the 1945 presidential constitution) which led to a shift in the power balance to the disadvantage of the two main pro-regionalist parties, which were banned by Soekarno in 1960. The army had at least shown that the central government could assert its will over rebellious provinces if it had to do so. By 1962 the Darul Islam rebellions in Aceh and West Java were also defeated and in 1964 South Sulawesi was completely pacified. The political system which took shape after 1958 under the rubric of Guided Democracy centralized power strongly in the hands of the President. No elections were held in this period, so the political parties which were allowed to survive had neither reason nor opportunity to mobilize grass-roots support by fanning regionalist grievances, as in the mid-1950s.

It could hardly be denied that the sheer power of the army was the key factor in this centralizing process. Regional discontent did not disappear; if anything, its economic causes became intensified as inflation worsened and smuggling increased. But defiance of Jakarta was no longer feasible. Nor was it politically imperative, for the anti-communist forces which had been opposed to Soekarno and the Java-based parties supporting him before 1958 now tended to look towards the anti-communist army leadership for political protection in the triangular power relationship between President, PKI and army that came to dominate the scene between 1959-65 (Feith 1963). A politics of manipulation and compromise replaced the earlier confrontational pattern of politics. But the limitations on the army's political and military power at that time should not be forgotten. There was much it could not do. It still had great difficulty in just crushing by force the rebellions in Aceh and South Sulawesi, which it preferred to settle by negotiations. And while it made great progress in the years 1957-65 towards overcoming the earlier ethnic and regional cleavages within its own ranks which had so plagued it - by mixing up units to some extent, giving the officer corps a more national outlook through geographical rotation and training courses and yet at the same time deferring to local sentiments in the appointment of regional commanders - it was not yet a tightly-knit structure by any means (McVey 1971-72; Sundhaussen 1978). Most units tended to identify closely with the regions they were drawn from, particularly as the regional commanders inevitably found themselves playing important political roles there also.

Many other factors also played a part in the centralization of power that occurred in the years before 1965 - Soekarno's manipulative skills and charismatic appeal, the stress on nationalist symbols, ideology, national
unity and on the importance of consensus rather than competitive politics, the top-down rather than bottom-up thrust of the new political system, the strait-jacketing of political parties, in fact almost all aspects of the Guided Democracy system. But looking at the other side of the coin, we also see that the facade of increasing centralization of power was still more than somewhat illusory in 1964-65. As economic conditions deteriorated, the central government became increasingly unable to provide financial resources to the regional authorities or wield effective sanctions over them, with the result that they tended to go their own way in either 'bending' or disregarding central government regulations. A system which some observers characterized as 'de facto federalism' came to apply, in which the central government's capacity to implement its policies in the daerah largely depended on a process of virtual bargaining with the local authorities. It was far from being a system of autonomy or decentralization in any real sense, but it was a very ramshackle framework of central authority. The main cause of this was the rapid decline in the real value of central government subsidies to the regional governments, on which they depended heavily simply to carry out the most minimal functions; almost 90 per cent of provincial revenues came from this source and usually about 60 per cent or more of kabupaten revenues, for the official division of tax powers left them virtually no fields of taxation capable of yielding substantial revenues. They therefore encroached into all sorts of unofficial levies on local trade, particularly on exports and imports by condoning smuggling. This undermined the central government's major tax base and further reduced its capacity to subsidize the regions. At the same time the uniformity of the administrative system was crumbling and being replaced by a series of ad hoc political accommodations between the central and regional authorities, with the former turning a blind eye to much of what the latter were doing, since there was nothing else that either could do to remedy the situation. If this state of affairs had continued for long, it must undoubtedly have meant the gradual disintegration of many of the more basic integrating ties linking the various daerah together, such as the trading and financial network, the commercial and administrative orientation towards Jakarta and so on.

This process of attrition had not reached a critical point, however, before the October 1965 coup and Soekarno's downfall. But the political crisis of 1965-66 itself created a real danger that Indonesia's national unity might crack under the socio-political strains of those years. In fact even before the coup, when the PKI seemed to be gaining strength so rapidly that a communist-dominated government in Jakarta seemed quite conceivable, it was commonly said that this would immediately precipitate a repudiation of Jakarta's authority by the anti-communist Outer Island military commanders. After the coup, when it was uncertain for many months whether Lt. Gen. Suharto could prevent an outbreak of civil war in Java or assert his new authority at all forcefully over regional military commanders opposed to his policies, the basic weaknesses of the central government were highlighted more clearly than ever. Suharto's own political position was initially very shaky and it took him nearly four years before he could confidently override challenges to his authority (Crouch 1978). The political system was still marked by a series of bargaining relationships, accommodations and compromises between the central and regional authorities. Throughout 1967-68 Suharto frequently had to issue orders (which were often disregarded with impunity) barring the latter from
levying unauthorized local trade taxes which were obstructing the free flow of goods upon which his new economic strategy depended. As Suharto's position gradually strengthened, an inexorable trend towards a recentralization of power set in. It was accentuated by the fact that the financial resources becoming available to the Jakarta authorities after 1968 from foreign aid and oil revenues gave them a powerful instrument with which to buy the obedience of the regional governments, which were ultimately too dependent on central subsidies to go their own way indefinitely.

1974-75

By this time, the power of the central government was vastly greater than it had ever been before. Various trends within the political and economic systems were operating to strengthen the hand of the centre vis-à-vis the regional authorities, both civil and military – above all, the vastly greater financial resources Jakarta now had at its disposal from foreign aid, oil revenues and foreign investment sources. No longer was it necessary for Jakarta to syphon off tax revenues from the regions into the national treasury to anything like the same extent as in the past. If anything the flow of funds was, for the most part, in the other direction (apart from oil revenues, which almost all governments treat as a national rather than provincial resource).

It could, in fact, be argued that the pendulum has swung too far in the direction of an overcentralization of power, that what Indonesia needs now is more effective decentralization of decision-making authority and initiative to local bodies, which ought themselves to be more representative of local opinions and interests, as Nawawi urges in the next paper, not left utterly dependent on the central government's administrative apparatus, as at present. But there is no possibility that daerah politicians can achieve this unilaterally by stirring up regionalist sentiment as a basis for mass support as their predecessors tried to do in the 1950s. In fact, provincial governors stand a better chance of getting additional financial resources and development projects for their regions these days by co-operating with the central government and learning how best to manipulate the Jakarta political system from within, not by confronting it head-on. More important is the fact that the general improvement of the economic situation has reduced the intensity of regional discontent well below earlier levels. So there has been little sense or urgency to overturn the whole system of government in order to prevent further economic deterioration, as there used to be. Plenty of grumbling can still be heard in the daerah, of course, about Jakarta's alleged neglect or unconcern or about the inequitable distribution of funds and development projects as between regions. (For instance, Acehnese complain that the Arun natural gas field is yielding little immediate benefit to their province because Jakarta syphons off all the revenue and returns almost none of it to them.) But such grumbling about neglect is very different from earlier charges that the daerah were being positively exploited by Java through the workings of the multiple exchange rate system. To this extent the change in 1968-71 to a unified exchange rate and the elimination of the foreign exchange black market, which had hitherto seemed to be the most glaring manifestation of the Outer Islands' exploitation, has had considerable political significance. Smuggling of export products is no longer necessary or profitable, while the smuggling of imported goods
is now a matter of only secondary concern, not a threat to the viability of the country's economic structure, as it was becoming in the 1960s.

Several other changes which have greatly enhanced the central government's capacity to exercise control over the regions since about 1970 may be summarized briefly.

- The tightening of central authority within the army through the 1969-70 reforms of the command structure and territorial organization has almost eliminated any possibility that regional commanders can aspire to warlord roles as some did in the 1950s.
- The process of depoliticization since 1969-71 has had the effect of frustrating local politicians in any attempts to stir up mass grievances against the central government. Political activity has largely been confined to the bureaucratic sphere, where tendencies towards dissidence or defiance are easily curbed—in sharp contrast to the 'liberal' parliamentary system of the 1950s and Soekarno's Guided Democracy, in which political parties were still able to engage in mobilization politics.
- Such limited political activity as is now permitted amongst the masses is now structured in such a way that the old Java-Outer Islands dichotomy of the Soekarno era has become blurred almost to the point of elimination as a political issue. Paradoxically, the "government party", Golkar, attracts greater support in the Outer Islands than in Java, with a few exceptions; its support tends to be greatest in the more isolated areas. Conversely, the two parties which function as channels of opposition sentiment are strongest in Java, a curious reversal of the earlier position.
- The improvement of the inter-island shipping and air-line services since 1967 as well as the telecommunications, commercial and banking networks generally, has also been another integrating factor of great importance in recent years, for their deterioration during the previous decade had threatened to undermine one of the major pillars of national unity.

On the negative side of the ledger, one could also identify a number of unfavourable factors. President Suharto has not been able to provide the sort of inspiring symbols and rituals of nationalism which Soekarno conjured up so prolifically as a nation-building device. The heavy hand of the Ministry of the Interior over the last decade may also have been counter-productive in some respects, generating much resentment against over-centralization. The fact that the appointment process for governors and bupati leaves little scope for regional councils to exercise any real influence in the matter if they disagree with the government can only have an unhealthy effect on the local government system and seriously reduce regional autonomy.
We can readily identify a number of factors which have created pulls in either centrifugal or integrative directions from time to time throughout recent decades. The main point to be noticed about these is that for analytical purposes they do not always operate as unambiguously in one direction as we might suppose. In fact they are themselves question-begging concepts, bringing to light new analytical problems even as they help to clarify old ones. Some of them exert an influence almost imperceptibly and over a long time span, changing only slowly and gradually; others are historically determined and subject to rapid changes in their intensity and impact. The list below is by no means exhaustive. It covers only the most basic and obvious factors that must be taken into account. But there are also many intangible considerations which have had an important influence one way or the other at various times and would deserve closer attention in any treatment of particular cases of central-regional conflict or tensions.

CENTRIFUGAL FACTORS

Geographical fragmentation.

The political and economic implications of being an archipelagic nation-state with four major islands and dozens of smaller ones largely dependent on sea and air transportation links are obvious. But Japan and the Philippines also share this problem: how critical a factor is this in impeding national unity?

Ethnic heterogeneity

This factor is related to linguistic and cultural differences which have their roots far back in the past, aggravated in some degree by geographical fragmentation and usually overlapping with other dimensions of diversity in matters such as agricultural practices, ecological conditions, economic and social structures etc. The Java-Outer Islands polarity is the most striking manifestation of this type of cleavage, but as there are many crosscutting sub-cleavages which blur the sharpness of that polarity, we should not overemphasize it.

The lack of earlier historical integration

Except insofar as Islam, the trading networks and some degree of common exposure to the pressures of foreign powers had exerted a culturally integrating influence to some extent prior to the nineteenth century, there was no real tradition of 'national unity' throughout the archipelago, no concept of it as a 'nation', nor even a more appropriate word for it than bangsa or kebangsaan, neither of which is entirely satisfactory in its essentially racial connotations. This lack of any prior tradition of nationhood was a consideration that seemed more important in the earlier years of the spread of the national idea, however, than it does after thirty-five years of independence.

Divergent economic interests

It is well-known that the export-oriented outer provinces were severely disadvantaged in the early years of independence by policies which created
overvalued exchange rates, protective tariffs, high taxes etc., while the net importing provinces on Java have benefitted therefrom. The significant point to notice about this factor is that these 'interests' are not absolute and immutable. It is the subjective perceptions of what these interests are (or are thought to be) that makes them politically salient, not the mere fact that different parts of the country have different sectional interests. Most countries, after all, experience similar problems in greater or lesser degree and in Indonesia their significance has waxed and waned considerably over the last thirty years.

Vested interests of some regional elites

Inevitably, the former rulers of 'self-governing' areas (swapraja, mostly in the eastern islands) have striven to minimize the degree of central control over their traditional authority, even today when many of them have been absorbed into the pamong praja as bupati or lower officials. This is no longer a very important centrifugal factor, though in the 1950s it probably contributed significantly towards resistance to the central government.

INTEGRATING FACTORS

Race, religion and language

A common language, a near-common religion (close to 90 per cent of the Indonesian population being at least nominally Muslim, although the intensity of their adherence to that faith differs a good deal) and a high degree of racial homogeneity - these three factors are normally given pride of place as key elements in the nation-building process. It cannot be denied that the spread of bahasa Indonesia between 1928 and about 1945 had an enormously significant impact, at least among the educated elite, in helping to prevent the development of separatist movements based on linguistic or ethnic affiliations. But it is easy to overemphasize both the extent of usage of bahasa Indonesia (for in some areas, even in Java, the regional language is far more dominant, especially where the inadequacies of the educational system have limited the spread of the national language) and its influence as an integrating force. It has waxed and waned in significance over the last fifty years, so it should not be regarded as simply an immutable 'given' in the equation. Nor should the role of Islam, which has had a divisive as well as a unifying effect. The significance of the ethnic factor also cuts both ways, integrative vis-à-vis outsiders (and ethnic Chinese, whether Indonesian citizens or aliens) but divisive insofar as it brings suku differences to the fore. In short, while these factors are undoubtedly important in creating a sense of national consciousness, it should not be assumed that they tell the whole story about its emergence.

The power of the central government

The steadily increasing strength of the national government, its coercive and persuasive potentialities, the administrative machinery (and the legitimacy attaching to control thereof) inherited from the Dutch colonial regime which created it - all these represent powerful unifying factors which have gradually triumphed over the power structures which had survived in the Outer Islands in the form of vestiges of earlier kingdoms and principalities. Likewise a common legal system, common currency, the nationwide network of the
old *pamong praja* structure of local administration and the *ultima ratio* represented by the military might of the nation's armed forces all need to be taken into account as factors which have contributed greatly to the inexorable consolidation of a national political system and the demise of former local entities. The armed forces have also served as a national 'melting pot' for a crucially influential part of Indonesia's new elite. Yet the armed forces themselves were subject in the early years of independence to many of the ethnic, religious and ideological cleavages which then plagued the country at large. The story of their consolidation and emergence as a powerful integrating force in the political system has been a complex one, as we have seen briefly above. But the same can be said of all the other factors mentioned here, whose influence has varied in different times and circumstances.

Commercial, financial and transportation networks

This factor deserves more attention than it is usually given because it played a crucial part in binding the archipelago together during the formative decades 1890-1941, when the KPM shipping line and the Dutch banks exerted a major influence in deflecting Outer Islands trade away from Singapore towards Batavia/Jakarta. With the nationalization of KPM in 1957 and the economic decline of the 1960s, this network deteriorated seriously, thus giving rise to extensive 'barter trade' directly with the outside world, a process which seriously endangered Indonesia's national unity until it came to be gradually reversed in the 1970s, as inter-island transport and communications were steadily improved (Dick 1977).

Nationalism

The sense of nationalism and the legitimacy attaching to the nationalist credentials of political leaders of the 1945 generation have been influential in many ways, of which only a few can be mentioned here. Nationalist sentiment created loyalties to national symbols and goals at the expense of regional or *suku* ties, initially for the sake of unity to defeat Dutch attempts to split the pro-independence movement, later to defeat the federalists and, in the Guided Democracy period to conjure up anew the revolutionary spirit of 1945. The sense of nationalist solidarity was particularly important amongst the educated elite in the post-independence decades: many of its members had shared their schooling and formative years in politics together in the handful of secondary and tertiary institutions open to them in the period 1910-50, when something of a national 'melting pot' effect occurred, giving them much broader political horizons than hitherto. There was also a good deal of ethnic intermarriage within that elite. Insofar as rival regional elites capable of resisting the claims of the national leaders survived after 1945, their legitimacy was undermined by the fact that they could be branded as either 'feudal' or federalist or both. Ever since 1950, the tendency for children of prominent regional families to look towards Jakarta, Bandung or Jogja for their higher education has had the effect of reinforcing this nationalist elite and stunting the growth of regional elites. Whether this will continue to be the case for future generations is, however, far from certain.
The operation of the educational system

The astonishing spread of Indonesian language schooling has surely been one of the most influential forces moulding a sense of nationhood and inculcating a national outlook since 1945 (Beeby 1979). It has also contributed greatly to the spread of bahasa Indonesia and of awareness of the nation's history and culture as well as to some sense of Indonesia's place in a wider world. Much more could be said on this score, but it is hardly necessary to go into the matter in detail. One point which is of interest is that some Indonesian educationists were becoming worried around 1970 that the deterioration of the primary school system in many rural areas appeared to have resulted in a decline in ability to converse in Indonesian and a resurgence in use of local languages for teaching purposes. If such a tendency went too far, it could indeed have a most adverse effect on national integration. Fortunately the trend seems to have been checked in recent years. At the level of university education, however, it should be noted that the proliferation of provincial universities since about 1958 has begun to offset the early dominance of the three major 'national' universities as the training grounds of the new elite.

Socio-cultural 'nation-building'

Ever since the Youth Pledge to create 'satu nusa, satu bangea, satu bahasa' (one country, one nation, one language) in 1928, nationalist intellectuals in Indonesia have seen themselves as having a positive mission to establish a national culture, national language and national literature that override or subsume regional cultures. They have sometimes lost their way a little in trying to avoid becoming either excessively cosmopolitan or excessively nativist, but their idealistic commitment was both strong and deliberate throughout the early decades. Now that 'the nation' can be more or less taken for granted, I suspect that this impulse is more diffuse than formerly. The first generation of nationalist leaders had a strong sense of building a new society which would be neither capitalist nor feudal but in some vague sense socialist, with the state playing a major role (under their 'modernizing' guidance) in both social reconstruction and nation-building. All this created a degree of ideological cohesion which partially offset other ideological cleavages between Islam, communism and Pancasila. But there too the strength of the initial impulse may be weakening as the earlier idealism gives way to confusion, doubt and cynicism about the character of the society actually taking shape in independent Indonesia.

The integrating role of institutions and social relationships

At the most obvious level, national institutions like Bank Indonesia, Pertamina, the various other state enterprises, in fact, the entire bureaucratic structure (as well as the armed forces, previously noted) contribute towards the growth of a nationalist rather than narrowly regional outlook. Through rotation of personnel, the establishment of universalist criteria of performance and by acting as channels of upward social mobility towards the national capital, they break down particularist attitudes and loyalties,
although not all to the same degree or with the same effect. (There are very few nationwide private institutions which perform this function to the same degree.) The bonds established by these organizations apply only at the elite level, for the most part. There seems to be very little sense of either class solidarity or national consciousness among peasants, labourers or even merchants. The PKI's attempts to create a strong national trade union movement, SOBSI, was a first step in that direction, but went little further than that.

The roles of Soekarno and Suharto

No discussion of this topic would be complete without reference to Soekarno's contribution as a great symbol of Indonesian national unity (ideological as much as territorial) throughout a critical forty year period, controversial though his role may be. There is no doubt that he provided a focus of political leadership which cut the ground from under the feet of regionalist organizations and parties in both the 1920s and 1950s, or that the ideology he articulated dramatized the symbols of nationhood and generated a sense of solidarity against real or imagined enemies. On the other hand, he was also a rather divisive element in his final years, at least as far as the Outer Islands were concerned (Legge 1972; Liddle 1970). It was in the sphere of ideological reconciliation and the damping down of aliran conflict that he was most successful. In matters of central-regional politics he was far less so - and less, it could be argued, than President Suharto with his quieter manipulative skills and unprecedented control over both the armed forces and the regional authorities.

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Many other factors could well be added to this list and their influence assessed within the on-going process of nationbuilding in Indonesia. Some obvious examples are the impact of nationwide radio and television services, the national (i.e. Jakarta-based) press, the national airlines system and the (outrageously expensive) Palapa communications satellite, which gives the central government unprecedented speed of communication with outlying regions. Others are more abstract or intangible - for example, the ambitions of able young men from the provinces to go to Jakarta to play a larger role on the national stage than they could ever hope for locally. Not all of these are unmixed blessings. In fact, the very process of national integration can be intrusive or even destructive of valuable local institutions and traditions. I am not arguing that the process is in itself good or bad, desirable (from whose viewpoint?) or undesirable. If anything, I would prefer to see a much greater degree of administrative and political decentralization conceded, now that the essential unity of the political system can be taken for granted. But the issues here, as also the assessments different people make of them, are too convoluted to be reduced to simple, easy generalizations.
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THE REGIONS AND NATIONAL DEVELOPMENT UNDER THE NEW ORDER

M.A. Nawawi

This essay is based on the assumption that the political and economic systems of any society are interrelated and mutually supportive. It aims at exploring the interrelationships of the political and economic patterns in the Indonesian regions outside Java and seeks to show how the regional political economy buttresses and is shaped by the national political-economic configuration.

THE PATTERN OF THE REGIONAL ECONOMIES

It is common to regard the outer regions as richer than Java and Bali. There is some truth in this observation for in 1971 (the earliest year for which the comparative regional income statistics are reasonably complete) only four of the twenty outer provinces had lower than the average per capita income of the five provinces on the three inner islands, excluding the national capital, Jakarta. Nevertheless, the observation can also be misleading. Only Riau, East Kalimantan, South Sumatra, Jambi, North Sumatra, Central Kalimantan and North Sulawesi had in fact conspicuously higher incomes (Pendapatan Regional, n.d., p.15). A striking feature of this group is that the majority of them were very small in respect to population. More importantly, a number of these 'rich' regions were very dependent on the exploitation of natural resources which had little to do with the majority of their population. The most important resource, oil, was concentrated mainly in Riau, South Sumatra and East Kalimantan. The first and the last of these regions in particular also benefited greatly from timber, the most lucrative resource after oil.

In terms of both the size and the density of their populations, the major regions outside Java are clearly North Sumatra, South Sulawesi, South Sumatra, West Sumatra, Lampung, West Nusa Tenggara, East Nusa Tenggara, Aceh, North Sulawesi, South Kalimantan and West Kalimantan. Apart from South Sumatra, North Sumatra and North Sulawesi, only South Kalimantan, West Kalimantan and Lampung had per capita incomes in 1971 appreciably larger than that of East Java (Pendapatan Regional, n.d., p.15). This reflects another distinctive feature of some regional economies, namely the major contribution of the perennial commercial crops. Except for South Kalimantan, all these six provinces derived at least 30 per cent of their agricultural product from this sub-sector. The other five regions resembled Java not only in income but also in their reliance on food production. In each of these provinces more than half of all agricultural production in 1971 was food crops (Pendapatan Regional, n.d.)

In broad outline, then, at the beginning of the New Order the regional economies could be divided into three groups. The richest regions were largely dependent on natural resources, particularly oil and timber, while
the poorest relied heavily on the production of food, principally rice. The rest included the main growers of cash crops, most importantly rubber, coconut and coffee. There are two points that deserve emphasis with regard to this pattern. The first, the crux of the argument of this essay, is that it facilitates political centralization and patrimonialism. For the moment, it is important to stress that it had in fact long been a well-established pattern, having evolved under the colonial regime. It is unreasonable, therefore, to expect the New Order to have drastically altered it, especially in view of the fact that the ardently 'revolutionary' Guided Democracy regime only managed to blunt some of its features and to create in the process considerable economic uncertainty. Nevertheless, in order to elucidate the political process under the New Order, it is necessary to examine the economic policies of the regime in relation to this pattern. Since most of the major regions were dependent on the food and cash crops, the following discussion will focus on the promotion of these crops.

Food Production

Perhaps the greatest achievement of the New Order has been the substantial increase in rice production. While rising only by less than 1 per cent between 1959 and 1965 (Booth 1977, p.70), the total rice output for the whole country jumped by almost 31 per cent from 1968 to 1974. Much of this, however, was due to an increase of production in Java and Madura which was almost ten percentage points higher than that in Sumatra, Kalimantan and Sulawesi (Booth 1977, p.70; Statistical Yearbook 1975, p.433).

The superior achievement of Java and Madura was the result of greatly improved and expanded irrigation and a more vigorous 'Green Revolution'. With regard to irrigation, it is significant that while their sawah (wet farm) area remained stable, their harvested area expanded through multiple-cropping by more than 40 per cent between 1963 and 1973 and by 15 per cent between 1968 and 1974 (Booth and Sundrum 1976, p.101; Booth 1977, p.70). Outside Java, the harvested acreage also increased significantly, but the increase was accompanied by a considerable expansion of the cultivated area. Reflecting the very modest efforts made to extend and improve irrigation in the outer regions, South Sulawesi - the only region outside Java which had had substantial modern irrigation works since the colonial period - only managed to widen its technically irrigated area by less than 8000 hectares, or 11 per cent, between 1972 and 1976. At the same time, both its semi-technical and village systems shrank, resulting in an actual diminution of its total irrigated area (Monografi Sulawesi Selatan 1978, p.180). In Aceh and West Sumatra, the two other most important rice-producing regions, the irrigation expansion appears to have been equally limited. Until the end of 1973 Aceh continued to lack large-scale technical irrigation altogether, while in West Sumatra technical and semi-technical irrigation served less than 100,000 hectares or only about 45 per cent of its sawah in 1975 (Boediono and Hasan 1974; Sumatera Barat 1976, p.224).

The Green Revolution was not effectively under way until 1971. Thereafter, however, the BIMAS programme (the central programme providing credit,
subsidized inputs and extension services) and the INNAS programme (a supplementary scheme supplying only subsidized inputs and extension services) expanded very rapidly, reaching a peak at the end of 1974 when they together covered around four million hectares (Rice and Hill 1977, p.24). The concentration of these programmes in Java is revealed by the fact that in South Sulawesi and West Sumatra, for example, their combined coverages during 1971-74 were only 48 per cent and 59 per cent of the harvested *sawah* areas respectively. In 1974, South Sulawesi had only just over 600 extension workers for its harvested area of more than 470,000 hectares, while West Sumatra had about 200 to serve around 395,000 farm families harvesting almost 250,000 hectares (*Monografi Sulawesi Selatan* 1978, pp.69, 280; *Sumatera Barat* 1976, p.255; *Statistical Yearbook 1975*, pp.425-26; *Sumatera Regional Planning Study* 1977, p.120).

Of the other food crops, most importantly corn, cassava, sweet potato, peanut and soybean, it is sufficient to note that only the production of the last two has appreciably increased between 1968 and 1977 (*Indikator Ekonomi*, December 1978, p.105). Both happen to be cultivated almost entirely in Java and Madura.

The Perennial Crops

Of all the perennial crops rubber is certainly the most important. It is the most significant export product after oil and timber, and its cultivation has been the most extensive, covering more than 2.3 million of the 5.9 million hectares devoted to commercial crops in 1973. About four-fifths of this acreage has always been operated by smallholders outside Java. Despite its importance, smallholder rubber has received very little attention. Practically all the existing trees, at least 30 per cent of which are beyond the normal maximum age of thirty years, have been grown from unimproved seeds, and cultivation and production practices have remained primitive. It is hardly surprising, therefore, that the average annual production of 554,000 tons during the 1974-77 period was almost exactly the same as that in the previous eight years, in spite of an actual expansion of the total acreage by about 9 per cent between 1966 and 1973 (*Indikator Ekonomi*, December 1978, pp.119-21; *Statistical Yearbook 1975*, pp.490-91; Arndt 1969, p.16; 1977, p.23; 1978, p.14; McCawley 1972, p.6; Glassburner 1978, p.12).

It may be said that serious official concern was not evident until the beginning of the second Five Year Development Plan (Repelita) in 1974. During the first plan, the Smallholder Plantations Service had concentrated all its efforts on the distribution of high-yielding planting material but because of financial and staff shortages had achieved very limited results (Gwyer 1974, p.35). The only policy especially designed to affect the smallholder sector was the attempt to improve product quality by prohibiting the export of low-grade rubber and giving generous incentives for the establishment of crumb-rubber factories (Arndt 1969; Collier and Tjakrawerdojo 1972).
With the start of the second Replieta, attention was finally directed to the central problems of modernization. So far, however, efforts have been concentrated on schemes (the 'village units', the 'assisted replanting projects', the 'group coagulating centres' and the 'nucleus estates') designed to involve only a few selected sites and therefore to involve relatively small groups of cultivators. The impact of these various programmes can be judged from their achievements in South Sumatra, the largest producer of smallholder rubber, accounting for 26 per cent of its total area in the country and 25 per cent of its production in 1973. By the beginning of 1978, two village units, one replanting project, and four coagulating centres had been started in different parts of the province. In the best of circumstances, these few ventures could not possibly have affected an appreciable percentage of all smallholders in the province, who constitute about 60 per cent of its agricultural population. In fact, at most 1000 hectares in all had been either newly planted or replanted under the scheme (Rahman 1978, pp.58, 82-117).

As noted earlier, coconut and coffee have also been especially significant crops in the outer regions. Coconut has been as extensively cultivated as rubber and, since estate cultivation has always been negligible, has in fact been the country's smallholder crop par excellence. Its only disadvantage has been its small and declining contribution to export. On the other hand, coffee has for a long time been the second most important agricultural export commodity. From 1968 to 1975, for example, it brought in on the average almost one fourth as much export earnings as rubber. Roughly 10 per cent of the coffee acreage is in estates but these have mostly been confined to East Java (Statistical Yearbook 1975, pp.490-91; Indikator Ekonomi, December 1978, pp.119, 121).

In terms of their total production, these two crops have been better off than rubber. With respect to smallholder coffee, the average annual production during the 1974-77 period was almost 19 per cent larger than that between 1966 and 1973. The comparable growth for coconut was 14 per cent (Arndt 1969, p.16; McCawley 1972, p.6; Glassburner 1978, p.12). However, these increases almost certainly did not result from improved productivity. The cultivation of both crops had also expanded quite substantially. Between 1966 and 1973 the total areas planted to coconut and smallholder coffee increased by 35 per cent and 22 per cent respectively (Statistical Yearbook 1975, pp.490-91). In spite of the expansion, in 1970 more than half of the coconut trees in North Sulawesi, the principal coconut grower, were over the normal maximum age of fifty years (Boediono 1972, p.71). The condition of the coffee bushes was no better. It has been estimated that per hectare yield in South Sumatra, also the largest smallholder-coffee producer, could be more than doubled simply by better husbandry (Sumatera Regional Planning Study 1977, p.54). Up to now, no special schemes have been introduced for either crop. In the case of coconut, efforts have been limited to initiating research and growing improved imported seeds in government experimental estates (Tempo, 29 October 1977, pp.49-50).

The much faster growth of food production in Java and the stagnation of the perennial crops in the major regions together have reduced the difference
between them. Between 1971 and 1975, per capita income in East Java grew faster than in Aceh, South Sumatra, West Kalimantan and West Nusa Tenggara. Indeed, in the same period, income in Java as a whole (excluding Jakarta) rose faster than that of these four regions plus Lampung collectively. From this point of view, the New Order could claim success in reducing a major economic imbalance in the country. The crucial feature of the inherited pattern of the regional economies, however, was the concentration of wealth in a few, mostly small, regions. Unfortunately, this aspect has actually been aggravated. In the same period between 1971 and 1975 the two super-rich regions - Riau and East Kalimantan - raised their combined income twice as fast as Java (Pendapatan Regional, n.d., p.11).

REGIONAL GOVERNMENT AND POLITICS

The colonial regime derived several political advantages from promoting the basic pattern of the regional economies. Since both farming and the growing of smallholder perennial crops could be left almost entirely to the initiatives and resources of the local communities, the colonial government was not required to interfere very much with them. On the other hand, the large estates and the exploitation of the natural resources could be undertaken and managed with little or no direct reference to them. This convenience was accompanied by the luxury of centralization. The bulk of government revenues could be easily and centrally collected in relatively large amounts from the enclaves and the modern urban sector. The main local expenditures, such as the construction and maintenance of infrastructures, could thus be financed largely from the centre, which could thereby exercise benevolently paternalistic control. The same advantages are now available to the New Order.

Local Leadership and Government

Traditionally, local communities in most of the outer regions were small and parochial, generally no larger than clusters of a few small villages which were not effectively incorporated into any wider political entities. When the Dutch extended their colonial administration to these communities at the beginning of this century, they were content with bringing them together into artificially created groupings under Dutch district controleurs or Dutch-appointed native officials. These officers were given considerable power, but communications difficulties and the risk of inciting too much opposition did not encourage them to make full use of it. In general, they allowed the traditional chiefs to continue to govern very much as they had, wherever possible. These patriarchs continued, for example, to derive their incomes entirely and directly from their communities (Nawawi 1972).

Up to the end of the colonial period, then, these village and village-cluster chiefs were the effective political leaders in most of the regions. After independence, however, these traditional leaders were shunted aside or ignored, partly due to the distrust of the revolutionaries. Since then,
partly because of a perceived need to have a uniform administrative structure throughout the country, the local communities have remained in limbo. Their complete political degeneration was prevented only by inertia and *ad hoc* regulations until the enactment of the first major post-colonial legislation on regional and local governments at the beginning of 1957. The new law did not help them much, however, for although it clearly provided for the formal existence of governmental units at a level below the district, it avoided specifying how they were to be established (The 1968; Legge 1961). The main difficulty was that in most parts of the Outer Islands, while villages were too small in population compared to the *desa* in Java, village clusters were generally too large in territory. As a result, that section of the law was virtually not implemented. It was soon abandoned altogether and improvisations continued openly.

The New Order has not offered a way out of this muddle. It did not replace the 1957 basic law on regional government until the middle of 1974. And far from settling the question of the third level of local government, this new legislation ignored the issue entirely by emphasizing only two levels of local government: the province and the district or municipality (*Tempo*, 25 May 1974, 6 July 1974). The regime was content with continuing to leave the fate of the local communities to their provincial governments and the Ministry of the Interior. Consequently, there has been neither uniformity nor certainty in their treatment. In South Sulawesi, the difficulty raised by the 1957 law has apparently been partially resolved by the creation of new entities between the traditional villages and their *Lilik* (village clusters). In South Sumatra, both the *marga* (village cluster) and the *dusun* (village) have continued to have formal identities, although there has recently been an inclination on the part of the provincial government and the central agencies to emphasize the former. But everywhere the status of the heads of these communities appears to be unsettled. None have become civil servants, but apparently some are receiving official salary (*Tempo*, 23 November 1974, p. 7), some have been appointed, and some have been removed at the discretion of the district officers and the governors.

On the other hand, the key unit in the national administrative hierarchy, the district (*kabupaten*), precisely because it had little or no traditional basis, was endowed with the essential malleability that has made its administrative identity unproblematical. There has also been no fundamental difficulty with regard to the status of its head (the *bupati*), who has continued to be unquestionably a formal government official. The only controversial issue has been whether he should, like the Dutch *controleur*, be primarily an agent of the central government or a local leader. The 1957 law identified him as the latter, that is as *kepala daerah*, who should be chosen by and responsible to an elected district legislative council of which he should be a member. Partly due to vigorous opposition by the civil service, this provision was never implemented. With the establishment of Guided Democracy in 1959, the law was replaced by a presidential decree providing for a district head to be centrally appointed from among candidates nominated by the local council but not responsible to it (The 1968, pp.203-21).
Under the New Order, the status and power of the district heads as agents of the central government has been greatly enhanced. From the beginning, the generally accepted principle that the local councils should nominate candidates was tempered by an informal understanding on the desirability of prior consultation between the councils, the governors, and the Ministry of the Interior. This selection procedure, as formalized in both PP 6/1959 and the 1974 law, has helped the regime to fill the *bupati* posts almost entirely with its own preferred candidates, in most cases retired or active military officers. One justification for this strategy has been that it would ensure the dominance of the *bupati* in district affairs over the district consultative committees (*muspida*). Introduced toward the end of the Old Order, these committees, formally chaired by the *bupati* and consisting of the local military commander, police chief, judge, and public prosecutor, have become fairly well institutionalized.

The strengthening of the *bupati* as agents of the central government has not improved the effectiveness of local leadership and government. Lacking the traditional roots they have in some parts of Java, the *bupati* in the outer provinces cannot easily get the co-operation of the local leaders under them or relate directly with the local populace. On the other hand, deprived of real power, the local leaders themselves are resentful and demoralized and are losing the traditional respect of the villagers. A good indication of the continuing political weakness of the local communities is the poor collection record of the land tax (*ipeda*) which is by far the most important revenue source in the districts. Although formally a central government imposition, this tax has actually been collected by the village and village cluster heads, who have been allowed to retain a certain percentage of their collections. Except for another small percentage contributed to the province, the proceeds have been turned over to the districts entirely.

The scanty data available suggest that although there has been a dramatic increase in the amounts collected, the overall efficacy of the *ipeda* has not grown substantially. In all the major outer regions taken together, total collections for 1978-79 were estimated to be, in nominal terms, more than twenty times as large as those in 1969-70 (BIES, July 1970, pp.136-37; Daftar Perkiraan 1970). However, much of the increase was simply due to the fact that in most of these regions the tax had just begun to be seriously enforced at the beginning of this period. Hence, on the average, the rural *ipeda* tax payers still constituted in 1971 only 22 per cent of their adult rural populations. Even in South Sulawesi, the only province apart from West Nusa Tenggara to have inherited colonial land records, coverage was only 44 per cent (Booth 1974, pp.110, 127). Reflecting this fact, collections there grew only by one-fifth from 1971-72 to 1973-74, compared with their doubling during the preceding three-year period. The remarkable expansion was also the consequence of very low initial assessments, and thus did not require a corresponding enhancement of the collecting efficiency. In South Sumatra, even though the proceeds increased nearly 90 per cent during 1974-78, the ratio of the realized collections to their targets not only continued to be low but actually fell from 42 per cent to 38 per cent at the same time.
Centralization and Paternalism

Even more than the *bupati*, the governors have become the unambiguous representatives of the central bureaucracy. The same selection procedure has been utilized even more blatantly as a convenient cover for their direct appointment by the President. In most instances, military officers have been preferred, although some of them had retired before their assignment. In effect, then, the 1974 law on regional and local government confirmed not one but two centralizing grids. It entrenched the bureaucratic network controlled by the Ministry of the Interior and tacitly reaffirmed the military line of influence.

These structures have contributed to and in turn have been greatly strengthened by the success of the regime in controlling local and regional politics. In part, this control has been imposed through the prohibition of political activities below the district level. Rationalized by the curious 'floating mass' doctrine, which extolled the virtues of politically insulating the vast majority of the people, this ban was only slightly relaxed by the 1975 law on political parties (Samson 1973; Hansen 1976). But above all, the control has been exercised through the regime's domination of the provincial and district councils which in turn has been achieved through a combination of reservation of seats and the electoral success of the government party, Golkar. In both the 1971 and the 1977 general elections, one-fifth of the seats were reserved for appointed members, mostly active soldiers and veterans. On both occasions Golkar also managed to capture the majority of the other seats in all but a few of the councils, thanks principally to its open sponsorship by the *bupati* and governors who mobilized their bureaucratic as well as military resources (Silalahi 1977; Liddle 1978).

Such an edifice of centralization is a tribute to astute political management. It has been founded, however, upon the maintenance of the regions' acute financial dependence on the central government. The portion of the total budgeted revenues of the district and provincial governments in the major regions resulting from their own levies, including the *ipeda*, although appreciably higher than in the 1960s, was projected to be still only around 10 per cent for 1978-79. Indeed, the districts and the provinces together would have been able to meet only a minor fraction of their routine expenditures from their own revenues. On its own, the provincial government in Aceh could meet at most 17 per cent of its routine budget in 1972-73. The comparable ratio for South Sulawesi in 1974-75 was only around 12 per cent and for South Sumatra in 1975-76 no more than 14 per cent (BIES, July 1970, pp.136-39; Daftar Perkiraan 1978; Boediono and Hasan 1974, p.54; Tempo, 13 April 1974; Sumatera Selatan 1977, p.280).

Having such a strong financial upper hand, the central government could be tempted simply to impose its will on the regions. But it has understandably chosen to continue to rely on paternalism, a convenient mode of governance. This style has been embodied and facilitated by the INPRES programmes. At least since the beginning of the second Repelita, a very large proportion of the central funds for the regions, designated as developmental and included
in the development budget of the central government, has been channelled almost exclusively by means of these programmes. Beginning with the village and district subsidies introduced in the first two years of the first Repelita, these programmes have grown to seven in number. The second Repelita was ushered in with the provincial subsidy and the elementary school and public health centre schemes. In 1976-77 the public market and reforestation projects were initiated.

Being general in nature, the village, kabupaten, and provincial programmes have provided the best opportunity for display of the characteristic relationship between the central government and regional and local leaders. The kabupaten subsidy is particularly revealing. Unlike its provincial counterpart, which has continued to be seen in many regions basically as compensation, it has been a 'pure' grant. At the same time, it has been regarded in Jakarta as the symbol of and the necessary support for the status of the district, emphasized in the 1974 law, as the focus of local autonomy. It has therefore become one of the landmarks of the New Order and aroused the most interest outside the country (de Wit 1973; Hady 1974; Salim 1975; Hoadley 1976; Richards 1978).

Formally, the scheme is endowed with a very complicated structure. To begin with, although the subsidy is in principle at the complete disposal of the district government, it has a well-defined purpose and scope. Basically, its aim is to alleviate unemployment and underemployment within the districts. Hence it is supposed to emphasize labour-intensive activities. Reflecting another major concern of the central government, it is also meant primarily for the rehabilitation and expansion of the physical infrastructures, mainly roads, bridges, and irrigation channels. A small portion of it has therefore actually been given in the form of heavy equipment for road construction and maintenance.

Above all, there is a very elaborate procedure governing the selection, implementation and post-evaluation of projects. Prior to the start of each new financial year, after a Presidential Instruction has set the per capita amount, the Ministers of the Interior and Finance and the Chairman of the National Development Board (Bappenas) jointly determine the full allocation for each kabupaten. Following this, the bupati is expected to exercise his prerogative as the programme executive to prepare a priority list of projects to be undertaken in his district in the coming year. However, he is required to submit his list to the governor, who has the authority to review it in the light of his own plans for the province. The list is then returned to the district, where the approved projects are prepared in detail before they are again presented to the office of the governor for technical refinement and then submission to Jakarta. After they are finally approved, the projects are supposed to be put up for public tender by a special committee chaired by the bupati, which would then select the winning contractors. In the meantime, with the consent of the governor, the bupati is required to appoint a special treasurer responsible for maintaining liaison with the Bank Rakyat (Rural Bank) for the release of funds at the various stages of each project. Lastly, he has to submit progress reports to the governor and the co-ordinating committee in Jakarta at regular intervals throughout the year.
In practice, many of these guidelines and requirements have often been ignored or bypassed. It is widely acknowledged that although the major portion of the subsidy has indeed been expended on infrastructural projects, a substantial part has gone directly and indirectly into such forbidden objects as office buildings, official residences, monuments and vehicles. To some extent, the purpose of the elaborate procedure to minimize waste and to make the misuse of funds difficult has been achieved, but it has become common knowledge that, for example, the same stretches of roads have been repeatedly upgraded and some bupati, other district officials, and Rural Bank branch managers have become visibly richer than they should be. There is no doubt that these deviations have resulted partly from the continuing communications and administrative inadequacies. The lack of detailed independent field inspection and auditing has made possible the submission of misleading or simply fictitious reports and even photographs with impunity (Richards 1978, p.195; Tempo, 6 March 1976, p.21). Fundamentally, however, these irregularities are unavoidable. In the absence of strong extra-bureaucratic local political organizations as its base, the political effectiveness of the provincial and district officials depends on manoeuvrability (Silalahi 1977, p.20). Probably this was the decisive reasoning behind the special invention of the INPRES programmes in the first place. The overriding importance of the consideration is in any case evident from the fact that even though the subsidy has formally been included in the district budgets, and government supporters have dominated most of the district councils, the selection and implementation of the projects have been exempted from discussion and scrutiny in these councils (Richards 1978, p.194).

The main point that should emerge from the discussion in this section is that with regard to government, and politics as well, the basic colonial pattern which continued to prevail up to the establishment of the New Order has, partly by necessity, clearly been reaffirmed. This does not in any way belittle the record of the New Order for, as noted above, considerable efforts have gone into the very difficult task of rehabilitating regional and local government authority and administrative efficiency, which had suffered grievously during the Japanese occupation and the revolution and under the first two post-independence regimes. The argument is simply that these efforts have not been directly aimed at changing the pattern. The efficacy of local political leadership has not been enhanced in order to break the vicious circle linking low resource mobilization and low economic participation. As this circle has remained largely intact, needed resources have had to come largely from the central government and thus have further entrenched paternalism.

CONCLUSION: REGIONAL AND NATIONAL POLITICAL ECONOMIES

In conclusion, it seems clear that the regional economic and political patterns under the New Order have indeed been closely interrelated and mutually supportive. The vast majority of the population in the outer regions have remained peripheral and passive participants in the development process, both economically and politically. Only a few regions have become or
continued to be very rich, although largely in spite of most of their inhabitants. In some major regions the larger part of the regional product has been contributed by the great majority of the people, but the main economic activities of this majority have continued to be generally stagnant. Politically, the continuing neglect of the local communities, and the reluctance of the regime either to allow independent political organization or to undertake serious political mobilization, have reinforced the passivity of the overwhelming rural mass. Quite clearly, economic stagnation and lack of political participation are not only two sides of the same coin, but actively reinforce each other.

The overriding reality is that the regime has continued to rely mainly on resources largely unconnected, at least directly, with the activities of most of the people. Indeed, its economic independence of their contribution has grown. Thus, to consider only the domestic revenues, the combined contribution of corporation and oil taxes, import and export duties, and other oil receipts, accounted for, on the average, 72 per cent of the total official revenues of the central government between 1974 and 1978, compared to 63 per cent during the previous four years (Indikator Ekonomi, December 1978, p.78). Economic independence has, not surprisingly, encouraged the politics of benevolent, fatherly authoritarianism. Many foreign and domestic observers have described the actual operation of the national political system as patrimonialism, which appears to some to be well-ingrained in the Indonesian national psyche (Crouch 1979; Silalahi 1977; Robison 1978; May 1975). Regardless of the actual mechanics, the fact is that so far the vast majority of the Indonesian people have almost always remained onlookers around the arena, although perhaps less so between 1945 and 1965. Consequently, national politics has actually been the exclusive game of a small minority. It is to the credit of the leaders of the New Order that they have made some efforts to avoid being unnecessarily harsh and to temper blatant patrimonialism with administrative reform. But they have not found it useful to forego convenience in favour of strenuous exertion.

The fundamental issue, then, is that the perpetuation of many key features of the pre-independence pattern of the regional economies has entrenched, and in turn been affirmed by, a national political system basically characterized by paternalistic centralism and negligent, laissez-faire liberalism. This system has also stimulated, and been further strengthened by, the development of concentrated, large-scale economic activities principally in and around the metropolitan centre. In short, the dilemma relates to the mutually reinforcing structures and orientations of the national polity and economy. Hence, to borrow the words of Gunnar Myrdal, 'the real mystery is how [Indonesia] can escape from equilibrium and can develop (Myrdal 1972, p.434). The effort to solve the puzzle must surely begin with the abandonment of obfuscation and rationalization.
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THE POLITICAL ECONOMY OF NEW ORDER INDONESIA

IN A COMPARATIVE REGIONAL PERSPECTIVE

Jeffrey Race

INTRODUCTION

Large social institutions such as governments generally act not for single reasons or because of the wishes of single persons, but rather because coalitions of interest form behind certain 'least constrained' actions. What follows is a broad overview of the structure of the political economy of Indonesia, intended to help us understand why certain coalitions of interests characteristically come together behind certain kinds of policies. I focus in particular, and at a somewhat abstract level, on the fiscal system financing not just the government, but the governing elite in general. I am relying for this abstract analysis on the very detailed investigations of other scholars such as Crouch and Robison.

This paper is largely an analysis of structure and its implications; it is not intended to be a statement about the particular magnitude of any numbers, or of their trends. This is also an interim report of work in progress, and thus a suggestive contribution to discussion, rather than a definitive, finished work.

Finally I should say that what follows is not written in a critical spirit; rather it is a candid attempt by an outside observer to interpret, and to explain, how public policy formation is influenced by structural factors in the political economy of Indonesia.

THE ANALYTICAL APPROACH

My analysis herein is strongly influenced by the work of an American sociologist, Gerhard Lenski, as expressed principally in his important study of social stratification, Power and Privilege (1966). Lenski's analysis, and the one I will apply here, views the economic system as one for generating economic surplus, and the political system as one which, among other things, perpetuates an unequal distribution of this surplus. Political struggle is thus conceived as the struggle over the distribution of the surplus. Many illuminating questions stem from this line of analysis, such as: How does this distributive system work? Whom does it benefit? How is the distributive system changing, and under what influences? What are the axes of tension? How does the means for appropriating and distributing the surplus interact with the system for generating it? To mention just one line of inquiry which I will not pursue, we can infer that one reason it is so hard to get governments to execute development policies to uplift the poor is that this is literally not what governments are designed for.

THE EVOLUTION OF 'THE SYSTEM'

From this analytical standpoint, the most striking feature of political authority in Indonesia is its highly extractive nature, since long before the time of the Dutch. Indeed, one can fruitfully look at the past four
centuries of Indonesian history as the struggle over who will appropriate the surplus generated in the archipelago: first petty chiefs and kings; then the Dutch (the figures on the export of capital are fairly clear); then, at Independence, the political parties (through sale of import permits and the manipulation of multiple exchange rates); and since 1965, the army and its friends.

While the orientation to the economy of the Indonesian armed forces is strongly extractive, we must pay special attention to the interlude of three or four years after October 1965, when ABRI (the Armed Forces of the Republic of Indonesia) led a broad coalition oriented principally to rationalizing the economy and getting it producing again after the distortions and ultimate run-down, culminating in capital consumption, of the final Soekarno years. This early New Order coalition - students, intellectuals, the PSI, various factions within ABRI, orthodox and reform Muslims - had been thrown together out of their common fear of the PKI. Their somewhat unlikely coherence in the early New Order years is well known and needs no repetition here. What is important to note is their unity around a programme of economic reconstruction, before the expanded mechanisms for the appropriation of surplus described below were installed.

This movement toward rationalization and reconstruction was very clear; the following list is suggestive, not exhaustive in this regard;

1966: Reform of state enterprises, including retrenchment of excess personnel and development of a new, more flexible legislative system;
1966: Elimination of most price controls;
1967: Return of many foreign enterprises to original owners; promulgation of the Foreign Investment Law;
1968: Domestic Investment Law;
1968: Restructuring of state banks and rationalization of interest rate structure;
1969: Promulgation of legislative framework for state enterprises;

Thus from the perspective of 1965 (declining production) ABRI was decidedly a rationalizing force, aimed at improving economic policy-making, administration and the rate of investment, and allied with other forces in society in favour of rationalization, rising production, and against the PKI.

With the success of stabilization, the principal orientation of ABRI shifted from rationalization to establishing and perfecting a whole array of mechanisms to extract the surplus now being generated, or about to be generated, by the newly functioning productive system. This shift could be dated in various ways, but one which comes to mind is the establishment, in 1968, of the firm P.T. Rumpun, to take over a number of estates in Central Java. After that, there is a virtual avalanche of incorporations of companies by ABRI personnel, reaching a peak probably in 1972 or so (see Robison 1975).
Concurrently the broad coalition behind the New Order disintegrates: the so-called 'PSI generals' are released from duty; the students and intellectuals drift off; the Muslims go into opposition; the base of the regime becomes narrower and narrower not just in society at large, but even within the military, as one military faction fastens its extractive mechanisms on the economy.

**THE OPERATION OF 'THE SYSTEM'**

My principal interest is in how the emergent system for funding both the government and the groups who control it influences the formation of public policy. The accompanying diagram - 'The New Order Fiscal System' - highlights at an abstract level the important structural characteristics of this system.

Its most striking, and most essential, feature is that it rests on the creation of a whole series of artificial scarcities throughout the economy. These scarcities give rise to 'monopoly rents' - the spread between an implicit free-market price, and the artificial scarcity price.

The scarcities include:

(a) Government services. The lethargy and inefficiency of the government apparatus creates a scarcity of government services. This motivates those needing government decisions, permits, licenses, etc. to make special payments to expedite government action.

(b) Minerals, petroleum, forestry. By statute or constitutional provision, the extractive sectors are all government monopolies. In the mining and petroleum sectors, state enterprises collect from domestic and foreign private enterprises monopoly rents that are directly (and indirectly) passed on to the military. In the forestry sector, various army-owned companies (e.g. Tri Usaha Bhakti) and trusted private-sector intermediaries (as joint-venture partners) collect the monopoly rents.

(c) Jakarta entertainment. Much of the capital's hotels, gambling, and tourism are directly controlled by the military, since unlike industry and agriculture this sector generates quick cash.

(d) The **Hajj**. The pilgrimage to Mecca requires a special permit from the Directorate of Hajj Affairs. The cost of a government-organized trip is hiked substantially above the normal cost of a trip from Southeast Asia to Mecca. These funds go into a special public account controlled by the president.

(e) Domestic trade. Through such state-controlled organizations as BULOG, various aspects of internal trade can be manipulated to generate monopoly rents.

(f) External trade. High tariffs, non-tariff barriers, and discriminatory allocation of licenses allow similar
rents to exist in external trade. This is claimed by the state or quasi-state monopolies that control a large part of external trade. For example, the two firms sharing the clove import monopoly are both politically well-connected, to say the least.

(g) Inter-island shipping. In a country where transportation is inadequate and costly, ABRI and ABRI-protected enterprises' dominance of shipping provides them with a generous source of funds.

(h) Credit. In a chronically capital-short economy, the government's extensive presence in the banking system is particularly significant. The five state banks grant 82 per cent of all loans, with eleven foreign and ninety-seven domestic private banks sharing the remaining 18 per cent. Political loyalties and a willingness to sanction diversion of funds have in the past qualified individuals for positions either in the state banks or in 'private' banks that have significant official participation. Accordingly, bank failures or capital impairment are common. The most recent financial scandal involved the largest state bank, Bank Bumi Daya, whose president-director was removed in January 1977. In late 1977 during the pre-election anti-corruption campaign, Admiral Sudomo revealed that the sacked president-director had admitted receiving US$500,000 in bribes in exchange for granting dubious credit.

It is only fair to note that much of the rents generated by this system go to financing official government operations - though a smaller proportion now than in the early 1970s, before a series of more recent financial reforms. For example, of perhaps special interest to Australians is that much of the funding for the Timor invasion was furnished 'off the books' directly from Pertamina to HANKAM (Department of Defence and Security).

Nevertheless the structure just described is fairly well understood both at a theoretical level and in its specific Indonesian form. The picture which emerges is remarkably similar to the tax-farming fiscal systems of European monarchies from the fifteenth century until their gradual disappearance in the seventeenth and eighteenth centuries. Such systems typically develop to support rapidly rising military expenditures in a context of poor communications and weak central control. Since these systems have been studied extensively in the past, certain observations can be made about the future of Indonesia's variant.

The system impedes economic development

Despite the prominent role of the technocrats, the fiscal system just described establishes parameters which constrict economic growth (not to mention development) in very important ways:

(a) The pricing distortions implicit in the monopolistic structure lead to resource misallocations.
(b) Granting chunks of the economy as fiefs in return for political support discourages economic rationality and sound management.

(c) Since costs are higher than under free-market conditions, production does not develop to the full extent economic under free-market prices.

(d) As a separate but related point, exports are also impeded by the higher costs (including exports of manufactured goods using 'cheap' domestic labour).

(e) Bureaucratic monopolies impede innovation, and add to the cost (in time at least) of almost every transaction.

For these reasons, the corresponding structures were overthrown in Europe by rising entrepreneurial classes; we will explore this point in more detail below. It is important to note, though, that it was historically not technocrats who overthrew such systems: their goals have been circumscribed by the injunction to make more for the sovereign, or to make the system work more predictably for him.

Revenue is hard to collect

The limitations on the system's capacity to collect revenue generate a bias in favour of policies that produce situations where cash is easy to recover (e.g. capital-intensive development projects); here the centralized control of resources (e.g. by a foreign investor) makes 'skimming' easy. There is thus a bias against agriculture and labour-intensive manufacturing, and for a few big projects over a large number of smaller projects; a tendency to 'live on capital' by the exhaustion of mineral, petroleum, and forestry resources; and a preference for external borrowing.

This fiscal system is incompatible with the development of the rule of law

Since criminal or quasi-criminal activities are seen as essential to the maintenance of the state under this type of financial system, the present leadership has a vested interest in illegality, that is in preventing the emergence of an articulated, autonomous legal system that could provide the basis for competitive commercial activity (not to mention political and civil rights). This accounts for the absence of legislation to create the courts authorized by the constitution; the lack of codification (most importantly, in my view, of land law and commercial law); and the measures used to coerce or induce favourable judgments from existing tribunals.

Lest I be accused of being overdramatic in this regard, let me point to one illustrative incident in the recent history of Indonesia's greatest economic success and its greatest disaster: Pertamina. That Pertamina was not being run according to law (or even sound management principles) had long been apparent; it was made a matter of record in the report of the Committee of Four in 1970. But a particularly interesting and clear item of evidence appeared in 1978 of how unimportant this all was, relative to other priorities, even at that late date. At that time, in order to prepare
a possible defence that General Ibnu Sutowo had exceeded his authority in signing agreements with Bruce Rapaport (who was then suing the Indonesian government for large sums), the Indonesian government procured from the General an admission, sworn in a deposition filed in a New York court, that he had received a US$2.5 million undocumented 'loan' from Bruce Rapaport, with whom he was at the time supposed to have been conducting arms-length negotiations on behalf of the Republic of Indonesia.

This enforced enfeeblement of the legal system also retards economic activity, by imposing either an additional risk or an actual 'insurance premium' (a payoff for protection) on most transactions.

The interaction between this fiscal system and its actual beneficiaries greatly complicates succession.

'Tax-farming' systems are inefficient, which is why in modern states they have evolved into bureaucratically organized 'internal revenue services'. But their very inefficiency makes them appealing to the tax farmers and their allies, since so much of the revenue remains with them. Accordingly the Indonesian tax farmers, to a considerable extent Chinese, have a powerful incentive to perpetuate the system, and to perpetuate in power until the last possible moment whoever (now Suharto) 'authorizes' such a system.

There is further the crystal-clear precedent, both of the Dutch and of the palace millionaires around Soekarno, that if one loses political power in Indonesia, one loses everything. Thus the interests of the president's family and their business associates are closely synchronized with those of the tax farmers: they must continue the system as long as possible, by arranging a transition into 'safe' hands (i.e. someone who will continue the present rules, and guarantee their property). Otherwise once they lose control of the top governmental positions, they may suffer severe personal economic losses. This is probably a more serious constraint on the Indonesian side, who want to remain in Indonesia, than on the Chinese side, who are prepared to move elsewhere and have the means abroad to do so.

This fiscal system impedes ASEAN integration

Since much of the revenue under this system is financed by the spread between domestic and world prices (lower domestic prices for exports, higher for imports), it is immediately apparent that it is inconsistent with economic integration among the member states of ASEAN. I judge that this is an important factor contributing to Indonesia's characteristic stance as a nay-sayer on schemes of further economic integration.

SOME COMPARISONS WITH NEIGHBOURING COUNTRIES

Thailand

Of the countries with which I am familiar, the political economy of Thailand bears the most resemblances to the Indonesian structure I have just described, but with important current and historical differences which tell us much, I believe, about the possibilities for Indonesian development.
In Thailand, under an agreement reached in the mid-1950s, Chinese entrepreneurs served, as in Indonesia, as the junior partners and business managers of a military government, though in terms of proportion to gross economic activity, the system was much attenuated compared to Indonesia. There were structural similarities, however: military power led to political power, which led to wealth; the Chinese were the managers while the military were the enforcers; and state enterprises (frequently monopolies) established 'for the public benefit' in fact were siphons for money into the hands of the military.

The differences were important:

1. The distinction between public funds and private funds is clearly drawn in Thailand; unlike the situation in Indonesia where there is a virtual continuum between government agencies, government enterprises staffed by military or civil servants, commercial firms staffed by officials operating for public purposes, commercial firms staffed or owned by officials operating for private purposes but making 'rent' payments (e.g. to the army or one of the array of 'charitable' foundations), or truly private firms operated by trusted private individuals but making 'rent' payments, all either getting funds from or giving funds to the government, depending on the circumstances. In part this development arose from the consequences of the Bowring Treaty (see 4 below); in part from legal notions imported by King Chulalongkorn from the west; and in part from the Revolution of 1932 which overthrew royal absolutism and established clear distinctions between the Privy Purse (the sovereign's personal property), the Crown Property (originally royal property, seized in 1932, and now used to produce revenue which may be used for some public purposes such as charities, at the discretion of the sovereign), and the Public Treasury. I make the point that this distinction (and indeed the overthrow of absolutism), which occurred in this century in Thailand, and in European monarchies from three to four centuries ago, has yet to take place in Indonesia.

2. The Thai Chinese are a much larger proportion of the population (perhaps 10 per cent) than in Indonesia, and they are much better assimilated.

3. Thai society is more homogeneous, ethnically and religiously, than is Indonesian society.

4. There is an important difference in the degree of openness of the economy. Under the Bowring Treaty of 1855, a regime of virtual free trade was imposed on Thailand by the British. Thus already in the last century (and by the threat of violence, it is important to add, when contrasting with the possibilities of the present) the existing Thai fiscal system was revolutionized. Operated before 1855 much like the Indonesian fiscal system of today, Thailand was debared by the Bowring Treaty from ever having the kind of fiscal regime such as Indonesia's I have earlier described. Thus it also escaped the consequent problems, and military rule in Thailand has had much less serious economic consequences than in Indonesia.

Having said all this, I am now in a position to observe that the parliamentary period in Thailand, from 1973 to 1976, and the policy changes resulting therefrom, actually represented the coalition of one sector of this Sino-Thai business community with a group of royalists and some other varied interests. That is to say, one section of the conservative business community essentially turned on their protectors in the military, and
attempted to undo even the attenuated Thai version of the Indonesian-model fiscal system I have described. They attempted to do this by such measures as: selling off some state enterprises; reducing subsidies to or terminating monopoly rights of others; dismantling de facto price-fixing cartels; legislating the military out of business and politics; and reforming the taxation system to raise more direct taxes through levies on gifts, inheritances, and property. They were, from the military viewpoint, frighteningly successful, as a result of which there was a coup in 1976 casting the economic reformers out of office. Military public relations then and since cast the coup in terms of 'saving the country from communism', but it is quite clear that what was saved was quite different, and the threat came not from 'communists' but from some quite undeniably conservative businessmen (such as Boonchu Rojanasathien, now president of the Bangkok Bank).

The point I would make here, to draw the contrast with Indonesia, is that prior to 1973 the Thai technocrats had been in the service of the military for a decade or more; but they only tinkered. Real structural reforms came with a new political coalition, and that was possible in Thailand because the Chinese community is large enough and assimilated enough, and Thai society as a whole homogeneous enough, that Chinese businessmen, Thai aristocrats, and secular progressives could make common cause against a minority military.

I suggest that this kind of coalition cannot emerge in Indonesia, and that the most important potential economic rationalizers, the overseas Chinese, are too small and too vulnerable, and too unacceptable to other potential coalition partners in Indonesia, to strike out against the military in favour of a system relying on legality. Instead they must continue as the junior partners in the military-run protection racket.

The Philippines

The example of the Philippines under martial law may serve us as a salutary warning against any kind of optimism that patrimonial tax-farming systems are doomed, mere way stations on a unilinear path toward modernity. For while Thailand is clearly moving away from this structure, if in fits and starts, the Philippines is clearly moving toward it, from a structure which in theory, if not always in practice, was a modern legally-oriented one.

My analysis of the Philippines has been published elsewhere (Race 1977), so I will here only note that under martial law the Philippines has moved from a structure where there was a small state sector, the military had no role in the economy, and the legal system provided a fairly reliable matrix for commercial activity, to one where the reverse of all these statements is true. We thus see the emergence of problems quite similar to those of Indonesia: palace millionaires on a grand scale (Disini, Silverio, Tantoco, Cuenca); the erosion of the legal system for both civil and commercial rights; the appearance of great patrimonial fiefdoms (e.g. in grains, coconuts, sugar, shipping, and gambling); an identical succession dilemma; and, probably, an ultimate military takeover.

The Philippines thus demonstrates that there is nothing inevitable about evolution away from a patrimonial tax-farming system; it has strong attractions for a certain class of people!
THE FUTURE

Experience tells us that patrimonial tax-farming systems are very stable and long-lasting, at least in part since the same few people control political, military and economic power - a hard hand to beat. As I think about it, I believe they undergo major structural reform under three circumstances:

(a) external shock (e.g. the Bowring Treaty in Thailand's case, imposed under threat of violence);

(b) a rising entrepreneurial class, which ultimately grows strong enough to turn on the system in alliance with some part of the existing elite;

(c) mass-based revolutionary uprising.

This is perhaps a circuitous way of saying that the leaders of such systems never reform themselves. Their technocrats can never bring about structural reforms, only fine tune the system at the margin, and make it produce a bit more revenue for the sovereign, and more reliably. For this reason I place no credence in the oft-declared desire of current Indonesian leaders to bring about reforms. However much they may desire this in their hearts (and there are legitimate questions about that), the coalitions which make such systems work can never agree, however compelling the case may be: it is always like Augustine's plea: 'Oh God, save me - but not yet!'

What then of the three possibilities I listed? Each seems excluded. An external shock seems excluded by the disappearance of the gunboat diplomacy which it implies, and which was used by the British against Siam, and later by the US against Japan. Foreign investors and foreign financial institutions are pushing modest reforms, such as we have recently seen in the tax and customs codes. But the influence of external entrepreneurs is limited by the absence of gunboats; even the increasing financial dependency of Indonesia on what Ben Anderson humorously - but rightly - calls the 'annual IGGI fix' does not make the country more amenable to advice. Indonesia is now so deeply that it can resist external pressures for reform by arguing, credibly, that 'bankruptcy will be worse for you than for us'.

For the reasons noted earlier about the fragmented nature of Indonesian society, a coalition of domestic entrepreneurs (either Chinese or Islamic) with other groups, à la Thailand, also seems excluded. So does mass-based revolution, for complicated reasons which others can supply better than I.

If this is so, then the future of Indonesia seems only to consist of variations on military marches. A 'pessimistic' scenario would see the Suharto group successfully arranging succession into the hands of a 'team player', who will permit the game to run on as at present. An 'optimistic' scenario would see some of the more professional younger officers attaining increased influence, leading perhaps to a 'Korean' model of military business relations (i.e. de-emphasizing 顿 fungsi), but without Korean efficiency. For either of these, the external options are limited by the overpowering fact of dependency: radical solutions vis-à-vis the foreign sector are excluded now in a way they were not in Soekarno's time. Then it was plausible to seek a new patron in a 'Jakarta-Peking axis', reneging on debts, nationalizing, and opting out in general. This is no longer possible with China's discovery that, for a poor country, the world capitalist system is 'the only game in town'.
CONCLUSION

The foregoing has been intended not to demean ABRI as an institution, but to place its achievements in some kind of regional and historical perspective. Indeed, the strength of ABRI and its contributions to the country are clear when evaluated against a 1965 baseline and against military performance in the Third World generally. The armed forces were initially a strong supporter of economic rationalization, bringing technocrats who could initiate a return to production into influential positions. The secular and cosmopolitan orientation of the ABRI leadership also permitted it to tap the energies and talents of a broad spectrum of people, whose co-operation would not have been forthcoming had more narrow-minded ethnocentric or religious groups had power. With its emphasis on national unity, ABRI has held the country together in the face of strong centrifugal tendencies. Similarly, the insistence of its leadership on respect for constitutional formalities has kept Indonesia free from the repeated coups d'etat that plague other military-dominated states.

With ABRI's shift in practice around 1968 from supporting economic recovery to a posture of skimming the surplus, the weaknesses of military rule have become more apparent. These include the increasingly serious constraints placed on the technocrats in their quest for economic rationalization; the vested interest in illegality created by the country's fiscal system of structural corruption; the parcelling out and management of chunks of the economy to secure political and financial support, leading to weak management and repeated financial collapses of large enterprises; and the reliance by Suharto on a group of yes-men and politically unpopular advisers, resulting in Suharto's growing isolation and rising social tensions.

NOTE

1 BULOG in 1973; Pertamina in 1975; Bank Bumi Daya in 1978.

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THE NATION AND ITS NEIGHBOURS
TIMOR AND WEST IRIAN: THE REASONS WHY

Peter Hastings

The most noticeable element missing from the great Australian debate over Timor was any attempt to create a historical framework to Indonesia's actions and statements over the former Portuguese colony between 25 April 1974, the date of the Portuguese revolution which led to the rapid dissolution of Portugal's overseas empire, and 7 December 1975, the day on which elements of the Brawijaya Division landed in Dili. There are numerous reasons for the uninformed nature of the debate. Two stand out. One is the habitual intellectual isolationism that informs public discussion of external issues in Australia, the tendency to simplify, where not deliberately to distort, in the interests of domestic politics. The other is the habitual paucity of official Indonesian documentation on the issue other than publicity handouts. Most Australians appeared to be shocked by Indonesia's armed intervention, while at the same time giving the impression that they had all along regarded annexation as inevitable. If one cares to read history backwards one can see that it was inevitable, but there is little evidence that the Indonesians involved in the complex decision-making over East Timor thought annexation inevitable or gave it real consideration until quite late in the day. If it had not been for the events of 25 April in Portugal leading to the uncertain, and (to Jakarta) threatening, course of a leftist revolution, East Timor today would still be a backward Portuguese colony, of no particular moment to the Suharto regime.

One of the more striking aspects of Indonesia's attitude towards East Timor in the years following independence was Jakarta's failure to capitalize for propaganda purposes on the undoubted historical contacts, trading and political, between the great Hindu empires in Java, or succeeding Muslim kingdoms, and the eastern islands of the Timor and Solor archipelagoes which were from the ninth century onwards regarded as valuable sources of sandalwood (Ormeling 1957). At the peak of Madjapahit power in the fourteenth century trading contacts had developed into a political relationship in which the small chiefly societies of coastal Timor, Flores, southern Sulawesi and Sumbawa paid regular tribute to Gadjah Mada (Vlekke 1943). The Indonesians were commendably quick in the 1950s to elevate rather tenuous links between the Sultanate of Ternate and Tidore and the Dorei Peninsula into formal evidence of territorial rights to West New Guinea. Why then did they fail to promote far more substantial historical claims to East Timor? One need trace only in small detail the long quarrel between Dutch and Portuguese over the Timor Archipelago to understand better Indonesians' latter-day dilemma over Portuguese Timor.

Islam moved into eastern Indonesia in the sixteenth century. The Portuguese followed in the wake of Islam and the Dutch followed hard in the wakes of the Portuguese carracks. For nearly two centuries the Dutch waged sporadic warfare against the Portuguese before evicting them from
Solor and Kupang and finally driving them from their great stronghold in Makassar in the latter half of the seventeenth century. But they never succeeded in dislodging the Portuguese from East Timor, where they remained stubbornly entrenched for the next three centuries. The tensions engendered between Portugal and Holland through their intermittent warfare in Nusa Tenggara remained unabated up to the time that the Dutch finally quit Indonesia in the 1950s, their mutual anxieties reflecting two sides of the same coin. The Portuguese feared, until the outbreak of World War II, that the Dutch intended by one means or another to drive them from their sole remaining East Indies possession. Holland was fearful (as was Australia), particularly in the first forty years of this century, that a third country might annex East Timor by either driving the Portuguese from it or by negotiating its sale. These fears on the part of the Dutch and Portuguese led to signing the Luso-Hollandsa Treaty in 1904 in which, significantly, Article XIII bound each signatory wishing to dispose of its half of the island to make first offer to the other party (Hastings 1975a).

The Treaty's existence did not lessen the desire of the Dutch to secure East Timor to the Dutch crown any more than it assuaged Portuguese fears of Dutch design. These fears were not unreal. As recently as 1920, the Dutch foreign minister enquired of the British ambassador at The Hague the likely reaction of the British government to Dutch purchase of Portuguese Timor (Hastings 1975b). Moreover, while the Dutch and Portuguese hammered out a pragmatic arrangement regarding border crossing by east and west Timorese for traditional reasons of trade and family reunion, the Portuguese were intensely suspicious of Dutch intentions and contacts. They actively discouraged their subjects from learning Dutch or pasar Melagu, as in the post-World War II period they discouraged their Timorese subjects from learning Indonesian or listening to RRI (Radio Republik Indonesia) vernacular broadcasts.1 One of the hidden penalties for Indonesia's intervention in 1975 was the extraordinary problem of communication at the administrative level between Indonesians and East Timorese (except in those areas where Tetum was the lingua franca) which is only being slowly overcome by the introduction of Bahasa Indonesia.2

Portugal was no less suspicious of possible Indonesian intentions over East Timor in the post-World War II period than it had been of Dutch intentions in the pre-war period. However there is little evidence that the Indonesian government entertained the same annexationist thoughts about East Timor as their Dutch predecessors. It is true that in the months preceding the Indonesian independence declaration in August 1945 the BPKI (Committee to Investigate Indonesian Independence) had considered the inclusion of Portuguese Timor within the boundaries of the new Indonesian nation. These proposed boundaries included all of the former Netherlands East Indies, the Straits Settlements, part of the southern Philippines, and the Borneo Territories. This concept of Indonesian Raya was largely promoted by Professor Mohammed Yamin and like-minded political romantics, some of whom believed that Indonesian culture stretched from Madagascar (whose language, closely affiliated with Indonesian, belongs to the great Malayo-Pacific group) to distant Hawaii. In the end the BPKI settled for the territorial boundaries of the new state as comprising neither more nor less than those of the former Netherlands East Indies.
Any notions of pressing for the inclusion of Portuguese Timor, or for that matter Malaya, were lost initially in the urgent and pressing business of fighting the Dutch in order to establish the new state.

But as time went on there were other reasons why President Soekarno did not press any claims to Portuguese Timor. While ritually castigating the Portuguese colonial regime in Dili, and Portugal's African colonial policies, as Nekolim, he never gave so much as a hint of irredentist claims over East Timor because any hint of Indonesian incorporationist plans for East Timor, especially 'doing a Goa', would irreparably have damaged, in the eyes of many of Indonesia's Third World supporters, and the British and Americans, the integrity of Jakarta's claims to Netherlands New Guinea, which rested on legitimacy, on the fact that Indonesia was the incontestable successor state to the former Netherlands East Indies. In fact, Jakarta was in a cleft stick over Portuguese Timor throughout this period. Indonesia could not make any sort of claim to East Timor, or be seen actively to foment trouble there, without prejudicing its West New Guinea case.

Nor could it too actively promote the idea of independence for East Timor, even in the sacred name of anti-colonialism, without risking the possibility that the West Timorese might also be stirred to demand independence or that Holland might exploit the fact that Indonesia opposed independence for the West Irianese but supported it for the East Timorese. Wherever policy makers turned there were difficulties, and if there were formal plans at any time for Indonesia's annexation of Portuguese Timor they perforce gathered dust in some Jakarta office. There was in fact a curiously ironic footnote to Indonesia's dilemma over East Timor. In 1958 some Permestra refugees sought asylum in East Timor and some months later several of them led an anti-Portuguese pro-independence uprising in which between 150 and 600 Timorese were killed (Hastings 1975a, p.28, n.23).

One doubts in fact that in so far as the Indonesian government was concerned there were ever plans for East Timor's annexation. In his chapter in this volume Mr. Whitlam makes the telling point that President Suharto in conversation with the former Prime Minister in 1974 and 1975 used to refer to 'Portuguese' Timor. I can attest that in an interview with President Suharto in 1972 he also used the term Portuguese Timor in discussing regional boundaries. It is also worth recalling that in 1966, in what was quite possibly his first foreign press conference, the President went out of his way to assure some visiting Portuguese journalists that the New Order government had no territorial designs on East Timor. I believe that statement to have been sincere, as were, eight years later, the sentiments expressed by the then Foreign Minister, Mr Adam Malik, in his letter of 17 June 1974 to Fretilin leader Ramos Horta. The letter, inter alia, said that '... whoever will govern Timor after independence (my italics) can be assured that the Government of Indonesia will always strive to maintain good relations, friendship and co-operation for the benefit of both countries'.

In the months after the issue of that letter Indonesia's stance changed, not because previous attitudes expressed in Mr Malik's letter had been a sham, but because of the increasing uncertainty surrounding the nature of Portugal's revolution and the consequent direction that East
Timor's independence would take. The fears which plagued the Dutch from time to time in the nineteenth century as to the uncertain consequences of a change in sovereignty in the very centre of a Dutch controlled archipelago - fears which increasingly, and with good cause, fixated on the Japanese after 1920 - now began to afflict Indonesia's policy makers, resulting in the prolonged debate between establishment hawks and doves which was eventually resolved by the President's reluctant acquiescence in invasion and enforced incorporation.

Looking back at events what was Indonesia to do? What were the alternatives? To let events run their course? To seek to create a friendly client state? To intervene by subversion or by force? Obviously the most desirable solution was a voluntary act of incorporation in Indonesia by the East Timorese. But this became less and less likely with the passage of time. So did the possibility of creating a client state. There was the ever-present risk that the very existence of a nominally independent East Timor would only serve to fan into flames east Indonesia's minor but smouldering secessionist movements. In a unitary state which had fought for its independence, to risk fragmentation was unthinkable. No less unthinkable was the risk that an independent East Timor, under a Fretilin government, no matter how deferent to Jakarta its formal posture, would inevitably attract disgruntled former PKI elements and perhaps serve as a launching pad for subversive activities against the Republic. After all, Jakarta had not forgotten the lesson afforded by the activities of Perempita refugees in 1958 in promoting an anti-Portuguese rebellion in East Timor. Greatest risk of all, given Jakarta's somewhat paranoid preoccupation with a possible recrudescence of PKI activities, was that a Fretilin government in East Timor in self protection as well as in ideological affinity would establish close contacts with Hanoi, Peking and Lourenço Marques. While Indonesia's fears may have been grossly exaggerated they were nevertheless genuinely held. All of these unpleasant possibilities, combined with the 'self-righteous thrust of Indonesian nationalism', ensured invasion, occupation and annexation, with all the accompanying evidence of Indonesian indifference to human suffering and loss of life.

But the major element in Jakarta's decision to annex East Timor was clearly the uncertainty attending any change in sovereignty once Portugal had abdicated all political responsibility for its former colony. In some vital respects the action was not so dissimilar to that of Holland and Australia in despatching troops to Portuguese Timor thirty-four years earlier to prevent a possible change in sovereignty in the form of a Japanese takeover. While the action was militarily justifiable in terms of World War II it was certainly of dubious legality, as the Portuguese maintained in their reluctant acquiescence in the landing of the joint force.

There is little in the foregoing to suggest that there were Indonesian expansionist designs on East Timor or, if it comes to that, on Papua New Guinea. Historically, neither since independence nor in Dutch times, has there been much interest on the part of those governing in Jakarta in the far eastern end of the archipelago. Indonesia is certainly preoccupied with unstable states on its borders, and is instantly suspicious - a very different thing from expansionism - of any situation in which its
sovereignty seems to be under challenge, as certainly was the case when Papua New Guinea's government for a while followed policies, because of domestic pressures, which tolerated if they did not actually afford tacit support for OPM (Organisasi Papua Merdeka, or Free Papua Movement) border activities and for Papua New Guinean politicians and elite groups advocating a one-island Melanesian state. So much has been written about the Papua New Guinea-Irian Jaya problem since I first drew attention to some of its ramifications in New Guinea Quarterly and elsewhere in the mid-1960s and after Pepera in 1969, that it will suffice to list a few of the major elements in the situation.

First and foremost is the reluctance of Papua New Guineans, conditioned by nearly a generation of Australian-inspired anti-Indonesian sentiment in Papua New Guinea itself - a legacy of past attitudes on the part of the PIR, missionaries, planters and administrators - to recognize either the legal basis of West New Guinea's inclusion within the Republic or the province's political significance to Indonesians. Most Papua New Guineans, who never fought an anti-colonialist war, fail to recognize that Irian Jaya has a symbolic significance which deeply impinges on Indonesian nationalist values, that 800 Indonesians including prominent revolutionary leaders like Mohammed Hatta and Sutan Sjafrir once languished in the camps of Tanahmerah in colonialist times and that for a unitary republic, regarding itself as successor state to the former Netherlands East Indies, the return of Irian Jaya after seventeen years struggle was intimately connected with the anti-Dutch revolution, the very foundations of the Republic.

Nor is Irian Jaya less central to Indonesian nationalism because urban Irianese are deeply resentful of Indonesian-style administration and of economic discrimination in favour of migrating Buginese and other Indonesian ethnic groups, or because they are aware of the painful disparity in economic development and job opportunities between Irian Jaya and Papua New Guinea, or because an independent Papua New Guinea reminds older Irianese politicians that the Dutch had once promised them a subsidized ride to independence. Jakarta sees the problem as a long-term process by which the Irianese, like other ethnic minorities, will be ultimately Indonesianized, speak Indonesian as a first tongue, and identify themselves with Indonesian national goals and values and with Indonesian social and political institutions.

The problems facing Jakarta over OPM operations along the border have been greatly reduced with the arrest of Jakob Prai and Ondwame and their exile to Sweden. The OPM itself was never a large organization, numbering at best 100 hard core guerillas, poorly equipped with antiquated rifles and traditional weapons but able to influence large numbers of border villages and, perenni ally alarming to Indonesian authorities, able with impunity to cross the border into the Melanesian sanctuary of Papua New Guinea. With the loss of Jakob Prai the OPM is now badly split by rival leadership problems, while the new tough line adopted by Papua New Guinea in co-operating with Indonesian border controls, and in sending back nearly all self-described refugees, has contributed to a marked lessening of tensions between Jakarta and Port Moresby. The extent to which these tensions are in part generated by lack of economic opportunity in the border area, and the extent to which the two governments carry out their
pledges to bring economic development to the region, remain highly speculative (Herlihy 1979).

The border will remain a problem simply because the Melanesians who live along it will continue for a long time to regard the Indonesians as ethnic aliens. But by the same token the processes of Indonesian acculturation, subtle as well as brutal processes, will continue. The main problem is not the long term result, that is not in doubt, but the middle term effects on the Melanesians which will make very difficult demands on them.

There are probably some 260,000 non-Irianese Indonesian migrants now in Irian Jaya, about a quarter the total population. Of this number between 30,000 and 50,000 are official transmigrasi (mainly Javanese rice farmers), while the remainder are principally Buginese and other voluntary settlers from eastern Indonesia. They have tended to settle mainly in Irian Jaya's towns, all of which, Indonesian style, are showing signs of rapid growth. Although the settlers have not impinged on rural areas to the same extent as on urban centres, there is a degree of rural impact which is in any case compounded by the increasing internal migration of the Melanesians. Serious ethnic tensions are in the making which in the short term are likely to manifest themselves in increased unrest and violence which will undoubtedly be reflected in increased anti-Indonesian feeling in Papua New Guinea (see Hastings 1979).

While this scenario broadly implies fluctuating tensions between Indonesia and Papua New Guinea, involving Australia, it is a very far cry from any hint of Indonesian expansionist designs on Papua New Guinea. It is simply a harbinger of future troubles. Papua New Guinea in the first place is not a politically unresolved colonial remnant (such as Portuguese Timor was) but a sovereign state, whose independence Indonesia welcomed, its capacity to remain united higher than was anticipated, a member nation of the UN, of the Commonwealth, of the Pacific Forum and an independent country enjoying a special relationship with Australia. For that matter Australians and Papua New Guineans should carefully ponder the fact that Indonesia has only acted, or threatened to act, in unresolved colonial situations such as Irian Jaya, the Borneo Territories Confrontation and Timor. Since 1966 Indonesia has shown no improper interest in Sabah or Sarawak; it has clearly accepted Brunei's future status as one to be determined by the parties principal, Brunei, Britain and Malaysia; and over the Sulu Archipelago situation has played a discreet and friendly role. There seems little reason to foresee any change in the current, careful relationship between a populous Southeast Asian state and its mini-state neighbour. There will be constant problems, of course, due to interaction between two sides of a Melanesian island, and underlying tensions will surface. But the basic restraint which has marked the approach of both countries - each with its fair share of internal instabilities - to problems remains an encouraging pointer to future relations.
NOTES

1 A. da Sousa Santos and J.S. Dunn, personal communications. Mr da Sousa Santos was Inspector General Overseas Services in 1974 and Director, Native Affairs, Dili and Bobonaro, 1940-43.

2 HANKAM (Departemen Pertahanan Keamanan, Department of Defence and Security) briefing, September 1978.

3 Copy of a letter given to me by Ramos Horta.

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Ormeling, F.J. (1957), The Timor Problem, Groningen, Jakarta.

Ever since the transfer of sovereignty in Irian Jaya in 1962, the Indonesian government has faced opposition from West Papuan nationalists within the country and abroad. Following the so-called 'Act of Free Choice' (PEPERA) in 1969, however, the position of Indonesia's Melanesian population has attracted little attention from outside observers (though the Indonesian invasion of East Timor in 1975 provided occasion for some comment on Indonesian imperialism in Melanesia and some speculation about Indonesian ambitions towards East Irian).

Events in 1977 and 1978 temporarily changed this. Local 'uprisings' in several parts of Irian Jaya drew renewed attention to the demand for Irianese separatism, and Indonesia's handling of the situation elicited widespread sympathy for the West Papuans, especially amongst Irian Jaya's Melanesian neighbours.

This paper briefly recounts the events of 1977-78 and attempts to assess their impact, particularly with respect to relations between Indonesia and its neighbour, Papua New Guinea; it also offers some tentative comments on the state of the nationalist movement and the future of West Papuan separatism.

THE EVENTS OF 1977-78

Throughout the 1960s and early 1970s sporadic armed clashes occurred throughout Irian Jaya between Indonesian authorities and West Papuan freedom fighters. Since such incidents were seldom reported, and were probably exaggerated on both sides when they were, there is no reliable measure of the extent or scale of this conflict, but it was widespread and persistent.

However, from early 1977 there is clear evidence of an escalation of conflict between West Papuan groups and Indonesian government forces. The escalation appears to have coincided with the approach of national elections in May 1977 and to have been associated with Melanesian resistance to pressures to vote for the ruling Golkar party. Reports of refusals to take part in the election, digging up of airstrips, and attacks on government

* This paper was prepared at short notice when it was learnt that Peter Hastings would not be able to be in Canberra for the presentation of his paper. It draws on material presented to a seminar on the Indonesia-Papua New Guinea border held in May 1979 in Canberra (May 1979a).
posts came from as far afield as Arso on the north coast near Jayapura, Timika on the south coast and Enarotali and Wissel Lakes to the west. In the Balim Valley of the central highlands 250 people were said to have been killed in a major confrontation between Indonesian troops and Dani tribesmen (Sharp 1977). As had happened during previous periods of unrest, large numbers of Irianese villagers, fearing Indonesian reprisals or intimidation, fled across the border into Papua New Guinea. At the end of May 1977 there were over two hundred refugees in Papua New Guinea's Western Province and several hundred more at other points along the border; an editorial in Papua New Guinea's daily newspaper commented: 'The problem is not new, but ... the trickle has become a human flood' (Post-Courier 31 May 1977). There were also reports (subsequently denied by intelligence sources) that a Papua New Guinea villager had been shot by an Indonesian patrol on the Papua New Guinea side of the border (Post-Courier 30 May 1977). Yet when Papua New Guinea's Foreign Minister, Sir Albert Maori Kiki, expressed concern at the border situation Indonesian Foreign Minister Malik told him, curtly, that the recent 'tribal fighting' in Irian Jaya was a domestic affair and that Indonesia would not tolerate those who attempted to exploit the tribal clashes for political purposes (Post-Courier 8, 13, 15 June 1977).

During the second half of 1977 and in 1978 it became obvious that what Malik had dismissed as 'tribal fighting' was in fact part of a widespread confrontation between the Indonesian government and West Papuan nationalist guerrillas led by the OPM (see p.724 footnote). In one incident, OPM agents and supporters sabotaged a pipeline and other installations at the Freeport copper mine in Tembagapura. Reports of the conflict are scant and mostly of doubtful reliability. However, it seems clear that though much of the conflict was localized and perhaps rather more spontaneous than part of a broad strategy, OPM operations caused concern to Indonesian authorities and the scale of border crossings presented something of an embarrassment. During 1978 military action against the OPM intensified.

As operations against the OPM were stepped up, an increasing number of Irianese crossed the border seeking either temporary refuge or permanent asylum in Papua New Guinea. Faced with a growing number of Irianese in refugee camps along the border and under pressure from Indonesia to honour its commitment, under a 1973 border agreement, to prevent the use of its territory for hostile activities against Indonesia, the Papua New Guinea government announced late in 1977 that it would take 'a tougher line with all border crossers' (National Parliamentary Debates 2(4), p.381, 10 November 1977). And in April 1978 it was reported that Papua New Guinea's Ministers for Foreign Affairs and Defence, and the Defence Force commander, had held talks in Port Moresby with OPM leaders Jacob Prai and Seth Rumkorem and had told them to remove camps on the Papua New Guinea side of the border or have them burnt (Post-Courier 28 April 1978, 1 May 1978). Also, in May 1978, following a visit to Indonesia, Papua New Guinea's Foreign Minister, Ebia Olewale, announced that Papua New Guinea was now mounting 'constant patrols' along the border (Sydney Morning Herald 18 May 1978).

Activity along the border further intensified in late May 1978 following the kidnapping of Indonesian officials by a rebel group south of Jayapura. At the end of the month it was reported that a large-scale Indonesian military operation was in progress. Shortly after, Papua New Guinea's Prime Minister Somare announced his government's decision to deploy troops and
police along the northern sector of the boundary in order to prevent OPM rebels from crossing. By mid-June Papua New Guinea had about 500 army and police personnel in the border area. According to Sydney Morning Herald reports (14, 21 June 1978) Indonesia had four battalions - about 2800 men - plus police paramilitary units and other ancillary forces in Irian Jaya, with about 700 men patrolling the border. But although there was liaison between the two governments (as required under the 1973 border agreement), Papua New Guinea firmly resisted repeated Indonesian requests for joint patrols (Post-Courier 12, 13, 21 June 1978).

In the following weeks there was at least one major border incursion by an Indonesian patrol which was reported to have raided a Papua New Guinea village and destroyed gardens, bringing an official protest from the Papua New Guinea government. Early in July Indonesian operations escalated; villages were strafed and plastic bombs dropped in the border area. In Papua New Guinea the government expressed to the Indonesian Ambassador its fears for the safety of Papua New Guinea citizens near the border, but requests to Indonesia to confine bombing raids to an area not less than 8 km from the border were refused. Conscious of the possibility of an accidental clash between Indonesian and Papua New Guinean patrols, the Papua New Guinea government began withdrawing its troops from the area. Once again hundreds of Irianese villagers moved across the border into Papua New Guinea. Then, in September 1978, after months of conspicuously unsuccessful patrolling by Indonesian forces in the border area, the Irianese rebels released their hostages. Indonesia's military operations were scaled down.

On top of this, in late September, OPM leaders Prai and Otto Ondowame were arrested in Papua New Guinea, charged as illegal immigrants, and, having been denied permissive residency in Papua New Guinea, eventually granted asylum in Sweden.

A few weeks later, a statement (reported in Far Eastern Economic Review 24 November 1978) by Indonesia's Defence Minister, General Jusuf, gave notice of a shift in Indonesia's policy towards Irianese dissidents. Under a new 'smiling policy' there would be greater tolerance of Melanesian culture and 'there was no need for the army to pursue rebels'. In December 1978 this new policy was outlined to the Papua New Guinea government during an official visit by Indonesia's Foreign Minister, Mochtar Kusumaatmadja; there was also talk of co-operation in the social and economic development of the border area.

Peter Hastings has suggested (1979, p.4) that the escalation of military operations in Irian Jaya in the second half of 1978 - which he saw at the time as 'a typical exercise in Indonesian overkill' - 'may have been quite deliberate in order to urge upon the Papua New Guinea government the growing seriousness of unchecked border crossings and to obtain from it a proper response'; that as such 'it was successful', and that it largely made possible the switch to the 'smiling policy'. I have argued elsewhere (May 1979a, p.95) that this explanation does not fit the sequence of events and that the buildup of activity along the border can be explained simply as a response to the May kidnapping and that the 'de-escalation' in September - following an operation in which Indonesian troops lost face by their failure to capture the rebels - resulted from the release of the hostages.
Further, I have argued that Indonesia's 'policy' was as suggested by Hastings, then it was a dangerous ploy of dubious effect, since Papua New Guinea's eventual response was to withdraw its troops, and since it considerably exacerbated ill feeling towards Indonesia in Papua New Guinea and elsewhere.

THE OPM*

The West Papuan nationalist movement is characterized by what Hastings (1979, p.7) has referred to as 'sheer Melanesian complexity'. It is fragmented geographically between Holland, Irian Jaya, Senegal and Papua New Guinea (from time to time since 1963 it has also maintained offices in London, New York, Sydney, Christchurch and Stockholm) and it is divided both ideologically and by personalities.

The movement in Holland is largely in the hands of the early nationalist leaders, described by Savage (1978, p.142) as an 'educated elite'. It includes people, both those who were initially pro-Indonesian and those pro-Dutch, whose opposition to incorporation within the Indonesian state forced them to leave Irian Jaya. This group contains at least two elements: one, identified with the National Liberation Council and supported by a Fundamentalist church organization, is led by Nicolaas Jouwe; the other, grouped around the former Federation of Melanesia, is led by Markus Kaisiepo. Although differing on some points, these two elements share a stance broadly pro-Western, strongly Christian and politically right of centre. During recent years they have been active propagandists for West Papuan separatism, but their linkages with the movement in Irian Jaya appear to have become tenuous and the leadership of the older generation is being challenged by younger, more radical members of the Dutch Irianese community.

In Irian Jaya itself, at least three factions appeared in 1977-78 to be operating independently of - and at times in opposition to - one another. The most broadly based of these was under the leadership of a former Indonesian army officer, Brigadier-General Seth Rumkorem. A press release from Dakar, dated November 1978, described Rumkorem as President of the Revolutionary Provisional Government of West Papua (RPG) and Commander-in-Chief of the National Liberation Army (NLA). In 1976 a group led by the then President of the Revolutionary Provisional Senate of the RPG, Jacob Prai, broke away from the NLA and formed a separate force, which during 1977-78 operated mainly in the area near the Papua New Guinea border. According to RPG sources (Press Release 1-78, Dakar, 3 November 1978) the reason for the split was a disagreement between Prai and the RPG over Prai's Marxist-Leninist ideological orientation and his advocacy of an approach to the Eastern bloc for military and financial assistance. Subsequently Prai

*OPM (Organisasi Papua Merdeka - Free Papua Movement) is used here as a shorthand term to describe the various organizational and factional components of the West Papua nationalist movement. For a more detailed discussion see Savage and Martin 1977, Savage 1978 and Parsons 1978.
announced the establishment of a rival 'RPG' with himself as President and Jouwe as Vice-President. During 1977 the Rumkorem and Prai factions came into open conflict and some members of the 'official' RPG were said to have been held captive by Prai's men. A third, apparently maverick, group was carrying out guerrilla operations in the area south of Jayapura in 1977-78 under the leadership of Martin Tabu. It was this group which was responsible for the helicopter ambush of May 1978 (see above). Following the arrest of Prai in Papua New Guinea in September 1978, Tabu appears to have succeeded him (Wantok 24 November 1979 carries a report of recent fighting between Tabu's forces and those led by Rumkorem.) Collectively, the OPM forces operating in Irian Jaya are small in number, with few weapons and poor access to supplies. They appear not to have received significant assistance from outside Irian Jaya and have had to rely for their existence on the hospitality of friendly villages (though some reports suggest that Tabu has coerced villagers). To the extent that they have succeeded in harassing the authorities, they have done so largely through their ability to carry out small ambushes and evade military retaliation, and their ability to exploit the grievances of larger village groups.

The Senegal group, led by another early nationalist, Ben Tanggahma, opened its office in Dakar in 1975 and operates under the banner of the ('official') RPG. Ideologically, it seeks a free, democratic West Papuan state and the eventual reunification of the two halves of the island; it rejects the left wing ideology of Prai and others ('Our struggle is a national liberation struggle, not a class struggle. Our ideology is Melanesian nationalism, not Marxism-Leninism'), and it sees the Melanesian people as 'ethnically and culturally linked to the peoples of Africa and the Caribbean, and quite dissimilar to those of Indonesia' and Europe (a declaration of negritude which has won it the support of, amongst others, the US NAACP).

Under the terms of their permissive residency, Irianese refugees in Papua New Guinea are not allowed to engage in political activities in support of West Papuan nationalism. Nevertheless the Irianese community in Papua New Guinea seems to have had good contacts with the OPM in Irian Jaya, and in 1977-78 acted as a channel for information to the Sydney-based South Pacific News Service (SPNS). The SPNS generally adopted a broadly neo-Marxist line, supportive of Prai. Early in 1978 a group within Papua New Guinea calling itself the South Pacific Group opposed an officially sanctioned visit by Jouwe (see Post-Courier 12, 24, 25, 30 January 1978) and subsequently the SPNS published a strong criticism of Jouwe, describing him as 'something of a joke within the freedom movement'. However, when in April 1978 Jouwe released the names of an eighteen-man 'cabinet of the de facto government of West Papua', ten were names of Irianese in Papua New Guinea (six citizens, two permissive residents and two serving gaol sentences for illegal entry). (The other eight included Tanggahma, Prai and six Irianese in Holland.) The complexity of the shifting allegiances within the West Papua movement has been reflected, in part, within Papua New Guinea's Irianese community; but notwithstanding this, the existence of a fairly large group of politically conscious Irianese refugees (official estimates are 2000-3000) has undoubtedly sensitized Papua New Guineans to the grievances of their Melanesian neighbours. This became increasingly evident during 1977-79.
THE MELANESIAN CONNECTION

During 1977-78 relations between Indonesia and its eastern neighbour, Papua New Guinea, came under considerable strain. At one point Indonesia's First Secretary in Port Moresby was reported as accusing Papua New Guinea of having double standards on the border issue and saying that if Indonesia wanted to invade Papua New Guinea 'we would do it now when Papua New Guinea is weak' (Post-Courier 19, 26, 28 April 1978; Sydney Morning Herald 2 May 1978). And in July 1978 a meeting at the University of Papua New Guinea, perhaps with an exaggerated sense of drama, described Papua New Guinea as 'slowly entering a state of war with Indonesia' (Post-Courier 7 July 1978).

In point of fact, the Papua New Guinea government has consistently acknowledged Indonesia's sovereignty in Irian Jaya and has accepted the principle that action against dissident elements in the province is a matter of internal policy for Indonesia and not a concern of Papua New Guinea. Nevertheless, there has been widespread recognition of an underlying conflict between Papua New Guinea's official policy, dictated by the political reality of the situation, and the fundamental sympathies of Papua New Guineans for their Melanesian brothers. And there is no doubt that, without affecting its acceptance of Indonesian sovereignty in Irian Jaya, the Papua New Guinea government has, over time, exercised varying degrees of diligence in its administration of the border - and that Indonesia has been sensitive to this (May 1979b).

With the intensification of conflict between the OPM and the Indonesian government in 1977 - coinciding in Papua New Guinea with a national election - the saliency of Irian Jaya in Papua New Guinea's politics increased substantially. The cause of the West Papuans was taken up variously by students, church leaders, intellectuals, and a number of prominent politicians (see May 1979b). And the sympathy of these groups for their fellow Melanesians was reinforced by growing resentment of Indonesia's high-handed response to expressions of concern from the Papua New Guinea government.

Although some commentators seem to find it necessary to import expatriate journalist and academic stirrers (the patronizing suggestion made by Whitlam 1980, p.5 in his address to this seminar) or allegations of 'Indophobia' (Hastings 1979, p.2) to explain Papua New Guineans' legitimate concern at the events of 1977-78, the fact of the matter is that Papua New Guinean sympathy for the West Papuan rebels has historical roots which go back to the stirrings of nationalism in the two halves of the island in the late 1950s and early 1960s, and draws on a strong (if poorly informed) sense of common Melanesian ethnic identity (not to mention a concern for human rights). Thus in 1977-78 the Papua New Guinea government found itself squeezed between the demands, on the one hand, to respond to Indonesian pressure to demonstrate its commitment to the border agreement and to the acceptance of Indonesian sovereignty in Irian Jaya, and, on the other, to recognize the considerable local pressure (including pressure from the representative of the UN High Commission for Refugees) to deal sympathetically with border crossers and to not let itself be pushed around by Indonesia. In this context it is scarcely surprising that there was some evidence of conflict between the public attitudes and private feelings of Papua New Guinea's
leaders. What is perhaps more remarkable is that Papua New Guinea did not waver in its official policy of friendship towards Indonesia; that the parliamentary opposition offered no alternative policy on the subject (despite criticisms of the government's handling of events); and that a document, published in the Papua New Guinea press in February 1979, allegedly outlining plans for an Indonesian invasion of Papua New Guinea (Nation Review 1 February 1979 and Post-Courier 8, 12 February 1979) was dismissed as a fabrication with little public comment.

In 1979 the border agreement was renewed, after amicable negotiations; President Suharto made a successful visit to Papua New Guinea; Papua New Guinea and Indonesia announced joint development plans (Sydney Morning Herald 21 July 1979); and in Papua New Guinea domestic political concerns pushed the Irian Jaya issue once more into the background.

PROSPECTS

The capture and subsequent deportation of Prai and his deputy undoubtedly took some of the steam out of the OPM in Irian Jaya; and the announcement by the Papua New Guinea government of a tougher line against border crossers, and against those expressing sympathy with the OPM within Papua New Guinea, seems likely to inhibit support from that side of the border. Nevertheless, despite internal divisions the OPM continues to be an irritant to Indonesian authorities, and there is evidence of continued widespread support for the movement within the province. It is just possible that a shift to the 'smiling policy' coupled with a more positive approach to development in the border area will, over time, do something to alleviate the dissidence, but it is by no means obvious that this will happen, and in fact it remains to be seen whether – apart from military operations – the pronouncements of the national government can be translated into meaningful changes in policy in the field. In the longer term, some commentators see continued in-migration from other provinces as a factor which will facilitate the Indonesianization of Irian Jaya and, by sheer weight of numbers, reduce the problem of Melanesian dissidence. But those who put this view do so in the face of historical evidence elsewhere in Southeast Asia.

In short, a marked resurgence of West Papuan nationalism seems unlikely (and effective Papua New Guinean support for such a development even more unlikely). But, at least to this observer, the prospect of a steady decline and eventual disappearance of the West Papua movement also seems remote. Less dramatic, but perhaps more realistic, is a scenario in which a policy of assimilation, supported by substantial in-migration, is sustained against opposition – sporadically violent – from a nationalist movement which draws strength from a growing number of disaffected young educated Irianese and from an increasingly marginalized rural population. It goes without saying that this is a prospect which offers no joy either to the Indonesian government or to those whose sympathies lie with the Papuan nationalists.
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The complexity of the situation of the Chinese minority in Indonesia and the twists and turns of Sino-Indonesian relations during the past thirty years are such that one is tempted to write an introduction to the subject of book length. A proper understanding of what is requires a grasp of how it came to be that way, but in a paper of this scope the historical dimension will necessarily be lost (cf. Mackie 1976 and the references cited in its select bibliography).

The Indonesian Chinese are a small ethnic minority when compared to Indonesia's total population of about 140 million, numbering probably less than four million or about 2.6 per cent. The approximation of this estimate must be stressed, since reliable statistics are unavailable. The national census does not help us since it does not enumerate the population by ethnic origin. Whilst it does classify the population by nationality, the greater part of the Indonesian Chinese are subsumed under the majority who are Indonesian citizens (WNI Chinese).

In 1979 the State Prosecutor's Office conducted a nation-wide registration of everyone of Chinese descent, an action which offended those with Indonesian citizenship. Not only were they (and the alien Chinese) required to answer a lengthy and inquisitorial questionnaire at considerable expense, but the very fact that they were treated in the same way as the alien Chinese demonstrated to them the hollowness of the government's claim that it does not discriminate against its Indonesian citizens who are of Chinese descent (Kamm 1979).

Although previous history encourages us to adopt a cautious, if not downright cynical, view of the government's intentions, it appears that this measure was a prelude to a major change in policy toward the Chinese minority. The Badan Koordinasi Masalah Cina (Co-ordinating Body for the Chinese Problem), which is a division of BAKIN, the State Intelligence Co-ordinating Body, has formulated a plan to extend access to Indonesian citizenship to the estimated one million alien Chinese. According to Major-General Sunarso, the head of BKMC, every alien will have the opportunity to become a citizen (Jenkins 1979c).

The plan, which is being implemented with some urgency in 1980 (Kompas 1980), represents a reversal of the trend which had been evident since the early 1950s to restrict access to Indonesian citizenship for the alien Chinese. The lengthy Sino-Indonesian negotiations and treaty concerning dual nationality in the 1950s and 1960s, no less than the Indonesian nationality law of 1958, had left the alien Chinese and their descendants with virtually permanent alien status, while at the same time supposedly clarifying the position of the remainder of the Chinese minority who had previously been regarded as holding both Chinese and Indonesian citizenship (Coppel 1972).
The origins of the present shift in policy are said to lie in the deterioration of relations between China and Vietnam and the exodus of refugees (many of them of Chinese ancestry) from Vietnam. It was, in fact, from Indonesia that the first great exodus of overseas Chinese refugees in Southeast Asia had taken place. A decree by President Soekarno in 1959 which banned retail trade by aliens in rural areas had resulted in some 119,000 Indonesian Chinese leaving for China and another 17,000 for Taiwan (Mozingo 1976, Chapter 6). The economic dislocation caused by that exodus was an important factor in the Suharto government’s rejection in 1966-67 of demands by more vociferously anti-Chinese organizations and individuals that the alien Chinese should be expelled from the country (Coppel 1975, Chapters 3 and 4). The expulsion by Vietnam of the greater part of its Chinese bourgeoisie has compelled the more moderate and/or the more cautiously technocratic elements of the Indonesian policy-making elite to move toward a longer-term solution of ‘the Chinese problem’ than had been possible a decade earlier. Now, as then, they reject the views of such advocates of mass expulsion as the nationalist former Indonesian ambassador to Vietnam, Usep Ranawidjaja, who reportedly said in May 1979: ‘It must be admitted that North Vietnam is the only country in Southeast Asia which has succeeded in dealing with the problem of the Overseas Chinese’ (Jenkins 1979a).

The Indonesian government is anxious to continue to take advantage of Chinese skills and capital for economic development. At the same time, it has been coming under increasing pressure from indigenous (prabumi) businessmen to exercise positive discrimination in their favour (and thus at the expense of the Chinese, whatever their national status). Prabumi economic nationalism has had a long and chequered history since Indonesian independence. Earlier measures, in the 1950s, to give preference to indigenous businessmen had frequently merely provided Chinese business with an Indonesian front - the so-called ‘Ali-Baba’ partnership.

In the first five or six years of the Suharto New Order government, top priority was given to the rehabilitation and growth of the economy. In this climate foreign investment and domestic Chinese capital were given every encouragement, even though as early as 1968 the government had in its domestic capital investment law signalled its intention in the longer term to promote ‘national’ enterprise. For some years, however, indigenous businessmen complained that Chinese companies were being given preferential treatment for government licences, contracts and credit. In part, the Chinese access to credit could be justified on strictly commercial grounds in that the larger Chinese businesses could be seen as more credit-worthy. Often, however, their success was alleged to be founded on their backing by powerful officials and army men.

Indigenous resentment of growing Chinese business success came to a head in the rioting which broke out in Jakarta during the visit of Japanese Prime Minister Tanaka in January 1974. The riots were on the face of it an expression of hostility to growing Japanese economic penetration, but the underlying anti-Chinese feeling was apparent in the destruction of Chinese stalls at the newly-built Senen shopping centre. This, together with continual criticism of the role of the Chinese aukong (big businessmen in league with the politically powerful), awakened the
government from its complacency that 'the Chinese problem' had been solved, alarmed the more vulnerable members of the Chinese minority, and gave steam to the increasingly assertive demands by *prabumi* businessmen for a larger slice of the economic cake.

The outcome of these developments was Presidential Decree No. 14 of 1979 which gives preferential treatment in several economic sectors to what is euphemistically described as 'the economically weaker group' - that is, *prabumi* businessmen, or companies in which a large percentage of the capital and top management is indigenous (Jenkins 1979b).

This decree sits uneasily beside the government's moves to liberalize citizenship, and calls into question its proclaimed opposition to any form of discrimination amongst Indonesian citizens. On the citizenship issue the government has been ahead of, if not in conflict with, public opinion, and it is significant that it has not asked the parliament to amend the citizenship law. In the case of Presidential Decree No. 14, the government has been lagging behind *prabumi* business demands. In each case there are powerful vested interests opposed to change. Many of the politically influential benefit directly from arrangements or partnerships with Chinese businesses, just as many government officials benefit from the squeeze they are able to exert on the Chinese (particularly but not exclusively the aliens) through the administration of the existing citizenship requirements.

A central concern of the government in formulating its policies on 'the Chinese problem' is its continuing need of Chinese capital and skills for development and its fear of the political and economic instability which would result from measures which affect the Chinese business community too drastically and abruptly.

Because of the Jakarta rioting in January 1974, a group of WNI Chinese and others who had been active proponents of the assimilation of the WNI Chinese under the banner of the semi-government body Lembaga Pembinaan Kesatuan Bangsa (LPKB - Institute for Promoting National Unity) in the 1960s resumed their activity under the aegis of the Jakarta provincial government. This was later elevated to the national level by the Department of Home Affairs with the formation of BAKOM PKB (Communication Body for the Instilling of National Unity). Like its 1960s predecessor, the BAKOM PKB has been attempting to instil the ideal of assimilation or absorption of the Chinese minority into the wider Indonesian nation. It is the instrument through which in late February 1980 the government organized a five-day indoctrination course for private entrepreneurs (mostly non-*prabumi*) in the Panca Sila state philosophy (Tempo 1980a).

Over the past decade Chinese communal associations have been severely curtailed and cultural manifestations of Chineseness greatly restricted. Chinese-language schools have been outlawed, publications in Chinese characters banned, and the import of Chinese-language videocassettes prohibited. Even the popular Chinese *kung fu* films are strictly censored and are required to have Indonesian-language sub-titles. Antagonism toward the display of Chinese cultural characteristics by the Chinese minority is a common feature of anti-Sinicism in Indonesia. It is often linked with a fear that the Indonesian Chinese could be a Trojan horse or
fifth column for China, which the Indonesian foreign policy elite see as a serious threat to Indonesia. Indeed, the fear of China seems to be more closely related to size and power, its traditional hegemonic position in East and Southeast Asia, and its Chineseness, than to its communism (Weinstein 1976).

Soviet propaganda in Southeast Asia in the 1970s has played on the theme of the overseas Chinese as an instrument of Peking in a bid to prevent normalization of relations between the Southeast Asian states and China. The Jakarta nationalist daily *Merdeka*, which has been influenced by Soviet diplomats and is reputed to have received a large Soviet loan, has adopted a strong anti-Peking line on this theme. It is ironical that the Soviet Union in the 1970s has taken over the role adopted by the United States in the 1950s of exacerbating the suspicions held by many Indonesians that the ethnic Chinese could be a fifth column for China. (cf. Simonya 1961 and Andreyev 1975; for American and Australian examples of fifth column theorizing, see Elegant 1959 and Millar 1964; for Russian influence on *Merdeka*, see Tasker 1979).

Although Indonesia, in 1950, was by far the first of what were to become the five ASEAN states to establish diplomatic relations with China and was closely aligned with China in the first nine months of 1965, the bilateral relationship deteriorated drastically from October 1965 as a result of political upheaval in Indonesia. After two years of diplomatic hostilities, the Indonesian government suspended relations with China. Despite the recognition of the Peking government and moves to normalize relations with China by the governments of Malaysia, the Philippines and Thailand, the Indonesian government has to date shown a marked reluctance to lift the suspension.

There can be little doubt that, if the Indonesian government had wished to resume normal relations with China, it could have done so. That it has not yet done so has been due largely to the strongly anti-China (and anti-Chinese) thinking of strategists in the Indonesian Department of Defence and Security. The return of Chinese consular and diplomatic officials to Indonesia if relations were normalized would, in the view of these defence strategists, merely offer them an opportunity to meddle in Indonesian internal affairs and to subvert Indonesian security under the guise of protecting the interests of Chinese nationals. (Some of the Chinese embassy and consular staff in Indonesia in 1966-67, inspired by the Cultural Revolution in China, had evidently acted to stiffen the resistance and protests of the Indonesian Chinese against the anti-Chinese excesses which they were experiencing at that time (Coppel 1975, Chapter 4).

The present drive to naturalize the alien Chinese and to clarify the status of the WNI Chinese (*Kompas* 1980) suggests that Indonesian defence strategists may have developed a new approach to the problem. If most alien Chinese in Indonesia adopt Indonesian citizenship and the Chinese government accepts their choice, the most important obstacle to a normalization of relations with Peking would be removed (*Tempo* 1980, including interview with Foreign Minister Mochtar Kusumaatmadja). In such a situation the Indonesian Chinese would no longer be a complication for the bilateral relationship because the Chinese government would no longer have the right or feel the obligation to intervene on their behalf.
The Chinese government's policy toward the overseas Chinese has been far from static over the thirty years since the communist government came to power in 1949. Stephen FitzGerald has cogently argued that since 1957 China has, apart from the anomalous interlude of the Cultural Revolution, actively encouraged the overseas Chinese to adopt the nationality of, and identify themselves with, the countries in which they reside (FitzGerald 1972). This would indicate that China would be prepared to accept the absorption by Indonesia of its Chinese minority.

Since early 1978, however, there have been indications that there may have been a shift in the Chinese government's attitudes toward the overseas Chinese and the rhetoric in which they have been expressed. The Chinese government is no longer distinguishing clearly between the different kinds of Chinese abroad, and overseas Chinese businessmen are once again being encouraged to contribute to the development of China. On the one hand, all Chinese abroad are called 'overseas Chinese' and are said to 'constitute part of the Chinese nation', including those who are no longer citizens of China (who are 'still our kinsfolk and friends'). On the other hand, these same 'overseas Chinese' are urged to take part in the campaign by the Chinese government to achieve the 'Four Modernizations' (Wang 1979; see also Liu 1979a, 1979b).

It is ironical that the Indonesian government should be clarifying the national status of the WNI Chinese and encouraging the alien Chinese to become WNI Chinese by naturalization at the same time that the Chinese government is blurring the distinction. It also remains to be seen how the Indonesian government would act if, in reaction to Indonesia's Presidential Decree No. 14 and in response to encouragement from the Chinese government, the Indonesian Chinese seek to use their capital and skills for the development of China rather than Indonesia.

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In considering Indonesia's relations with its neighbours we should first look briefly at methods of policy formation and the basic principles of Indonesian foreign policy.

Foreign policy is an executive matter which means it is ultimately decided by the president. He is advised by the minister for Foreign Affairs, by interested military sources, by some personal advisers, by parliament and by other ministers where relevant. There is not a wide popular interest in foreign affairs although educated people tend to think about it more than others. The two dominant figures since independence, Soekarno and Suharto, have very obviously determined Indonesia's basic policy lines during their presidencies.

The Soekarno period was characterized by a strong nationalist line, non-alignment and a reaction against colonialism. Soekarno's preoccupation - and his achievement - was to build a nation out of the diverse groups making up Indonesia. This internal need influenced his foreign policy and was undeniably one factor in the well known confrontation of Malaysia.

The Soekarno policies, especially towards the end of his rule, were highly personal but certain principles were laid down which have remained important even if the emphasis has changed. Concern for national cohesion and a desire to limit the influence of outside powers are two of these. The New Order's nationalism is more moderate and more positive than Soekarno's, but nationalism is still an essential component of Indonesian policy.

The president takes the decisions on the main lines of Indonesian policy but his decisions must take account of a number of internal views and pressures as well as of purely external considerations. Like any complex society, Indonesia contains a variety of opinions and outlooks which the political process must harmonize. Since independence these have included such diverse forces as traditional Muslims (NU), progressive Muslims (Muhammadiyah), militant Muslims (Darul Islam), Christians, communists (PKI), westernized liberal intellectuals, the military, the priyayi-influenced public servants, regional interests, pragmatic technocrats, mystic Javanese (kebatinan) and idealistic students. All these people may have different approaches to foreign policy questions. The realignment of forces and the consequent foreign policy changes after Soekarno's downfall, for example, show how things can change when different groups are in the ascendent.

THE NEW ORDER AND ITS NEIGHBOURS

In examining the New Order's relations with its Southeast Asian neighbours we need to look at Indonesia's relations with individual countries and with the region as a whole. We need also to consider
political, economic and defence relations. The dominant internal influences on New Order foreign policy have been the turn from a communist oriented non-alignment to a more genuine, and even slightly pro-Western bias, plus a pragmatic, economically oriented approach to international relations. Externally, the most significant developments have been the formation of ASEAN and the Indo-China situation. Following the fall of Soekarno, Indonesia became much less interested in strutting on the world stage and has concentrated its efforts more on regional relations.

In political and strategic terms Indonesia's Southeast Asian neighbours now take pride of place. This is not yet so in economic terms and it is likely to be some considerable time before the other countries of the region approximate in importance to Japan, North America and Western Europe. But given the developments in Indo-China, political and strategic concerns are obviously of great importance now to Indonesia. ASEAN is becoming a central feature of Indonesian foreign policy and increasingly its political and economic policies are being channelled through ASEAN.

Malaysia

Malaysia is probably the most important of the ASEAN countries to Indonesia - at least in a political and strategic sense. The Malay Peninsula is very close to Sumatra and there is a great deal of contact and intermarriage amongst people on either side of the straits. Similarly, the two countries have a common land border in Kalimantan. There is also a close feeling for the Malays who speak the same language and have close ethnic, cultural and historical ties with the Indonesians. A hostile Malaysia would be of very great concern to Indonesia. There is close military co-operation in Kalimantan as well as joint naval operations to combat piracy and smuggling. In recent times the two countries have co-operated in handling Vietnamese boat refugees who tend to land in Malaysia but then sometimes move on to Indonesia. Confrontation seems to be regarded as a temporary aberration and is not a factor in today's relationship.

The trading relationship however is a very slim one indeed. Malaysia takes 0.02 per cent of all Indonesia's exports and supplies 0.34 per cent of Indonesia's imports.

Philippines

Ties with the Philippines are less close although those parts of Indonesia close to the Philippines have traditional ties with people on the other side of the border. The Indonesians maintain close liaison with the Filipinos in combating piracy and smuggling. While there are ethnic ties and some historic ties there are no longer linguistic ties between most Indonesians and the Filipinos, and contact amongst educated leaders in the past was minimal. The Philippines is not a large customer and takes only 1 per cent of Indonesia's exports (oil). The Philippines would like to buy more Indonesian oil. There is some Filipino investment in Indonesia; for example, timber and pharmaceuticals.
Thailand

Indonesia's relations with Thailand have been traditionally less close than with some others, but are cordial. Indonesia is concerned about the effect on Thailand of developments in Inda-China. Thailand buys very little from Indonesia (0.2 per cent of Indonesian exports but supplies 3.6 per cent of Indonesian imports) - mainly rice and oil seeds.

Singapore

Singapore is Indonesia's most significant regional trading partner, buying 2.35 per cent of all Indonesian exports. It supplies 9.67 per cent of Indonesian imports.

There are a number of other links including co-operation in anti-smuggling operations. There are, however, occasional strains and even some resentment by Indonesians at the money Singapore makes as an entrepôt port for Indonesian products.

ASEAN

After a relatively slow start ASEAN has become a vital force in the region. It began as an avowedly economic and cultural organization but has always had political overtones. The Bali declaration in February 1976 for the first time admitted formally that ASEAN had political aspects. In fact, the political aspect was always there and has probably been ASEAN's major achievement. ASEAN has created among the members a sense of belonging to a common region. The ASEAN countries increasingly consult closely on a wide range of issues and try to work out a common position. In some cases one or more ASEAN country has sacrificed some interests in the cause of ASEAN unity. Indonesia has been affected by this process just as the others have.

Indonesia is the largest, most populous and potentially the wealthiest member of ASEAN. Some Indonesians believe that this gives them a right to greater influence within ASEAN than the other four members, and some outsiders accuse them of believing it. Some have even claimed that Indonesia is already dominating ASEAN in some unspecified way, but I do not think the evidence justifies this assertion. For example, within ASEAN Indonesia has been a proponent of a stronger secretariat but has not yet managed to convince all of the other members. The secretariat remains embryonic.

The economic relationship with its neighbours is not a vital one to Indonesia. It takes about 14 per cent of its total imports from the other ASEAN countries and they take only 9 per cent of Indonesia's total exports (dominated by a few products: crude petroleum, rubber, timber and fertilizers).

Although intra-ASEAN trade remains limited ASEAN has had some success acting as a bloc in pursuit of economic interests. In other words they have used political means to an economic end. This gives them greater bargaining power with outsiders and increasingly they are taking advantage of this.
ASEAN has always claimed not to be a military alliance and there is no reason to doubt this claim. Obviously there are bilateral arrangements amongst the members for specific kinds of co-operation and joint exercises. Indonesia is active in this field. However, Indonesia like the other ASEAN countries, believes that military action is only part of the story. They see the main threat to their security coming from subversion rather than from some kind of outright invasion. They therefore feel that the best method of defence is to build up 'national resilience'. What they mean by this is that social and economic development should be sufficient to keep people happy and convince them that the existing government is to be preferred to any possible alternatives. There is also the implication that people will be strong and patriotic enough to resist outside military action.

Indo-China

Indonesian relations with the countries of Indo-China can be looked at from two points of view. The first is its bilateral relations with these three countries, especially Vietnam. The second aspect is the effect of recent events in Indo-China on the ASEAN countries including Indonesia.

Looking first at Indonesia's bilateral relations, the first thing to note is that Indonesia has maintained cordial, if not especially close, relations with Hanoi for some considerable length of time. To this day they would claim to have closer or better access to the Vietnamese leadership than most other countries. But while there is no historical legacy to plague them, Indonesian attitudes have cooled recently because of Vietnamese actions in Kampuchea. Pham Van Dong's visit to Jakarta in 1978 promising peace shortly before the invasion of Kampuchea must have left Indonesians wondering whether Vietnamese promises can be trusted.

The whole Indo-China imbroglio presents Indonesia with some difficult choices. Indonesia would prefer to see an independent Kampuchea which would provide some balance in Indo-China. On the other hand, because of their well known suspicion of China we can not expect Indonesians to react favourably to a Chinese dominated Kampuchea. The position is complicated further by the fact that if Vietnam remains bogged down in Kampuchea then it will not have the resources or energy to make trouble elsewhere. While opposed to the Vietnamese invasion of Kampuchea the Indonesians hold no brief for the discredited Pol Pot regime. Nor would they wish to see a Vietnam dominated by the Soviet Union even though this may provide some counter-balance to China. These conflicting factors mean that it is not easy for the Indonesians to settle on a simple straightforward line which they can follow inflexibly. They therefore keep their lines open to Hanoi in the hope of influencing the Vietnamese government towards more moderate policies. They also encourage Vietnam to maintain its independence from the USSR. They tend to distinguish clearly - at least in their own minds - between the short and long term. However dramatic present events in Indo-China may be, the long term consequences must never be forgotten.

From the point of view of ASEAN as a whole the obvious issue of major concern is the refugee problem. Indonesia has been directly affected by
this, although not to the same extent as Thailand and Malaysia. Clearly anything which has a destabilizing effect on its ASEAN neighbours is of concern to the Indonesian government. The outflow of boat refugees to Malaysia has been of special concern both because of the general effects on Malaysia and because of the importance of Malaysia to Indonesia. It has also had a direct effect in that Indonesia and Malaysia have had to work out ways of handling refugees who move between Malaysian and Indonesian waters.

The position of Thailand is also a matter of great concern to Indonesia. While the influx of land refugees from Kampuchea (and to a lesser extent, Laos) does not pose an immediate threat to the basic stability of the Thai government and nation, it clearly causes problems for the Thais. As the flow increases so do the Thais' difficulties. Add to this the dangers of cross-border shelling or forays by Vietnamese/Kampuchean troops and you can see what kind of pressures the Thai government has to face.

While the Indonesians retain an open mind on the subject, like most other countries in the region, they are worried that Vietnam might not be satisfied with dominating the old French Indo-China. A direct military threat to Thailand would have obvious and most serious repercussions for ASEAN and for Indonesia. The Indonesians are also concerned about the introduction of great power rivalries in the region and do not want Southeast Asia to become a battleground for Soviet and Chinese forces - either military or ideological. The Indonesians are committed to the concept of ZOPFAN (Zone of Peace, Freedom and Neutrality) which they see as an expression of their ideal to keep great powers out of the region. (This does not apply to positive economic involvement.)

It has been argued by some that events in Indo-China have put strains on ASEAN because of differing views on the Indo-China situation. While it is true that there are differences of emphasis in their approach, I would rather argue that the existence of what might almost be called a common threat has acted as a unifying factor. Whatever the internal differences of its members may be, ASEAN has presented a unified front and has acted as a group both inside and outside the UN.

FUTURE DEVELOPMENTS

Relations with its Southeast Asian neighbours will remain a basic element of Indonesian foreign policy in the foreseeable future. We can see a clear trend since the end of the colonial era for the countries of the region to come closer together and this trend will continue. ASEAN will have its ups and downs but it is clearly here to stay.

Nevertheless it seems probable that Indonesia will maintain significant links with countries outside Southeast Asia. Its economic links with the West are very strong and it is hard to see any alternative in the near future. While we may expect intra-ASEAN trade to grow, its growth will be slow. It would certainly not be the kind of thing which would enable Indonesia to shift its trade and investment away from the major outside powers. Ties will therefore be close in the politico-strategic field
where countries of the region have essential common interests. In the economic field there will be a growing tendency to negotiate as a bloc in the pursuit of common interests, but this kind of activity is limited by the extent of their common interests and by the extent to which the ASEAN countries are in a position to put pressure on outside countries.

Indonesia will remain committed to the concept of ZOPFAN and will continue to oppose the spread of great power influence in the region. Its policies towards events in Indo-China will be concerted with its ASEAN partners.

Present indications are that Indonesian foreign policy in general will maintain its present pragmatism and not return to the ideologically oriented Soekarno days. Non-alignment will remain a basic tenet of Indonesian foreign policy. This means that it will maintain what it calls a non-communist approach although it is sometimes difficult to distinguish when a non-communist becomes an anti-communist approach. Its present attitude is one of peaceful co-existence but the Indonesian leadership would be concerned at any growth of communist influence in areas touching on Indonesia's borders.

The Indonesians would prefer to avoid the development of two blocs in Southeast Asia: ASEAN versus Indo-China. But they probably assess that this is a very likely development and if nothing can be done about it will learn to live with it. The major powers in such groupings would obviously be Indonesia and Vietnam.

CONCLUSIONS

Indonesia's Southeast Asian neighbours are and will remain the focus of Indonesian foreign policy but economic ties are growing only slowly. Major outside powers - principally Japan, China, USA and USSR - are important actors in the region and the EEC has an economic role to play. But these countries are important because of their influence on the region which is vital to Indonesia's security.

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*I must stress that this contribution is designed as a seminar paper which sets out to stimulate discussion rather than to provide an exhaustive treatment of the subject. I should also note that it is presented in a personal capacity and the views expressed do not necessarily represent those of the Department of Foreign Affairs.
Rather more than ten years ago I wrote an article in which I tried to explain why it is that 'Australia and Indonesia, two large neighbouring trading nations, hardly trade with each other' (Arndt 1968, p.168). Part of the explanation, I suggested, was that Australia and Indonesia had for long been parts of different colonial empires, their economies geared to those of the metropolitan countries. But this had ceased to be very significant. 'Historical associations have not prevented major changes in the pattern of trade. But the changes that have occurred have not, so far, been such as to favour bilateral trade between Australia and Indonesia. The basic fact is that, contrary to first appearances, the Australian and Indonesian economies have not in the past been strongly complementary and their economic development since World War II has done little to alter this situation' (Arndt 1968, p.171).

Both countries had in the past been, and remained, exporters of primary products and importers of manufactures. With quite minor exceptions - sugar in the past and perhaps copper in the future - their exports had not been competitive, but where there had been complementarity, fortuitous circumstances seemed to have worked against mutual expansion of markets. What little demand for Australia's temperate-zone foodstuffs there had been before World War II had largely disappeared with the expulsion of the Dutch, while the discovery of oil in Australia in the 1960s had put an end to by far the largest component of bilateral trade, Australian imports of crude oil from Indonesia. The economic decline of Indonesia in the 1960s, changes in technology and tastes adverse to traditional Australian imports from Indonesia, such as tea, rubber and kapok, Australian preference for Papua New Guinea, shipping difficulties, all these had conspired to keep bilateral trade at a low level.

Nor did prospects for the future look very encouraging. In both directions, hopes for exports of manufactures were circumscribed by relatively high costs, difficulties for a newcomer in breaking into export markets and the relatively small size of the other market. Indonesia would continue to need Australian wheat and would, if her development gained impetus, have a large demand for capital equipment of all kinds, some of which Australia might be able to meet. For Indonesia, the best export prospects, apart from tourism and handicrafts, appeared to be for timber.

Some years later, a committee of the Australian Senate enquired into prospects for trade between Indonesia and Australia (Senate Standing Committee 1975). Its conclusions were more optimistic.

The prospects for long-term development of trade between Indonesia and Australia are good, particularly for the export of Australian goods to Indonesia ... The greatest potential for growth in exports to Indonesia probably lies in capital goods including machinery, transport
equipment and other metal manufactures ... It is not easy to identify commodities imported from Indonesia for which any very considerable growth in trade can be predicted. Timber probably shows the greatest potential, followed by coffee and rubber. Other imports may be expected to show unspectacular but steady increases. In the long term, petroleum-derived chemical products and low cost manufactured goods may also become significant. The resumption of imports of oil is also possible.

The report added that 'considerable opportunities exist for Australian participation in joint venture enterprises in Indonesia', though they are rarely easy and considerable patience may be required (Senate Standing Committee 1975, p.4).

How far has the picture changed in the last five years? Is there more or less ground for optimism now than five years ago? I propose to deal first with development in merchandise trade between the two countries and then to say a little about other aspects of bilateral economic relations, shipping, direct investment, consultancy services and development assistance.

MERCHANDISE TRADE

The overall picture presented in Table 1 is disappointing. Indonesia's share in Australia's foreign trade has shown no clear upward trend and remains very small. Australian imports from Indonesia have risen in the last three years but the increase is mainly due to the resumption of imports of crude oil. All other imports continue to account for less than 0.5 per cent of total Australian imports. Indonesia's share in total Australian exports has actually declined, from 2.0 per cent in 1974-75 to 1.5 per cent last year, but this was due to exceptionally large wheat exports in the former year.

Australia is only slightly more important to Indonesia as a trade partner. Even including oil, imports by Australia still account for less than 1 per cent of Indonesia's export earnings. Indonesian imports from Australia have in recent years accounted for about 3 per cent of the value of total imports (c.i.f, according to Customs statistics). Another way of putting these figures into perspective is to point out that Indonesia, despite its size, accounts for less than one-fifth of Australia's trade (exports plus imports) with the five ASEAN countries.

Australian Imports from Indonesia

Of the more than fivefold increase in the value of Australia's imports from Indonesia in the last four years, more than half is accounted for by the resumption of imports of crude oil, a reflection of Australia's diminishing degree of self-sufficiency (Table 2). As in the 1950s and 1960s, when Indonesia supplied on average about one-fifth of Australia's oil imports, the crude oil comes from the Caltex Minas field in Sumatra. It is imported by Ampol under a contract concluded with Caltex in New York and refined in the Kurnell (Sydney) refinery. For the moment, this trade is more important to Australia which, like other net oil importers, has had some difficulty in
Table 1
Australia-Indonesia trade: share in each country's total trade

<table>
<thead>
<tr>
<th></th>
<th>Indonesia</th>
<th></th>
<th>Australia</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exports</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$USm.</td>
<td>%</td>
<td>$USm.</td>
<td>%</td>
</tr>
<tr>
<td>To Australia</td>
<td>7426.3</td>
<td>100.0</td>
<td>11643.2</td>
<td>100.0</td>
</tr>
<tr>
<td>of which: oil</td>
<td>22.8</td>
<td>0.3</td>
<td>106.9</td>
<td>0.9</td>
</tr>
<tr>
<td>other</td>
<td>17.9</td>
<td>0.2</td>
<td>35.4</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Imports</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$Am.</td>
<td>%</td>
<td>$Am.</td>
<td>%</td>
</tr>
<tr>
<td>From Indonesia</td>
<td>6085.0</td>
<td>100.0</td>
<td>13757.0</td>
<td>100.0</td>
</tr>
<tr>
<td>of which: oil</td>
<td>16.6</td>
<td>0.3</td>
<td>99.2</td>
<td>0.7</td>
</tr>
<tr>
<td>other</td>
<td>16.0</td>
<td>0.3</td>
<td>49.9</td>
<td>0.4</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>Indonesia</th>
<th></th>
<th>Australia</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Exports</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$USm.</td>
<td>%</td>
<td>$USm.</td>
<td>%</td>
</tr>
<tr>
<td>From Australia</td>
<td>3841.9</td>
<td>100.0</td>
<td>6690.4</td>
<td>100.0</td>
</tr>
<tr>
<td>To Indonesia</td>
<td>129.7</td>
<td>3.3</td>
<td>218.0</td>
<td>3.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Indonesia</th>
<th></th>
<th>Australia</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Imports</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$Am.</td>
<td>%</td>
<td>$Am.</td>
<td>%</td>
</tr>
<tr>
<td>To Indonesia</td>
<td>6914.4</td>
<td>100.0</td>
<td>14233.0</td>
<td>100.0</td>
</tr>
<tr>
<td>From Australia</td>
<td>106.5</td>
<td>1.5</td>
<td>217.4</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Source: Indonesia: Central Statistical Bureau, Foreign Trade Statistics.
Table 2

Australia's trade with Indonesia

<table>
<thead>
<tr>
<th></th>
<th>Imports</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Imports</th>
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<tbody>
<tr>
<td></td>
<td>Total</td>
<td>From Indonesia</td>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td>To Indonesia</td>
<td></td>
</tr>
<tr>
<td>1965-66</td>
<td>2939</td>
<td>56.7 1.9</td>
<td>5.1 0.2</td>
<td>61.8 2.1</td>
<td>2721</td>
<td>5.4 0.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1966-67</td>
<td>3045</td>
<td>53.5 1.8</td>
<td>3.1 0.1</td>
<td>56.6 1.9</td>
<td>3024</td>
<td>6.9 0.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1967-68</td>
<td>3264</td>
<td>52.4 1.6</td>
<td>3.0 0.1</td>
<td>55.4 1.5</td>
<td>3045</td>
<td>13.9 0.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1968-69</td>
<td>3469</td>
<td>55.7 1.6</td>
<td>4.3 0.1</td>
<td>60.0 1.7</td>
<td>3374</td>
<td>20.7 0.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1969-70</td>
<td>3881</td>
<td>43.7 1.1</td>
<td>5.2 0.1</td>
<td>48.9 1.3</td>
<td>4137</td>
<td>35.3 0.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1970-71</td>
<td>4150</td>
<td>15.6 0.4</td>
<td>6.9 0.2</td>
<td>22.5 0.5</td>
<td>4376</td>
<td>39.1 0.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1971-72</td>
<td>4008</td>
<td>4.4 0.1</td>
<td>9.9 0.2</td>
<td>14.3 0.4</td>
<td>4893</td>
<td>57.2 1.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1972-73</td>
<td>4121</td>
<td>1.4 .. 12.2 0.3</td>
<td>13.6 0.3</td>
<td></td>
<td>6214</td>
<td>74.6 1.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1973-74</td>
<td>6085</td>
<td>0.6 .. 16.0 0.3</td>
<td>16.6 0.3</td>
<td></td>
<td>6914</td>
<td>106.5 1.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1974-75</td>
<td>8080</td>
<td>- - 18.8 0.2</td>
<td>18.8 0.2</td>
<td></td>
<td>8726</td>
<td>175.3 2.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1975-76</td>
<td>8241</td>
<td>3.1 .. 21.4 0.3</td>
<td>24.5 0.3</td>
<td></td>
<td>9640</td>
<td>161.3 1.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1976-77</td>
<td>10411</td>
<td>4.4 .. 45.8 0.4</td>
<td>50.2 0.5</td>
<td></td>
<td>11652</td>
<td>180.5 1.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1977-78</td>
<td>11167</td>
<td>29.1 0.3</td>
<td>55.0 0.5</td>
<td>84.1 0.8</td>
<td>12270</td>
<td>196.3 1.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1978-79</td>
<td>13757</td>
<td>49.3 0.3</td>
<td>49.9 0.4</td>
<td>99.2 0.7</td>
<td>14233</td>
<td>217.4 1.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^a\)Includes petroleum products, none for 1975-76, 1977-78, $A4.5 million in 1978-79.

securing supplies in the post-Iran period of world shortage, than to Indonesia which can easily sell all the oil it is able and willing to make available for export. This is likely to remain the situation for the foreseeable future, and while it continues Australia's oil imports make no contribution to Indonesia's total export earnings. In 1978-79, Australia also imported $4.5 million worth of refined petroleum products, the precise nature of which is a mystery.

Much of the increase in the value of other Australian imports from Indonesia in the last few years is due to what must be assumed to be a temporary factor, the world coffee shortage which resulted from the 1975 frost disaster in Brazil. Indonesia benefited substantially from the fivefold rise in the price of coffee, and a consequential threefold rise in the price of tea. Australia's imports of the two commodities combined rose from $7.7 million in 1973-74 to $36.1 million in 1977-78 (Table 3). In the case of coffee, Indonesia also filled part of the gap left by reduced supplies from Brazil (Table 4). Her coffee exports to Australia almost doubled in volume, while those of her chief competitor in the Australian market, Papua New Guinea, actually declined slightly. In the case of tea, however, Indonesia lost some ground, as did her former chief competitor,

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>333</td>
<td>Crude oil</td>
<td>-</td>
<td>29051</td>
<td>44796</td>
</tr>
<tr>
<td>334</td>
<td>Petroleum products</td>
<td>602</td>
<td>-</td>
<td>4538</td>
</tr>
<tr>
<td>071</td>
<td>Coffee</td>
<td>1906</td>
<td>20147</td>
<td>19384</td>
</tr>
<tr>
<td>074</td>
<td>Tea</td>
<td>5843</td>
<td>15906</td>
<td>15397</td>
</tr>
<tr>
<td>24</td>
<td>Timber, wood</td>
<td>4226</td>
<td>730</td>
<td>1606</td>
</tr>
<tr>
<td>23</td>
<td>Rubber</td>
<td>2209</td>
<td>8823</td>
<td>5413</td>
</tr>
<tr>
<td>56</td>
<td>Fertilizer (urea)</td>
<td>-</td>
<td>1081</td>
<td>-</td>
</tr>
<tr>
<td>84, 85</td>
<td>Clothing, footwear</td>
<td>217</td>
<td>1572</td>
<td>2890</td>
</tr>
<tr>
<td></td>
<td>All other</td>
<td>1549</td>
<td>6786</td>
<td>4215</td>
</tr>
<tr>
<td></td>
<td><strong>Total Imports</strong></td>
<td>16550</td>
<td>84096</td>
<td>99239</td>
</tr>
</tbody>
</table>

### Table 4

**Indonesia's share in Australian market for selected commodities, 1973-74, 1977-78, 1978-79**

<table>
<thead>
<tr>
<th></th>
<th>Coffee ('000 kg) 1973-4</th>
<th>Coffee ('000 kg) 1977-8</th>
<th>Coffee ('000 kg) 1978-9</th>
<th>Tea ('000 kg) 1973-4</th>
<th>Tea ('000 kg) 1977-8</th>
<th>Tea ('000 kg) 1978-9</th>
<th>Rubber ('000 kg) 1973-4</th>
<th>Rubber ('000 kg) 1977-8</th>
<th>Rubber ('000 kg) 1978-9</th>
<th>Timber ('000 m³) 1973-4</th>
<th>Timber ('000 m³) 1977-8</th>
<th>Timber ('000 m³) 1978-9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>2987</td>
<td>5988</td>
<td>8917</td>
<td>9211</td>
<td>7973</td>
<td>9082</td>
<td>4024</td>
<td>11517</td>
<td>6056</td>
<td>74</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>Singapore</td>
<td>-</td>
<td>63</td>
<td>21</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>2124</td>
<td>3902</td>
<td>5635</td>
<td>26</td>
<td>22</td>
<td>27</td>
</tr>
<tr>
<td>Malaysia</td>
<td>-</td>
<td>100</td>
<td>94</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>51386</td>
<td>22736</td>
<td>27972</td>
<td>275</td>
<td>242</td>
<td>167</td>
</tr>
<tr>
<td>Philippines</td>
<td>-</td>
<td>63</td>
<td>46</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15</td>
<td>-</td>
<td>75</td>
<td>50</td>
<td>84</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>15510</td>
<td>14034</td>
<td>11970</td>
<td>1661</td>
<td>3049</td>
<td>3667</td>
<td>5823</td>
<td>4290</td>
<td>4190</td>
<td>49</td>
<td>21</td>
<td>15</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10855</td>
<td>8877</td>
<td>6698</td>
<td>267</td>
<td>63</td>
<td>40</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>


Sri Lanka, while Papua New Guinea's share increased. The fact that Australia continues to grant tariff and other preferences to Papua New Guinea probably continues to impose some handicap on Indonesia. As world coffee and tea prices have fallen back, the value of Australian imports of both commodities from Indonesia has also declined, in the case of coffee from $25 million in 1976-77 to $19 million in 1978-79. It remains to be seen whether Indonesia can hold on to her larger market share in the Australian market for coffee.

Some other of Indonesia's commodity exports have made modest gains. During a period while Australia's total imports of natural rubber, and her imports from her leading supplier, Malaysia, have fallen by half, mainly because the recession has reduced demand for tyres and for other industrial uses, Indonesia has surprisingly achieved a fourfold increase in the value of her exports of rubber to Australia, due in about equal halves to higher prices and larger volume. It appears that Indonesian rubber has had a price advantage over Malaysian, while the previous wide gap in quality has been reduced through the development of crumb rubber and other upgrading in Indonesia. The statistics also indicate some Indonesian success in selling to Australia some of her newer export products, fish and fruit.

By contrast, the export commodity which looked most promising in 1975, timber, has done very badly. After rising to almost $4.5 million in 1974-75, Australian imports of timber from Indonesia fell in the following year to less than $1.5 million and declined further until 1977-78. Two factors have been responsible. One has been the effect of the Australian recession, particularly severe in building, in reducing total Australian imports. But, in addition, Indonesia lost most of the market share she had gained by the policy of trying to encourage domestic processing through a tax on exports of unsawn logs. This made unsawn logs less competitive in Australia; it also encountered a 5 per cent Australian tariff on sawn timber (while unsawn logs are admitted duty free). It was imports of logs from Indonesia that bore the brunt of the fall in Australian demand.

Indonesian exports to Australia of labour-intensive manufactures, especially clothing and footwear, have grown quite rapidly, from under $0.5 million in 1973-74 to almost $3 million in 1978-79. But they consist almost entirely of handicraft, especially batik, for which the Australian market is believed to be too small to warrant a major Indonesian export promotion effort. In the field of mass-produced textiles and other labour-intensive manufactures, Indonesia is still well behind the newly industrialized countries of East and Southeast Asia and is unlikely to gain a major footing in the Australian market in the near future.

Australian Exports to Indonesia

Five years ago, the Senate Committee was confident that Australia was well placed to meet burgeoning Indonesian demand for capital equipment for development, including everything from agricultural machinery, mining plant, earth-moving, air-conditioning and road-making equipment, railway rolling stock and motor vehicles, machine tools and household appliances (Senate Standing Committee 1975, p.19). This confidence has so far proved to be almost entirely misplaced.
Australia's exports of manufactures to Indonesia reached nearly $50 million in 1974-75, the year of the Senate Committee's report. By 1977-78 they had fallen to $16 million (Table 5). The latter figure may be compared with that for Australian project aid to Indonesia in that year of $20.3 million. While this includes a good deal of technical assistance as well as capital equipment, it leaves little room for commercial, as contrasted with aid-financed, exports of manufactures.

Table 5
Australian exports to Indonesia, 1973-74, 1977-78

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Commodity</th>
<th>1973-74</th>
<th>1977-78</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$A'000</td>
<td>%</td>
</tr>
<tr>
<td>0</td>
<td><strong>Food and Live Animals</strong></td>
<td>26926  25.3</td>
<td>83560 42.6</td>
</tr>
<tr>
<td>041</td>
<td>Wheat</td>
<td>16085</td>
<td>57939</td>
</tr>
<tr>
<td>042</td>
<td>Rice</td>
<td>1800</td>
<td>10008</td>
</tr>
<tr>
<td>05</td>
<td>Dairy products</td>
<td>6913</td>
<td>11156</td>
</tr>
<tr>
<td>05</td>
<td>Fruit and vegetables</td>
<td>570</td>
<td>1184</td>
</tr>
<tr>
<td>2-6</td>
<td><strong>Crude and Processed Materials</strong></td>
<td>26849  25.2</td>
<td>85708 43.7</td>
</tr>
<tr>
<td>67</td>
<td>Iron and steel</td>
<td>4136</td>
<td>20427</td>
</tr>
<tr>
<td>686</td>
<td>Zinc</td>
<td>7173</td>
<td>17416</td>
</tr>
<tr>
<td>684</td>
<td>Aluminium</td>
<td>1668</td>
<td>2250</td>
</tr>
<tr>
<td>682</td>
<td>Copper</td>
<td>2355</td>
<td>3221</td>
</tr>
<tr>
<td>685</td>
<td>Lead</td>
<td>379</td>
<td>2815</td>
</tr>
<tr>
<td>513.27</td>
<td>Carbon black</td>
<td>669</td>
<td>4051</td>
</tr>
<tr>
<td>58</td>
<td>Plastics</td>
<td>843</td>
<td>3312</td>
</tr>
<tr>
<td>7-8</td>
<td><strong>Machinery, Miscellaneous</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>732-3</td>
<td>Motor Vehicles</td>
<td>12789</td>
<td>2528</td>
</tr>
<tr>
<td>734-5</td>
<td>Other transport equipment</td>
<td>22554</td>
<td>1804</td>
</tr>
<tr>
<td>71</td>
<td>Non-electric machinery</td>
<td>6386</td>
<td>8625</td>
</tr>
<tr>
<td>72</td>
<td>Electric machinery</td>
<td>1982</td>
<td>1704</td>
</tr>
<tr>
<td></td>
<td><strong>Other</strong></td>
<td>7343</td>
<td>6.9</td>
</tr>
<tr>
<td></td>
<td><strong>Total Exports</strong></td>
<td>106,467</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The decline chiefly reflects the collapse of the Indonesian market for Australian motor vehicles and other transport equipment, exports of which, after reaching a combined total of $35 million in 1973-74, amounted to only $4 million in 1977-78. But there has also been a decline in exports of electrical and other machinery and of all other categories of more highly fabricated manufactures. Australian products which have done well in the Indonesian market are wheat (and some rice) which account for about one-third of total exports and of which only about 10 per cent is now financed by the food aid programme; other foodstuffs, particularly dairy products; and metals and other intermediate goods, such as industrial chemicals (petroleum products, carbon black and plastics). The 'growth sector' among Australian exports to Indonesia in recent years has been that of steel and non-ferrous metals (chiefly zinc, but also lead, copper and aluminium); their combined value has risen from $16 million in 1973-74 to $46 million in 1977-78 and $52 million in 1978-79.

In 1975, the Senate Committee thought Australian exports to Indonesia of aluminium would decline with the completion of the Asahan smelter, and the same might be true of copper because of development of the Irian Jaya deposit. These fears have proved premature. Construction of the Asahan aluminium smelter has yet to begin. But there is no doubt that, as Indonesia develops her own mineral processing capacity, her need to import processed metals may decline. For Australia the most significant case is steel. For while Indonesia has the raw materials for aluminium, copper and nickel smelters, she will depend entirely on imports of iron ore or pellets for her developing steel industry. Australia is in the fortunate position of being able to supply the raw material if she should lose some of the Indonesian market for processed steel. Unfortunately, Australia appears so far to have been entirely unsuccessful in persuading the management of PT Krakatau, the Indonesian state steel enterprise, that nearby Western Australia is a better source of iron ore than German subsidiaries in South America.

The failure of Australian manufactures to maintain the footing gained in the Indonesian market, and the shift in the composition of Australian exports to Indonesia towards processed minerals and other intermediate goods, are a miniature reflection of the larger scene. The mineral developments of the past twenty years, together with steeply rising costs and lagging capacity for technological innovation, have shifted Australia's comparative advantage in international trade against manufactures back to primary and intermediate goods. As a knowledgeable observer (who must remain anonymous) of Australian trade with Indonesia has put it, 'Indonesia will develop as a major market for high technology industrial equipment. But the technology required to produce the goods and equipment necessary for development is, by and large, not held in Australia, and we will have to watch the major industrial powers enjoy the development of the Indonesian market, whilst we content ourselves as suppliers of basic materials'.

The Balance of Trade

Indonesian official spokesmen have sometimes professed to be unhappy about Indonesia's adverse balance in her bilateral trade with Australia.
Economists are not much interested in this argument. What matters is each country's overall balance of payments and, in bilateral trade, whether either country needs the other's goods more or less than its market. But as a talking point, the Australians can now show that the resumption of oil imports has done something to narrow the gap.

OTHER ECONOMIC RELATIONS

Shipping

In 1968, I discussed complaints that trade between Australia and Indonesia was being hampered by inadequate shipping services and pointed out that 'by far the most important reason why trade between the two countries does not enjoy the benefit of reliable and cheap shipping services is that there is not enough of it' (Arndt 1968, p.184).

There have been fewer complaints from shippers in the last few years. Regular liner services are provided by the Australia-Indonesia Outward Shipping Conference which increasingly uses containerized vessels. But Indonesian participation in shipping services between the two countries has suffered a severe setback, due partly to the two-year boycott of Indonesian flag ships in Australian ports imposed in 1976 by the Australian Waterside Workers Federation to express their sympathy with the Revolutionary Front for the Liberation of Timor (Freti lin) and partly to Indonesia's limited capacity in container shipping which she prefers to deploy on more important routes. Jakarta Lloyd no longer serves Australian ports directly but participates through slot charter arrangements with other national carriers.

Direct Investment

The anonymous observer quoted above reports that there has been a major decline in Australian interest in Indonesia as a home for joint-venture and other investment during the last five years. He attributes this chiefly to difficulties in the Australian economy which have caused Australian companies to concentrate on survival rather than expansion, particularly overseas, and to the policies of the Indonesian government which have narrowed the range of industries open to foreign investment. He adds as contributing factors disappointments with some existing Australian investments and 'unfounded fears of political instability, aroused by bad and biased reporting in the Australian press'.

A number of Australian joint ventures have operated successfully in Indonesia for some years. Among them are Indomilk (condensed milk), James Hardie (asbestos cement), ACI (glass), Petermills (icecream), and CIG (industrial gases). But in the last two years no new projects have come forward, and there is disappointment in Indonesia about the slow rate at which some $200 million of approved 'intended' Australian direct investment is being realized.
Consultancy Services

While Australian direct investment in Indonesia is in the doldrums, Australian civil engineering, management and other firms have been building up considerable business in the form of consultancy services in Indonesia. In 1977-78, over forty Australian firms earned a larger income from consultancy fees in Indonesia - $12 million - than in any other foreign country (Australian Bureau of Statistics 1979). A good many of the contracts appear to have been connected with Australian aid projects, but Australian firms have also won contracts from the World Bank and Asian Development Bank, and from the central government, provincial governments and state enterprises in Indonesia. The expertise they supply is, not surprisingly, in fields in which Australia has developed technology for its own needs, such as agricultural and livestock management, mineral exploration, offshore oil surveys and civil engineering for irrigation, roads, harbours and other public works. But there are also some in more general lines such as architecture and town planning, computer installation, project management, and engineering training (Australian Professional Consultants Council 1979). It is not big business, but it suggests that Australia may have relatively more to offer in tertiary than in manufacturing technology.

Development Assistance

Indonesia remains, next to Papua New Guinea, the largest recipient country in Australia's development assistance programme, with a total expenditure of $28.3 million in 1977-78 and $35.5 million in 1978-79.1 Of the 1977-78 total, $20.3 million was accounted for by projects, $5.8 million by food aid, and $2.1 million by training schemes. Among the larger projects are the West Sumatra road project, the Animal Husbandry Research Institute at Bogor, the trans-Sumatra microwave telecommunications project, the Australian contribution to electric power distribution networks in Sumatra and Kalimantan, and upgrading of municipal water supply in several Indonesian cities and of some railway main lines. Food aid continues to take the form of contributions of wheat and rice, partly to a new Bilateral Reserve for Emergencies. Under the training programme, some 150 Indonesians are brought to Australia each year for postgraduate study and training.

I continue to adhere to the unfashionable view that this is the kind of aid that Australia should give, because this is the kind of thing that foreign governments can do and Australia is reasonably good at.2 I doubt whether we shall make much headway with attempts, in deference to current rhetoric, to find projects 'having an identifiable welfare or social development content'. Provided the selected projects are regarded as essential to Indonesia's development plan, it is sensible for the Indonesian government to request foreign aid for those that foreign governments can efficiently handle, while doing itself what it can to mobilize the necessary effort in rural and other grassroots social development which does not generally lend itself to intervention by foreign government agencies.

Australia's contribution accounts for just under 2.5 per cent of the IGGI (Inter-Governmental Group for Indonesia) consortium's development
assistance programme this year. It is debatable whether the whole programme makes a decisive difference to the rate of Indonesia's economic development. Certainly, if Australia's contribution were abandoned tomorrow, Indonesia's economic development would not be affected by one iota. But that is not to say that each of the projects does not in one way or another improve the efficiency of the Indonesian economy and thus the living standards of some of the people of Indonesia. In any case, Australia could not afford to abandon its aid programme to Indonesia and look the rest of the world - or itself - in the face. In the world today, respectable aid programmes are a necessity for donors at least as much as for recipients.

CONCLUSION

It is taken for granted by almost everybody in Australia that, politically, Indonesia is important. Whether this sentiment is reciprocated in Indonesia is doubtful. When they are concerned about foreign policy and national security, Indonesia and Australia both tend to look north. This means that Australia looks at Indonesia among other countries, while Indonesia has its back to Australia.

Economically, neither country is very important to the other. History and geography have conspired so far to make their two economies neither seriously competitive nor notably complementary. Australia and Indonesia do not compete in world markets for any major products, though some degree of competition may develop in future among exports of metals, such as nickel, copper and aluminium, and perhaps of liquefied natural gas. There are areas of complementarity, but they have so far given rise to little trade. Australia is a net importer of some of the tropical produce which Indonesia exports, such as rubber, coffee, tea and tropical hardwoods, but she gives preference to Papua New Guinea, and the market is not large. Indonesia is a net importer of some of the temperate-zone foodstuffs Australia exports, such as wheat and dairy products, but again the market is limited. Indonesia has become a significant market for steel, non-ferrous metals and other intermediate goods, but some of this market may shrink as Indonesia develops her own processing industries. Australia should be a competitive supplier of ores, such as iron ore and bauxite, to such industries, but factors other than price and quality may influence Indonesia's choice of suppliers.

Complementarity in international trade, after an early stage of exchange of manufactures for primary products, becomes increasingly a matter of specialization and mutual trade in manufactures between industrial countries. Both Australia and Indonesia have, for somewhat similar reasons, so far failed to become major exporters of manufactures. Both have followed a protectionist import-substitution strategy in their industrial development. Both have in the recent past experienced a large shift in comparative advantage in favour of natural resource industries - through mineral discoveries in Australia and through the oil price increase in Indonesia - at the expense of their high-cost manufacturing sectors.

This may change. There are reasons to hope that Australia may in the next few years move towards a more open trade policy, giving the industrializing countries of East and Southeast Asia freer access to her domestic
market for labour-intensive manufactures in return for an increasing share in their rapidly growing markets for foodstuffs, basic materials and intermediate goods. While bilateral trade between Australia and Indonesia will continue to take the form chiefly of exchange of foodstuffs and raw or processed materials, it may not be over-optimistic to look forward to a steady if unspectacular expansion of trade in some manufactures, Indonesian handicrafts, textiles, furniture and other light industry products for a few dozen items of specialized machinery or equipment which innovation and enterprise may enable Australian manufacturers to supply competitively. There is also scope for further growth in Australian exports of services of the consultancy type in which, as we have seen, a beginning has been made.

It is very desirable that both countries adopt policies which will promote such bilateral trade, not only for its direct economic benefits but also because it can serve as one way of bringing the two nations closer together.

NOTES

1 For an earlier account see Arndt 1970.

2 Compare Arndt 1979. For a critique of Australian foreign aid to Indonesia from a conventional radical left point of view, see Eldridge 1979.

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INDONESIA AND AUSTRALIA: POLITICAL ASPECTS

E.G. Whitlam

When Indonesia achieved international recognition of her independence at the end of 1949, Australia probably stood higher in the esteem and affection of Indonesians than did any other country. Australia had sponsored her independence and her membership of the UN.

The Menzies government, however, had just taken over in Australia and the new Minister for External Affairs was Spender. In order to explain the view commonly held in Australia and Papua New Guinea that Indonesia is aggressive and expansionist, and the view equally commonly held in Indonesia that Australian politicians are legalistic hypocrites, it is necessary at the outset to examine Spender's attitude and conduct towards Indonesia.

Spender had protested in the House of Representatives on 9 December 1948 that at the ECAFE conference being held at Lapstone Australia had supported a New Zealand motion for Indonesia to be admitted as an associate member. The motion was carried although the US and the Netherlands opposed it and Britain abstained. On 16 February 1949 Spender spoke at length on the Chifley government's attitude towards Indonesia. He said that the course pursued by the government was imperilling the White Australia policy, would 'leave the entire area of the so-called Indonesian Republic to the political body set up by the collaborators with the Japanese and those who have, in fact, the blood of white people on their hands' and would hand over 'the whole area of Dutch New Guinea ... to the natives'.

Mr Tom Critchley, who has had the closest involvement in the affairs of the region for thirty-five years, has recently described - in a speech in Jakarta in November 1979 - his surprise when the Dutch introduced the future of West New Guinea as a special item on the agenda for the Round Table Conference commencing at The Hague in August 1949. When Indonesia's independence was recognized, it was agreed that the question of West New Guinea should be deferred for one year, during which time its territorial status would be determined through negotiations between the Netherlands and Indonesia. Spender set out to abort such negotiations. In a ministerial statement on 9 March 1950 he spoke of the new government in Indonesia but emphasized that 'the island areas immediately adjacent to Australia are ... our last ring of defence against aggression, and Australia must be vitally concerned with ... changes ... in them ... The Australian people are deeply interested in what happens anywhere in New Guinea'. In the House on 8 June he asserted Australia's claim to be a party principal; he declared:

should discussions between the Netherlands and Indonesia tend towards any arrangement which would alter the status of western New Guinea, the matter is no longer one merely for those two parties themselves... It would, we think, be both unreal and unreasonable that any change of status
for the territory should occur which disregards the interests of the indigenous population and those of Australia.

On 29 August in The Hague he stated:

The Australian government does not consider that Indonesia has any valid claim to Dutch New Guinea, the future of which is of vital importance to the Australian people ... Australia has a deep attachment to the people of Australian New Guinea ... If the claim of Indonesia to Dutch New Guinea were conceded to any degree at all, it would be a matter of time, no matter how genuine may be assurances to the contrary, when the claim will be pushed further so as to include the trust territory of Australian New Guinea and its people ... Experience has shown to the Australians how strategically vital to Australian defence is the mainland of New Guinea. I have pointed out before that we cannot alter our geography which for all time makes this area of supreme consequence to Australia. Quite apart from its military and strategic significance, one cannot disregard the ever-increasing communist pressure in Asia. Communism has not got any foothold yet in Australian New Guinea. Australia is determined in so far as it can to ensure that it will not.

At the UN General Assembly in 1950 Spender pursued his crusade on west New Guinea with relish. As Beazley later summed up:

There is no doubt that the whole tenor of Australian policy was to urge the Dutch to shut the door upon negotiation at that time. (Hansard, 29 March 1962)

Thus the tone of Indonesian-Australian relations until well into the 1960s was set from the outset of the 1950s. The senior figures in the ALP in the 1950s did not provide an adequate counter to Liberal policies on either west or east New Guinea. (One stalwart who constantly clamoured for the withdrawal of Australian troops from Malaysia went berserk when I pointed out that he really wanted withdrawal no further than west New Guinea). It took some brashness for me to point out on 14 March 1956 that west New Guinea was the only part of the old Netherlands East Indies which the Indonesians did not rule and that it was their only territorial claim. On 11 April 1957 I returned to this theme and in particular to the strategic argument:

We persist in misrepresenting Indonesia's claim to that territory. It makes no geographical or racial claim; otherwise the Indonesians would make a claim to east New Guinea or to eastern Timor also, or to North Borneo and Sarawak, or to Palawan and the Sulu Archipelago. But Indonesia's claim is based on the ground that Indonesia is the successor state to all the Netherlands East Indies, in which west New Guinea was included.
We are often given a strategic justification for Australia's attitude, but only by those who ignore the fact that the Kai, Tanimbar and Aroe Islands, lying between that territory and Australia, are occupied— and we acknowledge the occupation—by Indonesia, and were occupied during the war and used as bases by the Japanese.

West New Guinea was the only instance where an imperial power had been allowed to detach and retain some part of a former colony. None of the 100 states which have achieved independence since World War II has settled for smaller boundaries than those it enjoyed as a colony. Indonesians had to put up a longer struggle to unite their country than any people in our region other than the Vietnamese. Australians today are still in the lead in raising false hopes and fears in Papua New Guinea on the subject of west New Guinea. It must therefore be emphasized that to this day no state will officially condone a process for severing some part of another state. Such a principle would lead to the breakup of such large entities as the USSR, China and India which all claim to be multinational states, while the US herself knows that she will be vulnerable to Hispanic separatism by the end of this century; New Mexico could revert to Mexico. Expatriate journalists and academics, the younger of whom have little awareness of the background to the West Irian issue, do no service to young men in Papua New Guinea in stirring them up over an issue on which only the latter would have to bear the consequences.

Spender was succeeded as Minister for External Affairs by Casey in April 1951 but, as Australia's Ambassador to the US, he continued to make the running against Indonesia in the UN until he went to the International Court of Justice in 1958. In the General Assembly Australia voted against resolutions on the question of west New Guinea on 30 November 1954, 22 February and 19 November 1957 and 27 November 1961. The resolutions urged that Indonesia and the Netherlands should settle their differences under the auspices of the UN. On every occasion there was a majority of votes but not the two-thirds majority which is required on questions which have been determined to be important. Except on the last occasion, the US never voted with the Dutch or Australia and maintained neutrality; the nations which the US was then able to influence most strongly, particularly in Latin America, used to be evenly divided in their votes. All other countries in our region, including SEATO and Commonwealth countries, always voted with Indonesia.

It was not until the mid-1950s that Australia raised the issue of self-determination. She was inhibited in raising it because of its implications for Papua New Guinea. The principle was not mentioned in the first edition of Lord Casey's book Friends and Neighbours in 1954; it was only mentioned in the second edition. It was belatedly and grudgingly that Australia shifted her arguments in the General Assembly and the Political Committee of the Assembly to the principle of self-determination. The government never really adhered to the principle because Menzies himself and Barwick when they in turn became Ministers for External Affairs declared that if the parties principal came to a peaceful agreement or if the International Court of Justice decided the issue, the principle of self-determination could be overlooked.
Soon after the tension between Australia and Indonesia over the protracted decolonization of west New Guinea by the Netherlands began to abate, following the settlement in 1962, a new source of friction arose over the precipitate decolonization of northern Borneo by Britain. For Indonesia Spender's hectoring style was replaced by Barwick's. Efforts by Spender, Casey and Menzies to involve the US in New Guinea had failed. Now the efforts by Barwick to involve the US in Borneo were to fail more conspicuously. He thrice made public assertions that America would come to our aid under ANZUS if Indonesia attacked our vessels. This irked the State Department. Menzies was so embarrassed that Barwick suddenly abandoned an extensive tour as Minister for External Affairs and without further delay took up the vacant position of Chief Justice.

Confrontation came to an end when Suharto took over from Soekarno. The unhappy episode had not commanded total internal support as Indonesia's incorporation of west New Guinea had always commanded. Moreover, the episode had damaged Indonesia's international standing, which Suharto strove to restore.

It had taken ten years for Menzies to pay a visit to Indonesia. In December 1959 he chartered a DC6 to go there and to Malaysia. He took two followers with him and he asked Evatt and Calwell to nominate one of their colleagues. When they hesitated he gave me a direct invitation. With the leadership of the ALP soon to be decided, I declined. Eight and a half years later, in June 1968, Gorton visited Indonesia and McMahon followed him, chartering a Boeing 707. I was determined to restore the trusting relations with Indonesia which Australia had established in the late 1940s. In February 1973, immediately after my visits to New Zealand and Papua New Guinea, I visited Indonesia in order to demonstrate the political and economic interest which Australia would now take in the region. I took with me Sir Richard Kirby, who had been the Australian representative on the UN Security Council Committee of Good Offices on the Indonesian Question in 1947 and 1948. I had first met General Suharto in 1966. He now established the same frank relationship with me that he had with the heads of government in the ASEAN countries. He invited me to discussions in Wonosobo on 5-7 September 1974 and I invited him to discussions in Townsville on 3-5 April 1975.

In Portugal on 25 April 1974 the army junta of the National Movement of the Armed Forces (MFA) launched a coup and took over full control of the country. The new government was committed to a policy of decolonization of the Portuguese empire. East Timor was the least of Portugal's colonial worries but was to cause the same tensions between Australia and Indonesia as the Dutch and British decolonization of west New Guinea and northern Borneo had caused. Ill-informed and ill-disposed commentators have surmised that President Suharto and I foresaw and even planned the events which happened in East Timor months after our two meetings and which caught everyone by surprise. In what follows I shall refer to the many statements and answers given by ministers at the time, such as Willessee's and mine in parliament on 26 August and 30 October 1975. The records of the conversation between the Indonesian President and myself are by custom confidential; when they become available they will bear out the account I now give.
Indonesia's critics should acknowledge the point made by Professor J.A.C. Mackie in a seminar at the Australian National University in August 1979 on the Indonesia-Papua New Guinea border that 'if the Suharto government had mounted a campaign to assist in the liberation of East Timor from Portuguese rule prior to 1974, justifying this on the ground that it was also helping to overthrow Portuguese colonial rule and helping the freedom fighters of Angola and Mozambique, it would almost certainly have won widespread international support and left the Fretilin leaders no option but to side with Indonesia' (Mackie 1979). I myself can testify that President Suharto placed great stress on legality and legitimacy and in his conversations with me always used the term 'Timor Portugis'. For that reason he seems to have been most reluctant to sanction military action in East Timor and only to have done so at the eleventh hour when he felt he had no alternative.

Political parties emerged in Portuguese Timor for the first time a few weeks after the coup in Lisbon. The only links which this isolated and neglected colony had had with the outside world, apart from Portugal, were with Taiwan and Mozambique. On 11 May the UDT (União Democrática Timorense) was formed, on 20 May ASDT (Associação Social Democrática Timorense) and on 27 May Apodeti (Associação Popular Democrática Timorense). Peter Hastings (1975, p.27) says that the UDT was by far the largest of the parties. On 12 September ASDT was abolished and replaced by Fretilin (Frente Revolucionária de Timor Leste Independente). These three parties were the only ones granted recognition and media facilities by the Portuguese authorities. The leaders were mostly mestiços who had spent some time in seminars and the army and who often seemed to be desperate to succeed the Portuguese as rulers over the rest of the population.

Also in September 1974 the small Trabalhista Party emerged. On 26 January 1975 the monarchist party (Associação Popular Monárquica Timorense) was formed; a year later it became KOTA (Klibur Oan Timur Aswain, Group of Heroes of the People of Timor). By March 1975 a party ADITLA (Associação Democrática para Integração Timor Leste con Australia) had even been formed to seek integration of Portuguese Timor into Australia. An approach was made by a representative of the party to the Australian authorities in Indonesia. Any Australian government in the first half of this century would have been attracted to the proposition.

As late as 18 July 1944 Spender objected to New Caledonia and Timor being returned to France and Portugal, at least unless Australia were given bases there. During and after World War II prominent Australians on both sides of politics expressed more imperialist and proprietorial views on eastern Timor than any Indonesians have done. They were not inhibited by the fact that in 1893 and 1904 the Netherlands and Portugal had made treaties under which each party undertook that in the event of cession of its Timor territories it would give first option to the other or by the fact that in 1943, as part of the deal for the Allies to use the Azores, South Africa and Australia joined in the British assurance to Portugal that her sovereignty would be maintained in her colonial possessions after the war. So much for self-determination in those days! In order to declare that 'the Australian government most certainly would not be involving itself in the activities or the aspirations' of ADITLA, Wriedt, in
Willesee's absence, had to arrange a question on 6 March 1975 from the government whip. I myself thought it prudent in Townsville the following month to disavow again any Australian ambitions in Timor.

President Suharto and I agreed that Portugal should be encouraged to maintain her authority in Timor for some time longer, probably five years, in order to give the population some experience in managing its affairs. We were to be frustrated in this by the irresponsibility of the Portuguese and the intransigence of the parties. At my suggestion Indonesia moved to establish diplomatic relations with Portugal; it was announced on 21 January 1975 that these would be at ambassadorial level. The Australian consulate which had been established in Dili in 1941 had been withdrawn in August 1971, but foreign affairs officers now made frequent visits to the territory. Australia sought to take a constructive interest in Timor's political development. Willesee had discussions with the Portuguese and Indonesian Foreign Ministers, Mário Soares and Adam Malik, in New York on 26 September 1974, and he and I with Antônio de Almeida Santos, Portuguese Minister for Interterritorial Co-ordination, in Canberra in mid-October. Willesee saw José Manoel Ramos Horta of Fretilin on 11 December 1974, Malik again at ESCAP at Delhi on 27 February 1975 and Domingos Pinto Soares and Casimiro dos Reis Araújo of Apodeti on 21 May 1975. Cairns visited Jakarta at the end of January 1975 and six members of the Foreign Affairs and Defence Committee of the Federal Parliamentary Labor Party visited Timor in March. Morrison as acting Foreign Minister had discussions with Francisco Xavier Lopes da Cruz and Cesar Augusto da Costa Mouzinho of UDT on 23 April 1975.

On 18 November 1974 a new Governor arrived from Lisbon, Colonel Mário Lemos Pires. The two dominant figures in his cabinet came from the MFA, Major Francisco Mota, who had served in Timor in 1968-70 and now took the portfolio of Political Affairs, and Major Silvério da Costa Jônatas, who had served in Timor in 1969-71 and now took the portfolio of Mass Media. Their objectives seem to have been to extricate the metropolitan government as quickly as possible and to promote Fretilin as the successor government on the model of the Frente de Libertaçã o de Moçambique (Frelimo).

On 22 January 1975 UDT and Fretilin formed a coalition. A month later the Portuguese banned Apodeti from Radio Dili for forty-five days. This ban might not have been unwarranted but the Portuguese broadcasting committee was not evenhanded. Talks proposed for March in Lisbon between the recognized parties were not held because Apodeti boycotted them. Early in May, however, the Portuguese decolonization committee, dominated by Majors Mota and Jônatas, at last succeeded in getting representatives of UDT, Fretilin and Apodeti together in Dili. At this time it appeared likely that the parties would agree on a programme for decolonization at a meeting to be held in Macau at the end of June.

Nevertheless, UDT was becoming increasingly distrustful of the left-wing influence in Fretilin, which had attracted the support of the few but conspicuous university students who had returned to Timor after the coup in Portugal and which had adopted songs, insignia and salutes from Frelimo. On 27 May 1975 UDT announced the end of the coalition. On 26-28 June Apodeti and UDT attended the conference in Macau, which planned the election
of a People's Assembly in October 1976 and the continuation of Portuguese sovereignty till October 1978, but at the last moment Fretilin boycotted the conference. A Fretilin delegation, however, did attend the independence celebrations in Mozambique commencing on 25 June 1975. Fretilin now rejected the idea of elections in Portuguese Timor on the ground that Frelimo had been recognized as the government of Mozambique without elections. (Elections were not held in Mozambique until December 1977, when all candidates came from Frelimo, still the sole political party.) The relations between the parties were deteriorating rapidly. UDT and the smaller parties came to prefer integration with Indonesia to domination by Fretilin; Apodeti had always sought integration.

The Portuguese were pursuing the contradictory policies of running down their armed forces and building up their military equipment. At the beginning of 1975 there were over 1000 Portuguese soldiers in Timor; by mid-April the number was down to about 200. On 9 April, however, forty paratroopers were flown in to form a bodyguard for the Governor and his staff; they had the use of two Alouette helicopters. The MFA also sent more than 10,000 of the latest NATO rifles together with mortars, bazookas and ammunition to Timor.

It was in August 1975 that the situation got out of hand. In a show of force on the evening of 10 August UDT occupied the police headquarters and other administrative buildings in Dili and demanded the arrest of Fretilin leaders and the expulsion of Portuguese officers and officials alleged to be communists. UDT acquired the police weapons and established the 'Revolutionary Anti-Communist Movement of 11 August'. On 15 August Fretilin proclaimed a general armed insurrection against 'all traitors to the fatherland'. On 17 August Majors Mota and Jônatas flew out of Dili to Darwin and thence home. On 18 August Fretilin forces occupied the Armed Forces Training Centre at Aileu and on 19 August Fretilin was joined by troops in Maubisse and Dili. On 20 August Fretilin announced a revolutionary counter-coup against UDT. On 21 August the Portuguese authorities reported that five people had been killed and over thirty injured that day. On the same day Portugal notified the UN Secretary-General that the International Committee of the Red Cross, Indonesia and Australia had been asked to give humanitarian support. On 25 August Portugal notified him of evacuation arrangements and 'generalized panic' in Dili. On 26 August the Governor radioed that he could hold out for a further twenty-four hours and that no exact casualty figures were available, since the dead were being burned for health reasons, but they were 'mostly women and children who fell victim to indiscriminate grenade explosions'. On 27 August he transferred the administration from Dili to the off-shore island of Atauro and all the Portuguese armed forces went with him. A mestizo second lieutenant Rogério Lobato was left in charge of the Timorese forces and the NATO weapons. These found their way to Fretilin, whose Vice-President was Nicolau Lobato, his brother. Also on 27 August the Indonesian destroyer Monginsidi arrived in Dili. The captain arranged a temporary truce between UDT and Fretilin to permit the evacuation of the Indonesian consul and his staff, as well as some Portuguese and Taiwanese nationals, and to unload food supplies. The Portuguese ordered the destroyer to leave Portuguese waters on 29 August. Fretilin was left in effective control of Dili and district.
On 22 and 23 August Santos had discussions in New York with the Secretary-General and the Chairman of the Committee of Twenty-Four on Decolonization. On 28 August a Royal Australian Air Force plane took Santos' advance party and André Pasquier, the ICRC representative, to Atauro. On 29 August Santos held talks in Jakarta. On 31 August the Indonesian acting Foreign Minister, Mochtar, announced that his government and Santos had on the previous day made a tentative plan for Indonesia, Portugal and, if they agreed, Australia and Malaysia to send units to Portuguese Timor to form a peace-keeping authority. He said that Santos had opposed an offer by Indonesia to send troops of her own accord. On 1 September Mochtar announced that Malaysia had agreed on the previous day to participate in the joint authority. On the same day Santos had talks with Morrison and me. We told him we were not in a position to indicate a definitive view on Australian participation in a possible multinational supervisory body before the outcome of the talks which he would be having in Timor and the further talks between Indonesia and Portugal in Jakarta on the subject. On 2 September a RAAF plane took Santos to Atauro. He returned to Darwin and then went back to Atauro and finally returned to Darwin on 9 September. Only Portugal had official status and direct responsibility in east Timor but at no stage did she take specific initiatives in the UN or make specific proposals to Australia or other regional powers. On 4 September Fretilin sent a message to the Secretary-General and the Chairman of the Committee of Twenty-Four that the party could not accept any arrangement worked out by Santos and any foreign government.

In the full-scale civil war which broke out in August, Fretilin's NATO weapons proved far more effective than UDT's police weapons. Australia's efforts had to be devoted to persuading the combatants to hold discussions and lay down their arms and to providing considerable and constant means of evacuation, communication and relief. RAAF aircraft flew to Timor on four occasions in August, sixteen in September, five in October and two in November. Between 14 August and 13 September 2,580 evacuees arrived in Australia from Timor, 235 on Australian service aircraft, six in a Portuguese government De Havilland 104 (Dove), eight in an Australian charter aircraft and the rest by merchant vessels. On 18 September and 2 November Australia made contributions of $100,000 and $150,000 to the International Committee of the Red Cross for its programmes in east and west Timor. On 25 September I had talks with Pasquier and Stubbings, Secretary-General of the Australian Red Cross Society. After the change of government in Australia a first gift to the Indonesian Red Cross was made in October 1976 and RAAF aircraft brought in ninety-nine evacuees on 13 and 14 January 1979.

Willesee, who had seen Horta again on 20 August, saw him yet again on 28 September. During September Portugal suggested that the parties talk at Atauro or Macau or on a corvette. Up to the end of October the contending parties made various counterproposals but never agreed on the place, subjects or participants for the meetings. The Australian government's efforts at this time to bring the parties together were not helped by a visit to Timor by some backbench partisans of Fretilin. They were accompanied by a candidate from the far right of the New South Wales Liberal Party. Transport on the island was provided by Frank Favaro, an
Australian citizen who owned a hotel in Dili and flew an aircraft registered in Australia. It is often thought that support for Fretilin was confined to the left in Australia. There was, however, a small faction in the Department of Defence which, having failed to keep Indonesia out of New Guinea, was now intent on establishing an enclave in the midst of the Indonesian archipelago in case of future conflict with Indonesia.

Favaro's role harmed Australia's credibility with Indonesia. On Thursday 16 October, in answer to an arranged question by the government whip concerning newspaper 'reports of alleged spying activities by our de facto consul in Timor, Mr Frank Favaro', Willesee stated that Favaro did not represent the Australian government in Timor in any capacity whatsoever and was a private citizen. Renouf and Willesee only learnt over the following weekend that Favaro had been recruited by the Australian Security and Intelligence Service early in the year. The Indonesians almost certainly knew his role. The head of ASIS had to be relieved of his position the following week.

Australia, Indonesia and Portugal made a last attempt to end the civil war. On 30 October Willesee offered an Australian venue for round table discussions. After talks in Rome on 1 and 2 November a new Portuguese Foreign Minister Eduardo Augusto de Melo Antunes and Malik issued a memorandum of understanding on 3 November noting that Portugal represented the legitimate authority in Portuguese Timor and was fundamentally responsible for its decolonization. They agreed on the need to hold a meeting as soon as possible between Portugal and all the Timorese parties with a view to bringing the fighting to an end. Fretilin did not recognize the Rome meeting.

Soon after the coup in Canberra on 11 November, Fraser wrote to Suharto that he hoped to establish with him the close personal relationship that he understood that I had had with him. On 28 August 1975 Fraser had endorsed Anthony's criticism of Fretilin as communist and this criticism had been repeated by Erwin and Carrick a month later. From 11 November Indonesia knew that any 'anti-communist' action she took would have support in Canberra.

On 28 November Fretilin proclaimed the Democratic Republic of East Timor; the nomenclature had overtones of East Germany, North Korea and North Vietnam. The next day UDT, Apodeti, KOTA and Trabalhista, which on 7 September had issued a joint statement at Batugade calling for integration with Indonesia, proclaimed that integration at Balibo. On the same day Portugal rejected both the declaration of independence and the declaration of integration; similarly Peacock, who had been briefed by the Indonesians in Bali on 24 September, repudiated Fretilin's unilateral declaration of independence. On 7 December Indonesian air and naval forces landed at Dili. On the previous day President Ford and Kissinger were in Jakarta. Presidents Suharto and Ford have both denied that they discussed Timor; Malik and Kissinger cannot deny that they themselves did.

During September and October Fretilin, with its Portuguese weapons, had swept all before it. In the following months, with Indonesia's growing intervention, the other parties successfully counter-attacked. On 17 December a Provisional Government of East Timor was established with
Arnaldo dos Reis Araújo as President and Lopes da Cruz as Vice-President. On 31 May 1976 a 'Popular Representative Assembly' petitioned the government of Indonesia for integration of the people and territory of East Timor into the Republic of Indonesia. On 7 June President Suharto accepted the petition. On 3 July Araújo was designated as Governor and Lopes da Cruz as Vice-Governor of East Timor; they were both from UDT. The Raja of Atsabe, Guilherme Maria Gonçalves, was installed as Chairman of the East Timor House of Representatives and the Raja of Maubara, Gaspar da Silva Nunes, as Deputy Chairman; they were both from Apodeti. On 15 July the House of the People's Representatives in Jakarta passed the bill integrating East Timor as a province of the Republic and on 17 July the President signed it into law. Araújo now represents East Timor in that parliament. The new Bishop of Dili, Martinho Lopes, had been Deputy for East Timor in the Portuguese National Assembly before 25 April 1974.

During the civil war tens of thousands lost their homes and lives. An ICRC representative, after visiting west Timor on 19-26 September 1975, estimated that the total number of refugees from east Timor was 40,000. After the initial landings Fretilin killed dozens of their prisoners, including the Portuguese police chief and Red Cross representative and leaders of UDT (Costa Mouzinho and João Bosco Lopes da Cruz) and Apodeti (José Osório Soares, the Secretary-General, and Domingos Pinto Soares, a Central Committee member). On 16 December 1975 Australian Federated Press reported from Jakarta that Tomás Gonalves of Apodeti had said on Radio Dili that 55,000 Timorese had been victims of Fretilin terror. On 15 February 1976 AAP reported from Jakarta that Lopes da Cruz had said that 60,000 had been killed in fighting in East Timor; on 5 April PGET circulated a note in New York that 'the 60,000 victims of the civil war during the last six months as mentioned by Mr Lopes da Cruz was the total number of victims, including the more than 40,000 refugees who had fled'.

Three Portuguese corvettes made eighteen visits to Darwin between October 1975 and May 1976 for re-supply, repair and maintenance. On 18 November the Afonso Cerqueira landed 130 men from the Ataúro garrison in Darwin and they were immediately repatriated on a Portuguese Army Boeing 707. On 21 November the same aircraft landed a small replacement contingent which was transported to Ataúro, and flew home with some more refugees. The Portuguese Dove carried officials to and from Darwin on forty occasions between 15 February and 7 December; it was then abandoned at Darwin airport, where it can still be seen without its tail and engines. On 11 December the Governor and the remainder of the garrison, some seventy men, flew home from Ataúro. He made his final broadcast from Lisbon two days later. The 707 took its last refugees back to Portugal from Darwin on 14 December.

The Portuguese had been the first imperialists from Europe to reach the East Indies and the last to leave. Their departure was not only more ignominious and pusillanimous but more swift and bloody than that of the Dutch or British. It has caused frustration and recrimination between and within Australia's political parties. When he was Opposition spokesman on foreign affairs Peacock had been under the illusion that Indonesia could be influenced through her partners in ASEAN. On 7 December 1975 he lamented that Australia had not taken 'a strong regional initiative'. The ASEAN
countries soon disabused him. On 11 December the fourth Committee of the UN General Assembly called on Indonesia to withdraw her armed forces from Portuguese Timor by a vote of sixty-nine to eleven, with thirty-eight abstentions. On 12 December the General Assembly itself voted seventy-two to ten, with forty-three abstentions. In each case Australia voted against Indonesia, although she abstained on the paragraph deploring Indonesia's military intervention; Malaysia, the Philippines and Thailand voted with Indonesia; Singapore, like Britain and the United States, abstained. It had become clear to me that ASEAN would not become involved after I had spoken to Lee Kuan Yew in Singapore on 8 August 1975 and to Tun Razak in Canberra in mid-October.

Peacock continued to maintain a high profile on the issue for much of 1976, but came at last to realize, like his Liberal predecessors in the 1950s, that Australia, although European and Christian in civilization, would not be accepted as a party principal in colonial disputes in the region and would not be supported in such disputes by her great and powerful friends in the northern hemisphere. President Suharto had talks with Fraser in Jakarta in October 1976; no Australian took a record. Thus the new Australian government buried the hatchet.

The motion on East Timor has not again secured the support of a majority in the UN. On 1 December 1976 it was carried by sixty-eight to twenty (now including the United States), with forty-nine (including Britain, Singapore and now Australia) abstaining. On 28 November 1977 it was carried by sixty-seven to twenty-six (now including Singapore), with forty-seven (still including Australia) abstaining. On 13 December 1978 it was carried by fifty-nine to thirty-one (now including Australia), with forty-four abstaining. On 21 November 1979 it was carried by sixty-two to thirty-one, with forty-five abstaining; Iran switched from no to yes and Laos and Vietnam, which had respectively abstained and been absent on the vote in 1978, voted for it again as they had in 1977. It will be some years before the motion is defeated. It has strong but not total support in Africa and the Caribbean because of the Portuguese-Brazilian connection; Fretilin leaders are given army accommodation and ministerial status in Mozambique. Portugal, Sweden, Greece, Albania, Russia, Byelorussia and the Ukraine are the only supporters of the motion in Europe, and Afghanistan, China, Democratic Yemen and Mongolia are its other supporters in Asia.

It is still most difficult to have an informed or rational discussion on East Timor in Australia because Australian journalists have been embittered by the death of five of their colleagues at Balibo on 16 October 1975. I handed to the Indonesian ambassador, who was going on home leave, a letter to President Suharto expressing my government's anxiety. It was delivered to the President on 13 November. The Fraser government never followed it up. It was on 16 October that Fraser announced that the Senate would hold up the budget. My government could have taken the heat off itself internally by exploiting East Timor as a great patriotic issue, but this cynical course would not have helped the Timorese at the time when a new phase of their civil war was being launched.

The number of casualties during the civil war and the famine which ensued has been shamefully and recklessly exaggerated in the Australian press and parliament. People who had fled to the hills or to west Timor
have been counted as 'dead'. Freti lin was amazingly successful in newspaper offices and Parliament House in recruiting advocates of its military regime and critics of Indonesia's military regime. Some of those advocates and critics have appeared before US congressional committees but have not convinced them; they have not appeared before Australian parliamentary committees. Publicity and credence used to be given to extravagant Freti lin broadcasts through 1976 and into 1977. The principal broadcaster, Alarico Fernandez, Comisario for Information and Security, later responded to the Indonesian amnesty and now lives in Dili.

One must hope that we have now seen the last of the tense situations which have been brought about between Australia and Indonesia as the Netherlands, Britain and Portugal have successively extricated themselves from our region. Brunei will tranquilly move from the British to the ASEAN aegis. And Australians will not be able to blame Indonesia as France inevitably withdraws from the South Pacific.

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