area handbook series

Indonesia
a country study

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a country study

Federal Research Division
Library of Congress
Edited by
William H. Frederick and
Robert L. Worden
Research Completed
November 1992

On the cover: Betara Guru, or Manikmaya—the god Shiva—first among the Hindu deities and well known in Java as the Lord Teacher. This *wayang* (shadow puppet), which has no moving parts, has four arms and is riding on his cow, Andini.

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Foreword

This volume is one in a continuing series of books prepared by the Federal Research Division of the Library of Congress under the Country Studies/Area Handbook Program sponsored by the Department of Army. The last page of this book lists the other published studies.

Most books in the series deal with a particular foreign country, describing and analyzing its political, economic, social, and national security systems and institutions, and examining the interrelationships of those systems and the ways they are shaped by cultural factors. Each study is written by a multidisciplinary team of social scientists. The authors seek to provide a basic understanding of the observed society, striving for a dynamic rather than a static portrayal. Particular attention is devoted to the people who make up the society, their origins, dominant beliefs and values, their common interests and the issues on which they are divided, the nature and extent of their involvement with national institutions, and their attitudes toward each other and toward their social system and political order.

The books represent the analysis of the authors and should not be construed as an expression of an official United States government position, policy, or decision. The authors have sought to adhere to accepted standards of scholarly objectivity. Corrections, additions, and suggestions for changes from readers will be welcomed for use in future editions.

Louis R. Mortimer
Chief
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Washington, D.C. 20540

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Graphics support was provided by David P. Cabitto, who prepared maps and charts. He was assisted by Harriett R. Blood and the firm of Greenhorne and O'Mara. The illustrations for the cover and the title page of each chapter were designed by Sharon Lobo.

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Contents

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Preface

This edition supersedes the fourth edition of *Indonesia: A Country Study,* published in 1983 under the editorship of Frederica M. Bunge. It provides updated information on the world's fourth most populous nation and the world's largest Muslim population. Although much of what was reported in 1983 has remained the same in regard to traditional behavior and organizational dynamics, regional events have continued to shape Indonesian domestic and international policies.

To avoid confusion over the pronunciation of Indonesian names and terms, the revised spelling of Indonesian names, known as *ejaan yang disempurnakan* (perfected spelling), generally is used in the book. Although Sukarno used the Dutch spelling of his name—Soekarno—during his lifetime, he himself recognized that official use required the use of "u" rather than "oe" in his name. In keeping with this line of thinking, this edition uses "u," the pronunciation of which will be more familiar to English-speaking users of this book, instead of "oe" in Sukarno, Suharto, and other personal names. The spelling of contemporary place-names conforms with the system used by the United States Board on Geographic Names. Indonesian spellings are given for all province names, such as Jawa Tengah (Central Java). Similarly, the names Sumatera Utara (North Sumatra) and Sumatera Selatan (South Sumatra) are used to refer to provinces on the island of Sumatra. Conventional spellings of names, such as Java, East Java, Central Java, and West Java, are used when referring to the entire island or its eastern, central, or western regions.

Because of the widespread use of acronyms and contractions in Indonesia, they are listed in a table along with an English translation (see table A). A chronology is also provided (see table B). Measurements are given in the metric system; a conversion table is provided to assist readers unfamiliar with metric measurements (see table 1, Appendix).

Users of this book are encouraged to consult the chapter bibliographies at the end of the book. They include several general and specialized bibliographies that will lead readers to further resources on Indonesia. Additionally, users may wish to consult the annual editions of the Association for Asian Studies' *Bibliography of Asian Studies,* as well as yearbooks listed in the bibliography, for information published since 1992. Another important source for deriving research materials in Indonesian and other languages

is Herman C. Kemp's *Annotated Bibliography of Bibliographies on Indonesia* (Leiden: KITLV, 1990). Those who read Indonesian will find many publications available in that language at the Library of Congress and other major research libraries.

The illustrations on the cover and chapter title pages represent *wayang* (shadow puppets) used to act out traditional Indian epic dramas. *Wayang,* a very popular form of entertainment in Indonesia, come in a variety of forms—some influenced by Islamic traditions. The ones used in this book are based on the Javanese tradition.

The body of the text reflects information available as of November 1992. Certain other portions of the text, however, have been updated: the Introduction discusses significant events that have occurred since the information cutoff date; the Country Profile includes updated information as available; and the Bibliography lists recently published sources thought to be particularly helpful to the reader.

Table A. Selected Acronyms and Contractions

Acronym or Contraction	Organization
ABRI	Angkatan Bersenjata Republik Indonesia (Armed Forces of the Republic of Indonesia)
ADRI	Angkatan Darat Republik Indonesia (Army of the Republic of Indonesia)
AFTA	ASEAN (*q.v.*) Free Trade Area
Akabri	Akademi Angkatan Bersenjata Republik Indonesia (Armed Forces Academy of the Republic of Indonesia)
ALRI	Angkatan Laut Republik Indonesia (Navy of the Republic of Indonesia)
AMD	ABRI Masuk Desa (ABRI [*q.v.*] Enters the Village)
APEC	Asia Pacific Economic Cooperation
Apodeti	Associação Populár Democrática Timorense (Timorese Popular Democratic Association)
ASEAN	Association of Southeast Asian Nations (see Glossary)
AURI	Angkatan Udara Republik Indonesia (Air Force of the Republic of Indonesia)
Bais	Badan Intelijens Stratejis (Armed Forces Strategic Intelligence Agency)
Bakin	Badan Koordinasi Intelijen Negara (State Intelligence Coordinating Agency)
Bakorstanas	Badan Koordinasi Bantuan Pemantapan Stabilitas Nasional (Coordinating Agency for National Stability)
Bapeda	Badan Perencanaan Daerah (Agency for Regional Development)
Bappenas	Badan Perencanaan Pembangunan Nasional (National Development Planning Board)
Bimas	Bimbingan Massal ("mass guidance" rice intensification program)
BKKBN	Badan Koordinasi Keluarga Berencana Nasional (National Family Planning Coordinating Agency)

Table A.—Continued

Acronym or Contraction	Organization
BKPM	Badan Koordinasi Penanaman Modal (Investment Coordinating Board)
BKR	Badan Keamanan Rakyat (People's Security Forces)
BPS	Biro Pusat Statistik (Central Bureau of Statistics)
BPUPKI	Baden Penyelidik Usaha Persipan Kemerdekaan Indonesia (Investigating Committee for Preparatory Work for Indonesian Independence)
Bulog	Badan Urusan Logistik Nasional (National Logistical Supply Organization)
CGI	Consultative Group on Indonesia (see Glossary)
Conefo	Conference of New Emerging Forces
DPR	Dewan Perwakilan Rakyat (House of People's Representatives)
DPRD	Dewan Perwakilan Rakyat Daerah (People's Regional Representative Council)
DPR-GR	Dewan Perwakilan Rakyat-Gotong Royong (House of People's Representatives-Mutual Self-help)
Fretilin	Frente Revolucionária do Timor Leste Independente (Revolutionary Front for an Independent East Timor—see Glossary)
Gestapu	Gerakan September Tiga Puluh (September 30th Movement)
Golkar	Golongan Karya (literally, Functional Groups—see Glossary)
GPK	Gerakan Pengacau Keamanan (Security Disturbance Movement)
Hankam	Departemen Pertahanan dan Keamanan (Department of Defense and Security)
ICMI	Ikatan Cendekiawan Muslim Indonesia (Association of Muslim Intellectuals)
IGGI	Inter-Governmental Group on Indonesia (see Glossary)
IMF	International Monetary Fund (see Glossary)
INGI	International Nongovernmental Group on Indonesia

Table A.—Continued

Acronym or Contraction	Organization
Interpol	International Criminal Police Organization
IPKI	Ikatan Pendukung Kemerdekaan Indonesia (League of the Supporters of Indonesian Independence)
IPTN	Industri Pesawat Terbang Nusantara (Archipelago Aircraft Industry)
ISDV	Indische Sociaal-Democratische Vereeniging (Indies Social-Democratic Association)
Kadin	Kamar Dagang dan Industri Indonesia (Chamber of Commerce and Industry in Indonesia)
KNIL	Koninklijk Nederlands Indische Leger (Royal Netherlands Indies Army)
KNIP	Komite Nasional Indonesia Pusat (Central Indonesian National Committee)
Kodam	Komando Daerah Militer (Military Regional Command)
Kodim	Komando Distrik Militer (Military District Command)
Kohanudnas	Komando Pertahanan Udara Nasional (National Air Defense Command)
Ko-Ops	Komando Operasi (Operations Command)
Kopassandha	Komando Pasukan Sandi Yudha (Secret Warfare Commando Unit; also known as the Special Forces Command)
Kopassus	Komando Pasukan Khusus (Special Forces Command)
Kopkamtib	Komando Operasi Pemulihan Keamanan dan Ketertiban (Operational Command for the Restoration of Security and Order)
Koramil	Komando Rayon Militer (Military Subdistrict Command)
Korem	Komando Resort Militer (Military Resort [Garrison] Command)
Kostrad	Komando Cadangan Strategis Angkatan Darat (Army Strategic Reserve Command)

Table A.—Continued

Acronym or Contraction	Organization
Kostranas	Komando Strategi Nasional (National Strategic Command)
Kowilhan	Komando Wilayah Pertahanan (Regional Defense Command)
KPM	Koninklijke Paketvaart Maatschappij (Royal Packetship Company)
Lemhanas	Lembaga Pertahanan Nasional (National Defense Institute)
LPHAM	Lembaga Peranhanan Hak Asasi Manusia (Institute for the Defense of Human Rights)
LSM	Lembaga Swadaya Masyarakat (Self-Reliance Group)
Mako Akabri	Markas Komando Akademi Angkatan Bersenjata Republik Indonesia (Command Headquarters, Military Academies of the Armed Forces of the Republic of Indonesia)
Mako Sesko	Markas Komando Sekolah Staf dan Komando (Command Headquarters, Armed Forces Command and Staff Schools)
Manipol	Manifes Politik (Political Manifesto; usually paired with USDEK [*q.v.*] to read Manipol-USDEK)
MAPHILINDO	Malaya, the Philippines, and Indonesia
Masyumi	Majelis Syuro Muslimin Indonesia (Consultative Council of Indonesian Muslims)
MPR	Majelis Permusyawaratan Rakyat (People's Consultative Assembly)
MPR(S)	Majelis Permusyawaratan Rakyat (Sementara) (Provisional People's Consultative Assembly)
Muspida	Musyawarah Pimpinan Daerah (Regional Security Council)
Nasakom	Nasionalisme, Agama, Komunisme (Nationalism, Religion, Communism)
Nekolim	Neo-Kolonialis, Kolonialis, dan Imperialisme (Neocolonialism, Colonialism, and Imperialism)

Table A.—Continued

Acronym or Contraction	Organization
NFZ	Nuclear Free Zone
NGO	nongovernmental organization
NHM	Nederlandsche Handel Maatschappij (Netherlands Trading Company)
NIE	newly industrialized economy
OPEC	Organization of the Petroleum Exporting Countries (see Glossary)
OPM	Organisasi Papua Merdeka (Free Papua Movement)
Opsus	Operasi Khusus (Special Operations Service)
Parkindo	Partai Kristen Indonesia (Indonesia Christian Party)
Partindo	Partai Indonesia (Indonesia Party)
PDI	Partai Demokrasi Indonesia (Indonesian Democratic Party)
Pelni	Perusahaan Pelayaran Nasional Indonesia (Indonesian National Shipping Company)
Permesta	Piagam Perjuangan Semesta Alam (Universal Struggle Charter)
Permina	Perusahaan Minyak Nasional (National Oil Mining Company)
Permigan	Pertambangan Minjak dan Gas Nasional (National Oil and Gas Company)
Pertamin	Pertambagan Minjak Indonesia (Indonesian Oil Mining Company)
Pertamina	Perusahaan Tambang dan Minyak dan Gas Bumi Nasional (National Oil and Natural Gas Mining Company)
Perti	Persatuan Tarbiyah Islamiyah (Islamic Educational Movement)
Perumtel	Perusahaan Umum Telepon (General Telephone Company)
Peta	Pembela Tanah Air (Defenders of the Fatherland)

Table A.—Continued

Acronym or Contraction	Organization
PJKA	Perusahaan Jawatan Kereta Api (Indonesian State Railways)
PKI	Partai Komunis Indonesia (Indonesian Communist Party)
PLN	Perusahaan Listrik Negara (National Electric Company)
PMI	Partai Muslimin Indonesia (Muslim Party of Indonesia)
PNI	Perserikatan Nasional Indonesia (Indonesian Nationalist Union)
PNI	Partai Nasional Indonesia (Indonesian Nationalist Party)
PNI-Baru	Pendidikan Nasional Indonesia-Baru (New Indonesian National Education; often taken to mean New PNI)
Polda	Kepolisian Daerah (Police Regional Command)
PPP	Partai Persatuan Pembangunan (United Development Party)
PRRI	Pemerintah Revolusioner Republik Indonesia (Revolutionary Government of the Indonesian Republic)
PSI	Partai Sosialis Indonesia (Indonesian Socialist Party)
PSII	Partai Serikat Islam Indonesia (Islamic Association Party of Indonesia)
P.T. PAL	Perusahaan Terbatas Pelabuhan Angkatan Laut (Naval Harbor Company)
Puskesmas	Pusat Kesehatan Masyarakat (Community Health Center)
Repelita	Rencana Pembangunan Lima Tahun (Five-Year Development Plan—see Glossary)
RMS	Republik Maluku Selatan (Republic of South Maluku)
RRI	Radio Republik Indonesia (Radio of the Republic of Indonesia)
RUSI	Republik Indonesia Serikat (Republic of the United States of Indonesia, also seen as RIS)

Table A.—Continued

Acronym or Contraction	Organization
SARA	Suku, Agama, Ras, dan Antargolongan (Ethnicity, Religion, Race, and Social Groups)
SBI	Sertifikat Bank Indonesia (Bank Indonesia Certificate)
SBSI	Serikat Buruh Sejahtera Indonesia (Indonesia Prosperous Labor Union)
SEATO	Southeast Asia Treaty Organization
SPSI	Serikat Pekerja Seluruh Indonesia (All Indonesian Workers Union)
Supersemar	Surat Perintah Sebelas Maret (Executive Order of March 11, 1966)
Susenas	Survey Sosial Ekonomi Nasional (National Socioeconomic Survey)
TNI	Tentara Nasional Indonesia (National Army of Indonesia; made up of ADRI [*q.v.*],also seen as TNI-AD; ALRI [*q.v.*], also seen as TNI-AL; and AURI [*q.v.*], also seen as TNI-AU)
TVRI	Televisi Republik Indonesia (Television Network of the Republic of Indonesia)
UDT	Unio Democrática Timorense (Timorese Democratic Union)
UNTAC	United Nations Transitional Authority in Cambodia
USDEK	Undang-undang Dasar '45, Sosialisme a la Indonesia, Demokrasi Terpimpin, Ekonomi Terpimpin, Kepribadian Indonesia (1945 Constitution, Indonesian Socialism, Guided Democracy, Guided Economy, and Indonesian Identity; usually paired with Manipol [*q.v.*] to read Manipol-USDEK)
VOC	Verenigde Oost-Indische Compagnie (United East India Company)
Walubi	Perwalian Umat Buddha Indonesia (Guardianship of the Indonesian Buddhist Community)
WHO	World Health Organization
YKEB	Yayasan Kartika Eka Bhakti (Kartika Eka Bhakti Foundation)

Table A.—Continued

Acronym or Contraction	Organization
YLBHI	Yayasan Lembaga Bantuan Hukum Indonesia (Indonesia Legal Aid Foundation)
ZOPFAN	Zone of Peace, Freedom, and Neutrality

Table B. Chronology of Important Events

Period	Description
ca. 1.7 million–500,000 B.C.	*Homo erectus* living in Java
ca. 500,000–100,000 B.C.	*Homo soloensis* living in Java
ca. 3000 B.C.	Austronesians begin migrating from the Philippines to Indonesia
First–second centuries A.D.	Hindu and Buddhist culture introduced from India, begin long-term influence
ca. 600	Srivijaya kingdom rises in Sumatra, later spreads to western Java, Malay Peninsula
ca. 732	Rise of Hindu state of Mataram
ca. 824	Sailendra kingdom flourishes in Central Java, Borobudur Buddhist temple complex built
ca. 840	Prambanan Hindu temple complex construction begins in Central Java
860–1000	Srivijaya kingdom flourishes
Tenth–fifteenth centuries	Hindu-Javanese states rival Srivijaya in Java
Late thirteenth century	Golden age of Javanese Hindu-Buddhist kingdoms; Majapahit kingdom established; Islam, introduced centuries earlier, becomes better established
1364	Gajah Mada dies; expanded Majapahit empire throughout much of archipelago
1405–33	Seven Chinese maritime expeditions led by Zheng He to Java, Sumatra, and points beyond as far as East Africa
1522	Portuguese establish base in Maluku Islands
1596	Dutch fleet arrives on Java coast
1602	United East India Company (VOC—see table A) established by Dutch
1605	Large-scale conversions to Islam in Sulawesi; subsequent proselytization in neighboring islands, including Java
1619–1755	Period of heightened VOC activity in Java
1704–08	First Javanese War of Succession
1719–23	Second Javanese War of Succession

Table B.—Continued

Period	Description
1746–55	Third Javanese War of Succession
1799	VOC charter lapses following bankruptcy
1800	VOC holdings taken over by Netherlands government
1811–16	British occupy Java; Thomas Stamford Raffles attempts reforms
1816	Dutch control reestablished
1821–38	Padri War; Dutch expand into Sumatra
1824	Anglo-Dutch treaty recognizes spheres of influence in Malay Peninsula and Sumatra, respectively
1825–30	Java War; last Javanese aristocratic resistance to Dutch rule; Pangeran Diponegoro central figure
1830	Cultivation System introduced
1873–1903	Aceh War
1890	Royal Dutch Company for Exploration of Petroleum Sources in the Netherlands Indies established
1901	Ethical Policy established
1902	Transmigration begins to Outer Islands (see Glossary)
1907	Royal Dutch Shell established through merger of Dutch and British companies
1908	First modern political organization—Budi Utomo (Noble Endeavor)—established
1909	Sarekat Islam (Islamic Association) founded as Sarekat Dagang Islam (Islamic Traders' Associations); shorter name adopted 1912 as mandate is broadened
1911	Indies Party (Indische Partij) founded
1912	Muhammadiyah (Followers of Muhammad) established
1914	Indies Social-Democratic Association (ISDV),

Table B.—Continued

Period	Description
	forerunner of the Indonesian Communist Party (PKI), established
1924	PKI established
1926	Nahdlatul Ulama (Revival of the Religious Scholars) organized
July 1927	Sukarno and others establish the Indonesian Nationalist Union (PNI)
May 1928	PNI renamed Indonesian Nationalist Party (PNI)
December 1929	Sukarno jailed
April 1931	PNI dissolved; Indonesia Party (Partai Indonesia—Partindo) formed soon thereafter
March 1942–September 1945	Japanese occupation; Indonesian nationalism emerges
September 1944	Japan promises independence
June 1, 1945	Sukarno announces the Pancasila (see Glossary)
August 15, 1945	Japan surrenders
August 17, 1945	Sukarno and Mohammad Hatta proclaim independent Republic of Indonesia with Sukarno as president and Hatta as vice president
August 18, 1945	Constitution promulgated
August 31, 1945	PNI reestablished
1945–49	National Revolution period
November 12, 1946	Linggajati Agreement initialled; recognizes republican rule on Java and Sumatra and the Netherlands-Indonesian Union under the Dutch crown
May 25, 1947	Linggajati Agreement signed
July 21, 1947	First Dutch "police action" begins
January 17, 1948	Renville Agreement
September 1948	Madiun Affair
December 19, 1948	Second Dutch "police action" begins

Table B.—Continued

Period	Description
January 1949	United Nations (UN) Security Council demands reinstatement of republican rule
August 23-November 2, 1949	Round Table Conference held at The Hague prepares for formal transfer of sovereignty
December 27, 1949	Dutch recognize sovereignty of Republic of the United States of Indonesia (RUSI)
January-April 1950	Separatist revolts begin in West Java and Maluku Islands
August 17, 1950	RUSI and other states form new unitary Republic of Indonesia under amendment to RUSI constitution, Sukarno confirmed as president
September 29, 1955	First general elections held, PNI wins slim plurality
May 1956	Indonesia leaves Netherlands-Indonesian Union
October-November 1956	Attempted coup d'état by military officers
December 1, 1956	Hatta resigns as vice president in protest against Sukarno's growing authoritarianism; office remains vacant until 1973
March 1957	Sukarno declares martial law
December 1957	Dutch nationals expelled; private companies nationalized; armed forces take greater role in economic affairs
February 1958	Anti-Sukarno revolt in Sulawesi; Sukarno accuses United States of complicity
July 5, 1959	1945 constitution restored
August 17, 1959	Guided Democracy announced
March 1960	New legislature organized with control given to functional groups including the military; PKI emerges stronger
May 1963	Indonesian authority established in West New Guinea (Irian Barat)
September 23, 1963	Sukarno issues statements threatening independence of new state of Malaysia; three-year Confrontation (see Glossary) begins
October 1964	Golongan Karya (Golkar—see Glossary) formed by army leaders

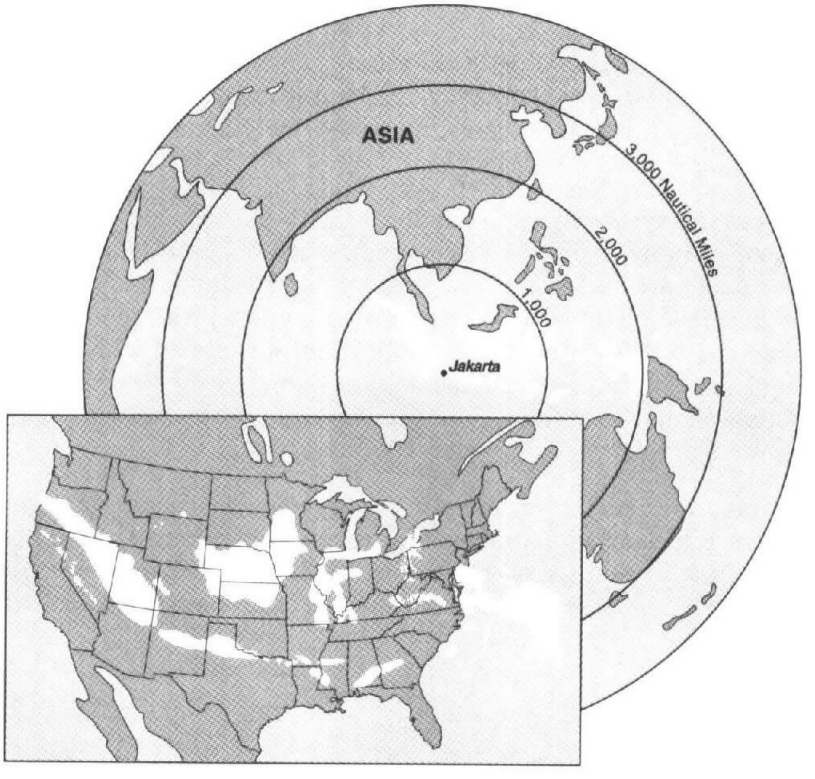
Table B.—Continued

Period	Description
December 1964	Sukarno withdraws Indonesia from the UN
September 30, 1965	Abortive, allegedly communist-inspired coup launched (Gestapu—see Table A)
October 1965–March 1966	Decline of Sukarno, rise of Suharto; Guided Democracy eclipsed
December 1965	Violent anti-communist and anti-Chinese riots ensue
March 11, 1966	Sukarno transfers authority to Suharto
March 12, 1966	PKI formally banned
August 11, 1966	Confrontation with Malaysia ends
September 1966	Indonesia rejoins UN
March 12, 1967	Suharto becomes acting president, New Order era begins; relations with China "frozen"
August 8, 1967	Indonesia joins new Association of Southeast Asian Nations (ASEAN—see Glossary)
October 1967	Demonstrators attack Chinese embassy in Jakarta, diplomatic relations severed
March 27, 1968	Suharto elected president by Provisional People's Consultative Assembly (MPR(S))
September 1969	Irian Barat becomes Indonesia's twenty-sixth province following Act of Free Choice among tribal leaders; name changed to Irian Jaya in 1972
July 3, 1971	Golkar wins majority of popular vote in second general elections
January 1973	United Development Party (PPP) and Indonesian Democratic Party (PDI) formed
March 12, 1973	Suharto reelected to second term as president and Hamengkubuwono IX elected as vice president by People's Consultative Assembly (MPR)
December 7, 1975	Indonesian armed forces invade East Timor
July 15, 1976	East Timor becomes Timor Timur, Indonesia's twenty-seventh province
May 2, 1977	Third general election; Golkar majority confirmed

Table B.—Continued

Period	Description
March 22, 1978	Suharto reelected to third term as president; Adam Malik elected vice president by MPR
May 5, 1980	Petition of Fifty accuses Suharto of one-man, antidemocratic rule; group is suppressed
May 4, 1982	Fourth general election; Golkar majority maintained
March 11, 1983	Suharto reelected to fourth term as president, Umar Wirahadikusumah elected vice president by MPR
April 23, 1987	Fifth general elections; Golkar majority increases
March 10, 1988	Suharto reelected to fifth term as president, Sudharmono elected vice president by MPR
July 1990-October 1991	Paris International Conference on Cambodia, cochaired by Indonesia and France, features Jakarta's role as peacemaker in Cambodia
August 8, 1990	Indonesia and China reestablish diplomatic relations
March 1992	Dutch-chaired Inter-Governmental Group on Indonesia (IGGI—see Glossary) disbanded at Indonesia's insistence, replaced with Consultative Group on Indonesia (CGI—see Glossary) without Dutch participation
June 9, 1992	Sixth general elections confirm Golkar majority
September 1992	Indonesia assumes chairmanship of the Nonaligned Movement during Jakarta Summit
March 10, 1993	Suharto reelected to sixth term as president; Try Sutrisno elected vice president by MPR

Country Profile



Country

Formal Name: Republic of Indonesia (Republik Indonesia; Indonesia coined from Greek *indos*—India—and *nesos*—island).

Short Form: Indonesia.

Term for Citizens: Indonesian(s).

Capital: Jakarta (Special Capital City Region of Jakarta).

Date of Independence: Proclaimed August 17, 1945, from the Netherlands. The Hague recognized Indonesian sovereignty on December 27, 1949.

NOTE—The Country Profile contains updated information as available.

National Holiday: Independence Day, August 17.

Geography

Size: Total land area 1,919,317 square kilometers, which includes some 93,000 square kilometers of inland seas. Total area claimed, including an exclusive economic zone, 7.9 million square kilometers.

Topography: Archipelagic nation with 13,667 islands, five main islands (Sumatra, Java, Kalimantan, Sulawesi, and Irian Jaya), two major archipelagos (Nusa Tenggara and Maluku Islands), and sixty smaller archipelagos. Islands mountainous, with some peaks reaching 3,800 meters above sea level in western islands and as high as 5,000 meters in Irian Jaya. Highest point Puncak Jaya (5,039 meters), in Irian Jaya. Region tectonically unstable with some 400 volcanoes, of which 100 are active.

Climate: Tropical, hot, humid; more moderate climate in highlands. Little variation in temperature because of almost uniformly warm waters that are part of the archipelago. In much of western Indonesia, dry season June to September, rainy season December to March.

Society

Population: 195,683,531 in July 1992, with 1.7 percent annual growth rate. Sixty-nine percent in rural areas; high population density—major islands more than 500 persons per square kilometer; 100 persons or fewer per square kilometer in most densely populated Outer Islands (see Glossary). Jakarta largest city with 11.5 million in 1990. Government Transmigration Program (see Glossary) fosters relocation from densely populated to less-populated islands.

Ethnic Groups: Javanese 45 percent, Sundanese 14 percent, Madurese 7.5 percent, coastal Malays 7.5 percent, others 26 percent.

Language: Official language Bahasa Indonesia (see Glossary); 668 other languages also spoken. Languages with 1 million or more speakers (in estimated numerical order): Javanese, Sundanese, Malay, Madurese, Minangkabau, Balinese, Bugisnese, Acehnese, Toba Batak, Makassarese, Banjarese, Sasak, Lampung, Dairi Batak, and Rejang.

Religion: Most (87 percent) observe Islam; 6 percent Protestant, 3 percent Roman Catholic, 2 percent Hindu, 1 percent Buddhist, 1 percent other.

Education: Twelve-year education system (primary—grades one through six; junior high school—grades seven through nine; and senior high school—grades ten through twelve). Mandatory primary level, optional secondary education. System supervised by Department of Education and Culture (nonreligious, public schools—about 85 percent of total enrollment) and Department of Religious Affairs (religious, private, and semiprivate schools—about 15 percent of total enrollment). Adult literacy rate 77 percent in 1991. Emphasis on the Pancasila (see Glossary) in public schools; most religious schools emphasize traditional Islamic values. Some 900 institutions of higher education; University of Indonesia in Jakarta founded by Dutch in 1930s; Gadjah Mada University in Yogyakarta founded by Indonesians in 1946.

Health: In 1990 life expectancy 62.0 years for women and 58.4 for men; infant mortality rate 71 per 1,000 live births; annual population growth rate 2.0 percent. Three-tier community health centers in late 1980s; 0.06 hospital beds per 1,000 population lowest rate among Association of Southeast Asian Nations (ASEAN; see Glossary) members. Traditional and modern health practices employed.

Economy

Salient Features: Economy transformed from virtually no industry in 1965 to production of steel, aluminum, and cement by late 1970s. Indonesia exporter of oil; responsible for about 6 percent of total Organization of the Petroleum Exporting Countries (OPEC—see Glossary) production in 1991. Emphasis in early 1990s on less government interference in private business and greater technology inputs. Agriculture predominates and benefits from infusion of modern technology by government. Indonesia major aid recipient. Major trade partners Japan and United States; trade with ASEAN fellow members increasing.

Gross Domestic Product (GDP): Rp166.3 trillion in 1989 (estimated; for value of the rupiah—Rp—see Glossary). GDP (see Glossary) annual average growth rate 6 percent in 1985-91.

Agriculture: Declining share (20.6 percent) of GDP but employed majority of workers (55 percent of total labor force) in 1989. Only 10 percent of total land cultivated, another 20 percent potentially cultivable. Farming by smallholders and on large plantations

(estates); cropland watered by flooding, and slash-and-burn farming used. Rice dominates production but cassava, corn, sweet potatoes, vegetables, and fruits important; estate crops—sugar, coffee, peanuts, soybeans, rubber, oil palm, and coconuts—also important. Green Revolution technological advances and increased irrigation improved production in 1970s and 1980s. Poverty in rural areas of Java, Bali, and Madura partially ameliorated with government-sponsored Transmigration Program (see Glossary) that moved people to more plentiful farmland in Outer Islands. Animal husbandry, fishing, and forestry smaller but valuable parts of agricultural sector.

Industry: Increasing share (37 percent in 1989) of GDP, but employed only about 9 percent of the work force in 1989. Basic industries: oil and natural gas processing, cigarette production, forestry products, food processing, metal manufactures, textiles, automotive and transportation manufactures, and various light industries. Nearly 50 percent of production in Java, 32 percent in Sumatra.

Minerals: Crude petroleum and natural gas predominant. About 70 percent (about 500 million barrels valued at US$6 billion in 1989) of petroleum exported. World's largest exporter of liquefied natural gas (20.6 million tons valued at US$3.7 billion in 1990). Also significant reserves of coal, tin, nickel, copper, gold, and bauxite.

Services: Some 29 percent of GDP projected for 1991, employing about 35 percent of work force in 1989. Government service one of fastest growing sources of employment and with most educated personnel. Mix of modern government-operated utilities, stable private services, and numerous self-employed operators in informal, personal services sector. Interisland maritime transportation crucial; supported by large fleet of traditional and modern boats and ships.

Foreign Trade: Principal export trade with Japan, the United States, Republic of Korea (South Korea), and Taiwan. Most important commodities crude petroleum and petroleum products; natural gas (mostly to Japan), natural rubber, clothing, and plywood also important. About 25 percent of GDP exported in 1980s. Major imports (37 percent of total) from Japan and the United States, primarily manufactured products. Growth in trade with other ASEAN members in 1980s and early 1990s.

Balance of Payments: Positive trade balance throughout 1980s despite oil market collapse. 1990 exports US$26.8 billion versus

US$20.7 billion imports. Foreign debt increasing quickly (US$1.1 billion in 1989; US$2.4 billion one year later) in late 1980s and early 1990s.

Foreign Aid: Traditionally important part of central government budget. From 1967 to 1991, most coordinated through Inter-Governmental Group on Indonesia (IGGI—see Glossary) founded and chaired by the Netherlands; since 1992 without Netherlands through Consultative Group on Indonesia (CGI—see Glossary). Major CGI aid donors (80 percent) Japan, World Bank (see Glossary), and Asian Development Bank (see Glossary).

Exchange Rate: Rupiah (Rp). US$1 = Rp2,060 (January 1993), Rp1,998 (January 1992), Rp1,907 (January 1991).

Fiscal Year: April 1–March 31.

Transportation and Communications

Roads: Total 250,000 kilometers national, provincial, and district roads (1989); 43 percent paved; about 32 percent classed as highways. Urban transit dominated by motor vehicles; increasing use of buses, minibuses, and motorcycles.

Maritime: Interisland transportation critical; traditional sailing craft still widely used but increasing motorization. Port improvements underway in 1980s and early 1990s; 300 registered ports for international and interisland trade. Domestic merchant fleet composed of 35 oceangoing vessels, 259 interisland vessels, more than 1,000 modernized local vessels, almost 4,000 traditional vessels, 1,900 special bulk carriers. Nearly 21,600 kilometers of inland waterways.

Airports: Government-owned airline, Garuda Indonesian Airways, with one smaller subsidiary; one private airline. Sukarno-Hatta International Airport opened outside Jakarta in 1985. Major airports in Denpasar, Medan, Surabaya, and Batam Island; 470 airports total in early 1990s, 111 with permanent-surface runways.

Railroads: Track length 6,964 kilometers in early 1990s, all government-owned and -operated by Indonesian State Railways (PJKA— for this and other acronyms, see table A). Some 211 kilometers of roadbed double tracked and 125 kilometers electrified, all in Java. Most used for passenger transportation but increasing use for freight since early 1980s. Modernization program underway with World Bank assistance since late 1980s.

Telecommunications: First Indonesian Palapa satellite launched 1976, replaced in 1987; 130 earth stations; direct dialing among

147 cities, international direct dialing to 147 countries; 226 automatic and 480 manual telephone exchanges; about 800,000 telephones (1990). Television and radio dominated by government networks, but private stations on the rise in early 1990s. Some 11 million television sets and 22 million radios in early 1990s.

Government and Politics

Government: Unitary republic based on separation of powers into executive, legislative, and judicial branches. Constitution of 1945 in force, and power concentrated in presidency; mandate renewed by People's Consultative Assembly (MPR), which meets every five years to elect president and vice president. Unicameral elected House of People's Representatives (DPR) shares legislative authority with MPR, which comprises members of DPR plus others appointed by central government. Supreme Court highest court of land.

Politics: Emphasis on consensus, unity, and controlled political development. Political ideologies other than Pancasila illegal. Since 1973 all political groups identified with three legal political organizations: Golkar (see Glossary), government surrogate party; and two opposition parties, Muslim-oriented United Development Party (PPP) and secularist Indonesian Democratic Party (PDI). DPR elections every five years preceding MPR session. Golkar has held absolute majority since early 1970s.

Administrative Divisions: Twenty-four provinces (*propinsi*), two special regions (*daerah istimewa*), and one special capital city region (*daerah khusus ibukota*). These divisions subdivided into districts (*kabupaten*) and municipalities (*kotamadya*). Lower levels comprise subdistricts (*kecamatan*) and villages (*desa*).

Foreign Relations: Member of United Nations (UN), Association of Southeast Asian Nations (ASEAN), Nonaligned Movement (chair 1992–95—see Glossary), and numerous other international organizations. Relations with all major nations based on principles of nonalignment.

National Security

Armed Forces: Armed Forces of the Republic of Indonesia (ABRI); total personnel on active duty in 1992 approximately 468,000. Component services: army, 217,000; navy, 44,000, of which 13,000 are marines; air force, 27,000, of which 4,000 are "quick action" paratroopers; and national police, 180,000. Numerous active-duty and retired military personnel in civilian government jobs.

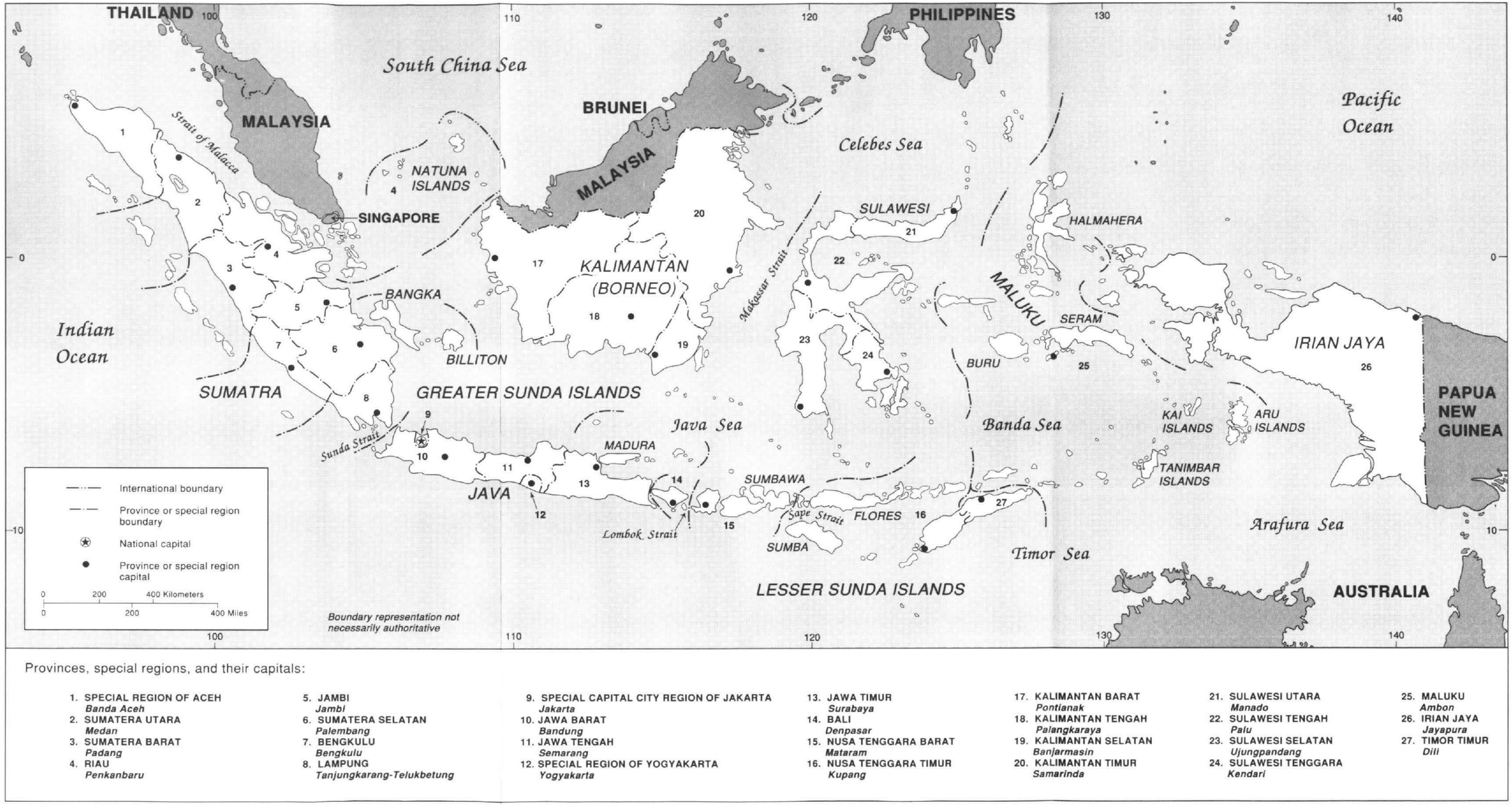
Military Units: Army: 30 battalions under central control, 100 battalions under Military Regional Commands (Kodams), 3 Special Forces Groups, and 2-squadron Aviation Command. Navy: two fleets (Armadas). Air Force: two Operations Commands (Ko-Ops). Police: commands (Poldas) generally coincide with provincial-level boundaries.

Military Equipment: Army: tanks, armored personnel carriers (APCs), towed and self-propelled artillery, fixed-wing aircraft, helicopters, and maritime transport ships. Navy: submarines, frigates, fast-attack patrol craft, amphibious ships, fixed-wing aircraft, helicopters, and marine reconnaissance aircraft and tanks, APCs, artillery, and rocket launchers. Air force: fighters, interceptors, counterinsurgency aircraft, maritime reconnaissance aircraft, transports, trainers, and helicopters. Most major equipment imported from Australia, Britain, France, West Germany, Netherlands, South Korea, and United States. Older equipment from Soviet Union. Increasing emphasis on domestic production of other items: light aircraft, small arms, and ammunition. Helicopters and transport aircraft assembled under license agreements.

Military Budget: Approximately Rp2.02 trillion, or 4 percent in FY 1991.

Foreign Military Relations: In keeping with nonalignment principles, no defense pacts. Indonesian military and police contingents participated in eight UN peacekeeping forces since 1957. Military liaison maintained with ASEAN states, and combined military operations held with Australia, Britain, France, India, New Zealand, and United States. Military aid agreements with United States since 1950; International Military Education and Training (IMET) ceased in 1992. Aid agreements also with Australia, Britain, France, Netherlands, and Germany.

Internal Security Forces: All ABRI elements have internal security missions, army's regional forces and national police in particular. International security and intelligence apparatuses also important: Coordinating Agency for National Stability (Bakorstanas), State Intelligence Coordinating Agency (Bakin), and Armed Forces Strategic Intelligence Agency (Bais).



Provinces, special regions, and their capitals:

1. SPECIAL REGION OF ACEH — *Banda Aceh*
2. SUMATERA UTARA — *Medan*
3. SUMATERA BARAT — *Padang*
4. RIAU — *Penkanbaru*
5. JAMBI — *Jambi*
6. SUMATERA SELATAN — *Palembang*
7. BENGKULU — *Bengkulu*
8. LAMPUNG — *Tanjungkarang-Telukbetung*
9. SPECIAL CAPITAL CITY REGION OF JAKARTA — *Jakarta*
10. JAWA BARAT — *Bandung*
11. JAWA TENGAH — *Semarang*
12. SPECIAL REGION OF YOGYAKARTA — *Yogyakarta*
13. JAWA TIMUR — *Surabaya*
14. BALI — *Denpasar*
15. NUSA TENGGARA BARAT — *Mataram*
16. NUSA TENGGARA TIMUR — *Kupang*
17. KALIMANTAN BARAT — *Pontianak*
18. KALIMANTAN TENGAH — *Palangkaraya*
19. KALIMANTAN SELATAN — *Banjarmasin*
20. KALIMANTAN TIMUR — *Samarinda*
21. SULAWESI UTARA — *Manado*
22. SULAWESI TENGAH — *Palu*
23. SULAWESI SELATAN — *Ujungpandang*
24. SULAWESI TENGGARA — *Kendari*
25. MALUKU — *Ambon*
26. IRIAN JAYA — *Jayapura*
27. TIMOR TIMUR — *Dili*

Figure 1. Administrative Divisions of Indonesia, 1992

Introduction

ON MARCH 25, 1992, precisely twenty-eight years from the day on which his predecessor told the United States to "Go to hell with your aid," Indonesia's president Suharto, in a polite but firm note, told the government of the Netherlands to do essentially the same thing. He also forced the quarter-century-old aid consortium known as the Inter-Governmental Group on Indonesia (IGGI—see Glossary), chaired by the Dutch, to disband and regroup as the Consultative Group on Indonesia (CGI—see Glossary) without Dutch participation. Although tensions had been building for several years between Indonesia and its former colonial ruler, mostly over the latter's propensity for taking what Indonesian officials frequently considered a neocolonial and excessively critical approach to the country's development and human rights issues, Jakarta's announcement caught many Indonesia-watchers by surprise. It seemed to them thoroughly uncharacteristic for the Suharto government—widely viewed as the antithesis of the old Sukarno regime and its policies—to take such a stand and stick to it. The Suharto government had been thought to be beholden to, if not dependent upon, Western aid, pragmatically self-interested and self-aggrandizing, and unmoved by emotional nationalism.

For at least three distinct reasons, the disbandment of IGGI serves as an important marker on the road of modern Indonesian history, and may in time be viewed as a genuine watershed. First, the degree to which the announcement of March 25, 1992, startled even serious observers suggests how inadequately—especially considering its size and world importance—outsiders understood Indonesia. The American public, if it recognized Indonesia at all, generally confused that country with Malaysia or "Indochina," and drew mostly a factual blank. In the early 1990s, Indonesia was the world's fourth most populous nation (more than 195,000,000 people), with a territory stretching more than 5,000 kilometers from east to west and comprising more than 7.9 million square kilometers of land and sea and some 13,667 islands. It also possessed the world's largest Muslim population; contained the largest tropical rain forest in Asia; was a world-class producer of oil (and a member of the Organization of the Petroleum Exporting Countries (OPEC—see Glossary)), natural gas, rubber, tin, coffee, tea, plywood, and other products; and, for the period from 1965 to 1989, enjoyed the world's eighth fastest-growing economy. Yet these indications of Indonesia's

importance went almost entirely unmentioned in American textbooks and the media.

Jakarta's ambitious Festival of Indonesia, the 1991–92 effort to promote an acquaintance with Indonesia's cultural and economic strengths, appeared not to have been particularly effective in improving public awareness or even in disseminating basic, up-to-date information. It is not altogether clear why this state of affairs has continued for so long, although presumably the cause is the persistence of a basically colonial paradigm and a more or less undifferentiated popular view of what has come to be called the Third World, as well as, perhaps, the Southeast Asian region.

Academics and other professionals with expertise in Indonesian affairs were a great deal better informed, of course, but their opinions about important issues in Indonesia's past and present were remarkably varied and often severely polarized. Although a great deal of information about Indonesia had been amassed since the end of World War II, there was little agreement as to what it all meant; consensus on any substantive question was lacking. Under such conditions, it was understandably difficult to generalize satisfactorily—at either the "general public" or "expert" levels—about such topics as Indonesian history, politics, economics, society, or culture. In addition, this lack of agreement on Indonesian matters made it nearly impossible to view them, and Indonesia in general, comparatively. As a result, the study of Indonesia became to a very large extent encapsulated and lacking in the perspective necessary for realistic assessments.

Second, the reaction to and analysis of the March 25, 1992, announcement and surrounding events also served to illustrate the severity with which discourse on contemporary Indonesia had become polemicized, often in ideological terms. Nations naturally enough find themselves the subject of occasional controversy, but it may not be an exaggeration to say that in the early 1990s Indonesia stood alone among major nations (save, perhaps, the United States) for the severity and all-inclusiveness of the polemic that had swirled about it for nearly three decades. Nor was the debate merely an academic exercise. By mid-1992 the polemic pervaded Indonesian foreign relations at the highest level, troubling relations with the European Community and the United States, and threatening both Indonesia's chairmanship (1992–95) of the Nonaligned Movement (see Glossary) and its position in the United Nations (UN).

The principal cause of the difficulty lay deeply imbedded in sharply opposed views of the New Order led by the Suharto government, which had ruled Indonesia since the debacle of 1965–66. The

Suharto government had come into power following the alleged communist coup attempt of September 30, 1965. In the aftermath of that coup attempt, hundreds of thousands were killed, tens of thousands imprisoned, the Indonesian Communist Party (PKI—for this and other acronyms, see table A) destroyed, and military control extended over the country. For some observers, these cataclysmic events signalled, in addition to mass murder and violation of human rights, nothing less than the end of freedom; the collapse of a vigorous, hopeful Indonesian nationalism (personified by the flamboyant and defiant Sukarno); and the death of the promise of genuine social revolution that would lead Indonesians to a better future. In the eyes of Suharto's critics, military rule was not only illegitimate but inept and fascist in character as well, and these critics began a long and painful watch for its demise, either by self-destruction or other means.

Others, however, saw the upheaval of 1965 more as the predictable end to a disastrous era of capricious dictatorship, and, whatever might be thought of the enormous loss of life, they saw society-wide forces rather than simply military hands at work, and celebrated the turn from economic and political folly. These observers believed that the Armed Forces of the Republic of Indonesia (ABRI), although certainly not without its faults, had indeed saved the nation, and they began a patient vigil for signs of success, particularly economic ones.

During the 1970s and 1980s, the debate over the events of 1965–66 widened and deepened, affecting even casual, tour-book outlooks on Indonesia. It is probably fair to say that, on the whole, the anti-New Order viewpoint gained ground and eventually dominated. Although the foreign diplomatic corps and the international business world did not subscribe, a great many others, especially academics, adopted this perspective, which penetrated discussions of even rather unlikely facets of Indonesian studies such as motion pictures and precolonial literature. Indeed, some larger historical interpretations along this line appeared to become more or less standard fare. For example, Suharto's New Order was characterized as essentially a throwback to the colonial state, and its leader himself became, if not a precolonial Javanese ruler in a charcoal-gray suit, then a co-opted and sycophantic Javanese aristocrat at the beck and call of Western powers. Indonesian society was said to be undergoing a kind of refeudalization and re-Javanization of the kind promoted by the Dutch in the nineteenth century, and the government was said to be reviving Dutch policies toward, among other things, Islam, activist nationalism, and political activism.

Similarly, the National Revolution (1945–49) was increasingly viewed in the light of post-1965 events, becoming for many critics a social failure and even a betrayal of the Indonesian people as a whole. In it they saw the dangerous spores of the New Order: in the Madiun Affair of 1948, a precursor of anticommunist rage; in the deflating of populist nationalism and communist activism, a fatal bourgeois mentality; and in the role and attitude of ABRI, a glimpse of the future a generation hence. The promise of social liberation, as well as political and economic freedom, was depicted as having been bargained away to foreigners or compromised at home by those determined to save their own class and privileges.

But the principal struggle was over the true character of the New Order and its chances for survival. Curiously enough, neither detractors nor defenders of the Suharto government thought to ask in any great detail why and how the regime had lasted as long as it had, although this might have seemed a logical course of inquiry, but only to argue about whether or not and why its dissolution was imminent. Entire conferences on the future of Indonesia, involving members of the academic, diplomatic, and intelligence communities, were reduced to wrangling over a single question: was the country stable? There was no consensus.

Three issues stood out. The first was whether Indonesia was economically viable and had in fact made progress toward development. The critics thought not, arguing that the nation was totally dependent on foreign aid and that only a small and unproductive elite had enriched itself as a result of modernization policies. The rich were getting richer and the poor poorer; genuine change was illusory. Other observers were less sure. They spoke of the government's conservative fiscal management, investment in infrastructure, and concern for the village. Although not every economic problem had been solved, they said, there was improvement for most Indonesians, and the majority of the Indonesian population had in fact credited the government for this improvement.

A second important issue was social viability. From the critic's perspective, the impact of ten or fifteen years of New Order regimen had been to tighten rather than loosen social hierarchies, and to prevent any significant modern social change. What was more, the government—heavily staffed with military personnel—and its policies were distinctly antipopulist, intent on improving the New Order's own position by keeping the village populace sealed off from change and power, and taking advantage of the poor and weak generally. There was still no middle class, just as there had been none in colonial days, and for remarkably similar reasons. Social modernization was ephemeral in Indonesia: remove outside money

and one also removed the fiction of changing social ideas and realities. Others, however, argued that changes had indeed taken place throughout Indonesian society that were not tied to the influence of foreign capital. Villagers, despite being conceived as a "floating mass" by an officialdom eager to protect them from politicization, were nevertheless being changed by radio, television, and other media; by a variety of forms of education; and by the economy. The military itself was being influenced by civilian and bourgeois attitudes, and a complex, varied, and expanding middle class not only existed but also was coming into its own. Signs of a genuinely modernizing social order and consciousness were everywhere.

Finally, there was the issue of political viability. The critics believed the New Order to be politically doomed because of its authoritarian and, some emphasized, fundamentally violent and coercive nature. The military, they argued, did not intend to and would not democratize Indonesia, however gradually; any thought that military rule might metamorphose itself into an even moderately acceptable democratic government with adequate respect for human rights and basic freedoms was the merest wishful thinking. On this topic too, however, there was disagreement. Proponents argued that the New Order was not held in place primarily by coercion and suggested that, in fact, a surprisingly broad consensus supported its political form and format. These observers pointed out that ABRI's opinion on democratization was anything but monolithic, and that in any case there was little if any public backing for thoroughly Western-style democracy. In addition, the government was, if nothing else, pragmatic enough to comprehend that economic and social development led inexorably to political development.

By the early 1990s, there had been no closure on any of the major issues. But for the first time genuinely detailed information on independent Indonesia—quantitative data—began to accumulate. It suggested clearly that at least some of the critics' assumptions were mistaken. Against overwhelming expert forecasts, Indonesia had achieved something very close to self-sufficiency in rice. UN and World Bank (see Glossary) statistics showed a shrinking socioeconomic upper class, better nutrition and availability of education, and increasingly improved income distribution. The drop in oil prices during the 1980s, although it slowed the rate of growth, resulted in neither fiscal collapse nor political chaos. Suharto remained in power and in late 1992 appeared certain to serve a sixth five-year term. How and why all this should be so remained inadequately explained and certainly not agreed upon, but the sharpest critics

seemed both muffled and puzzled. Some interest emerged in speculating about a noncataclysmic future for Indonesia and in accounting for the successes of the past twenty-five years.

Then, on November 12, 1991, Indonesian soldiers opened fire on a defenseless crowd attending the funeral of a young Timorese killed in a demonstration against Jakarta's rule of East Timor, which had been incorporated as Timor Timur Province after military occupation in 1975. More than 100 civilians may have died. The incident received worldwide coverage and, justifiably described as a "massacre," was effectively used by critics to argue that their views of the New Order had been correct all along. The Suharto government took unprecedented steps to punish those responsible—steps, which, since they included the discharge, suspension, and court-martialing of both high-ranking officers and soldiers, were unpopular in the military. Few Western governments were satisfied, however. The Dutch, followed by the United States and other nations, began suspending or threatening to suspend aid, and new international pressures against Indonesian rule in East Timor built up rapidly.

A great deal has been and doubtless remains to be written about the Dili killings and their aftermath, including the range of Indonesian responses to the event itself and to foreign reactions (one of which, of course, was Jakarta's decision to break all economic aid ties with the Dutch). Here it is sufficient simply to note that one important effect was to revive and intensify the old polemic over the Suharto government. The debate now seems likely to continue to shape thinking and writing about Indonesia far into the 1990s.

Suharto's rejection of Dutch economic aid on March 25, 1992, had a third significance. It marked unmistakably Indonesia's emergence from the status of basketcase nation, prompting changes in the way outsiders viewed Indonesia and likely to provoke changes in the way Indonesia viewed itself. In a sense, Jakarta's message was a second declaration of independence, and with it, after more than forty years of freedom from colonial rule, Indonesia had "joined the world" as a power intent on—and now for the first time strong enough to demand—being taken seriously. Certainly the Suharto government had, beginning in the early 1980s, earned credibility and even respect from major world powers and international bodies for its prudent fiscal management; for its conservative and effective development policies, especially in agriculture; and for its stabilizing, constructive role in the international arena, particularly regarding the Cambodia question. And although not without its weaknesses, Indonesia in the early 1990s

was demonstrably more powerful economically and militarily than it had been twenty-five years earlier.

Such was the foundation of the new sense of self that appeared in the wake of the East Timor incident of late 1991. Long frustrated by its inability to silence or at least mollify critics of its authoritarian military rule and human rights record, and suddenly faced with what appeared to be the makings of a determined international effort to link reform in these areas to development aid, Jakarta moved swiftly and boldly. A diplomatic offensive in early 1992 prepared the way for the March announcement, which not only attempted to isolate the Dutch from other donor nations, but also dealt the Netherlands an economic blow because the precise form of their aid meant that cessation would bring losses rather than savings to the Dutch. In September Suharto delivered polite but strong speeches to the Nonaligned Movement summit in Jakarta and the UN General Assembly in New York, arguing that North-South relations were in need of egalitarian reform, and suggesting that southern—Third World, developing, and industrializing—nations might well take a more prominent role in resetting the balance, and in helping themselves. Suharto pinpointed North-South relations as the central world problem, now that the Cold War was over, and indicated clearly that the problem could not be solved by the industrial nations and their international institutions attempting to dictate, implicitly or otherwise, social and political values. The style was neither angry nor unrestrained (perhaps in deliberate contrast to the more noisy and extreme statements made by Mahathir bin Mohammad, the prime minister of neighboring Malaysia), but the game was hardball.

In late 1992, it appeared that it would be some time before the outcome of Suharto's challenge became clear. Indonesia's tougher stance brought perhaps unexpectedly chilly responses. For example, Portugal and the Netherlands raised serious obstacles to Indonesia's aid and trade relations with the European Economic Community; the United States moved to reduce aid to Indonesia substantially; and, possibly in reaction to self-congratulatory advertisements depicting full-page portraits of Suharto, the *New York Times* snubbed Indonesia's leader and barely mentioned his speech at the UN. But even at close range, it was obvious that Suharto critics and supporters alike would in the future find it necessary to reassess the way they viewed and understood Indonesia, for it was plainly not the same country or society they knew in 1965, 1975, or even 1985. Although the polemic framed in the mid-1960s continued thirty years later, its object was in many important ways

different, and, like it or not, both sides found it increasingly difficult to avoid considering new realities.

Foreign observers were not the only ones pressed in the direction of reassessment, however. Behind the international drama over the events of the early 1990s lay a more complex and subtle question: did Jakarta itself understand the changes that the New Order had—wittingly or otherwise—brought about in the social composition and thinking of the Indonesian people? A varied body of evidence suggested to many intellectuals (civilian as well as military), for example, that an increasingly strong and vocal middle class was coming into existence; that public support was growing for a loosening of New Order political constraints and movement toward certain kinds of democratic reforms; and that some of the old standby philosophies of state and society that had served Indonesia well in earlier years were now either worn thin or inadequate to the demands of the times. With respect to East Timor, it was apparent that those agitating against Indonesian rule were not the products of pre-1975 society but precisely of the period following, when Indonesia controlled the schools, the media, and the administration. Society had seemingly moved faster than the New Order's capacity to fully comprehend it; "joining the world" had brought unimagined, or at least not yet understood, consequences.

Thus, in the early 1990s Indonesia entered a new stage in its national history, characterized, on the one hand, by new powers and international presence and, on the other, by new problems. The New Order's nearly exclusive focus on economic development and its formula of "dynamism with stability" were being challenged by new combinations of forces. These forces were both internal—new social and political concerns—and external—new international pressures, especially in human rights, and new influences of media technology, including, beginning in 1990, cable news service. Difficult as it might be to speak confidently of even the near future, one thing appeared certain: any effort to understand contemporary Indonesia must be as alert to change as to continuity, and must appreciate in all its complexity the rapid transformation that that nation has experienced in the years since Sukarno's political demise.

November 1, 1992 William H. Frederick

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After the manuscript for this book was completed in the fall of

1992, a number of important events took place. Two scandals unsettled Jakarta financial circles. In November 1992, Bank Summa, one of Indonesia's largest and most active banks, was suspended from clearing operations. The principal owners, the Soeryadjaya family, sold their equity share in the Astra Group, Indonesia's second largest company, in an unsuccessful attempt to save the bank, which in April 1993 was slated to be liquidated and had begun selling its assets to cover debts estimated at about US$500 million. The Bank Summa failure was only the most spectacular of a number of other similar failures, and Jakarta moved quickly to try to tighten procedures and loan policies. In late March 1993, sales of fake shares scandalized the Jakarta stock market. About US$5 million worth of false stocks appeared to have been involved; the perpetrators escaped to Hong Kong. The scandal raised concerns about the stability of the Jakarta Stock Exchange, and efforts were begun to establish a clearing house and a security exchange commission to prevent such occurrences.

Tensions between and among Muslims and Christians rose in late 1992. There was a spate of vandalism of churches and mosques; brawls among Muslim students in the capital; quarrels over aggressive missionizing by fundamentalist Christian groups; and unrest because of army involvement in elections of the leader of the Batak Protestant Congregation in Sumatra. In early December, Suharto felt constrained to remind citizens to show religious tolerance.

The unstable tectonics of Indonesia were proven again in early December 1992 when the island of Flores suffered what was said to be Indonesia's worst earthquake in modern times. The earthquake, which was 6.8 on the Richter scale, reportedly killed up to 2,500 people and destroyed 18,000 homes.

In early December 1992, government forces captured Jose Alexandre (Xanana) Gusmao, the leader of Fretilin, in a hiding place near Dili in Timor Timur Province. Gusmao appeared in a television interview in which he appeared reconciliatory toward the Suharto government, but some pro-Fretilin observers claimed the appearance had been forced. Gusmao went on trial beginning in February 1993, and on May 21 was sentenced to life imprisonment for having, according to the presiding judge, "disturbed the life of East Timorese." Gusmao was cut off after a few moments into reading his twenty-seven-page defense statement; it was the first time in memory that a court had refused to listen to a defense statement by the accused. East Timor thus continued in the world spotlight, despite Jakarta's effort to remove it. Foreign pressure

on Jakarta grew, and some Indonesia-watchers concluded that independence for East Timor was now a genuine possibility.

In March 1993, Indonesia experienced a shift in Washington's policy toward Jakarta. The United States decided to support critics of Indonesia's rule in East Timor. As a result, the United Nation Human Rights Commission, for the first time, adopted a resolution expressing "deep concern" at human rights violations by Indonesia in East Timor. In May the administration of President Bill Clinton placed Indonesia on a human rights (especially labor rights) "watch" list, threatening to revoke the nation's low tariffs under the United States Generalized Scheme Preferences. When Suharto met Clinton and United States secretary of state Warren Christopher in Tokyo in July 1993, concerns were raised about the East Timor human rights issue.

The United States' pressure on Indonesia was only partly occasioned by the hardening of Washington's position on East Timor. In August 1993, the United States was also critical of the Indonesian government's refusal, in late July, to allow the country's largest independent trade union—Indonesian Prosperous Labor Union (SBSI)—to hold its first congress, ostensibly because it was not founded by workers and thus not representative of them. Officials in Washington threatened to revoke Indonesia's trading privileges with the United States if there were no improvement in the situation within six months' time.

Arms proliferation was another issue that was discussed at the July 1993 Suharto-Clinton meeting and was likely to have serious implications for Indonesian-United States relations. The United States expressed concerns about reports that an Indonesian arms sale to Iran might be in the offing. Within the month, the United States blocked the sale of F-5 fighter aircraft from Jordan to Indonesia, giving the human rights and arms proliferation issues as reasons for not approving Jordan's request. Renewal of the stalled United States arms sales to Indonesia continued to be linked to the human rights issue.

American critics of the new hard line expressed concern that the hard-line approach would do more damage than good and in the end would hurt the cause of human rights and democratic advancement in Indonesia. Those who supported the policy of pressuring the Suharto government pointed to the government's July 1993 founding of a Human Rights Commission and its August 1993 announcement that bank loans would henceforth be linked to the environmental impact of the projects involved, as examples of what could be achieved by applying pressure.

On the domestic political front, in March 1993, as expected, Suharto was elected to his sixth term as president. Try Sutrisno, who had retired the previous month as commander in chief of ABRI, was chosen vice president; a strong nationalist and backer of the military, he was also identified with Muslim interests. Not long after the elections, the new cabinet was announced. Initial Jakarta reaction was that, on the whole, civilians had gained over military, Muslims had gained over Christians, and those with technological expertise had gained over the now aging generation of "technocrats" with economic expertise (although the most important of the "Berkeley Mafia" economic planners, Widjojo Nitisastro and Ali Wardhana, were retained).

In August 1993, government health officials spoke frankly for the first time about a burgeoning acquired immune deficiency syndrome (AIDS) problem. The first official case of human immunodeficiency virus (HIV) infection dates only from 1987, and government figures listed only 144 HIV carriers and 33 full-blown AIDS cases. But in fact, a Department of Health spokesman said that even the estimates of international health organizations, which ranged from 2,500 to 16,000 HIV infections, were too low. A more accurate estimate, he said, would be about 20,000, and Indonesia might well be on the verge of a large-scale AIDS epidemic. (The World Health Organization estimated a year earlier that there might be as many as 500,000 cases.)

As the mid-1990s approached, Indonesia faced political pressure from other nations over human rights, arms sales, labor relations, the environment, and other issues. Domestic politics were only temporarily settled with Suharto's reelection to the presidency in 1993; the succession question was sure to require close watching as his five-year term progressed. At the same time, the country's large labor force, rich mineral resources, and increasingly diversifying business sector had brought Indonesia to the rank of thirteenth among the world's economies, just behind Canada. Indonesia, which played a prominent role as a peacemaker in the Cambodian situation, which apparently had been resolved in 1993, appeared poised to play an important part in regional and global affairs in the waning years of the twentieth century.

October 1, 1993

William H. Frederick
and Robert L. Worden

Chapter 1. Historical Setting

Bima (right) and Arjuna (left), two of the five Pandawas—heroic sons of Prabu (king) Pandu, a descendant of Betara Guru—who represent the rise of a new mankind. Bima, who symbolizes the sense of hearing, is known as a courageous but impulsive defender of society. Arjuna—an incarnation of Wisnu (Vishnu)—who represents the sense of sight, is known for his great beauty, intelligence, and refinement.

AT THE TIME OF EUROPEAN INTRUSIONS into the islands by Portuguese, Spanish, and Dutch seeking to monopolize the lucrative trade in spices and other marketable products, the more than 13,000 islands constituting the Republic of Indonesia were home to a blend of indigenous beliefs and a diverse array of cultures and civilizations that had been influenced by Hindu-Buddhist ideas from India and by Islam. Although the Portuguese and Spanish presence in the archipelago had limited impact, the Dutch United East India Company (VOC; for this and other acronyms, see table A) established a trading post on the north coast of Java—that later became known as Jakarta—seized control of the spice trade, and gradually asserted military and political control over the archipelago. This process of colonization was well advanced on Java by the mid-eighteenth century and largely completed in the rest of the archipelago by the first decade of the twentieth century.

Under both the VOC and, after 1816, the Netherlands Indies government, Dutch policies served essentially economic goals, namely the exploitation of Indonesia's rich endowment of natural resources. Indeed, during the mid-nineteenth century, the Cultivation System on Java—the forced growing of cash crops—brought the Netherlands considerable profits. At the same time, however, a cycle of poverty and overpopulation emerged among Java's rural population. Modern scholars have debated the degree to which this cycle can be attributed to the Cultivation System. As a result of the cycle of poverty and overpopulation, by the beginning of the twentieth century, the Dutch government sought to improve the welfare of the people under what was known as the Ethical Policy. But, although education and welfare facilities were expanded, the Dutch did little to promote self-government and did not recognize the people's aspirations for independence.

Indonesia was territorially a creation of Dutch imperialism: with the exception of Portuguese (East) Timor, it encompasses all the territories of the old Netherlands Indies. Intellectually, however, Indonesia was a creation of early twentieth-century nationalists who sought cultural, linguistic, and social bases for national unity. Although deeply immersed in Javanese culture, Sukarno (1901–70), the most important pre-World War II nationalist and long-time president, envisioned a new republic reaching far beyond the Netherlands Indies—a Greater Indonesia (Indonesia Raya)—which would include northern Borneo and the Malay Peninsula.

The Japanese occupation in the early 1940s shattered the Dutch colonial regime and opened up new opportunities for Indonesians to participate in politics, administration, and the military. Although Tokyo's primary goal was exploitation of natural resources, especially oil, vitally necessary for the war effort in other parts of Asia, the Japanese tolerated political movements by Sukarno, Mohammad Hatta (1902–80), and others, especially on Java. With the cooperation of some Japanese military officers, Sukarno and Hatta declared Indonesia's independence on August 17, 1945, two days after Japan's surrender to the Allies. A revived Dutch administration, however, was determined to reimpose colonial control or as much colonial rule as they could manage. This not being possible, the Dutch sought to ensure that an independent Indonesia was regionally fragmented and maximally amenable to Dutch economic and other interests. This renewed oppression led the nationalists to wage a bitter war of independence—the National Revolution—between 1945 and 1949, which resulted in the short-lived federal Republic of the United States of Indonesia (RUSI) in 1950.

The new state faced ethnic, religious, and social divisions throughout the archipelago. Early 1950s' practices of parliamentary democracy ended with Sukarno's adoption of Guided Democracy in the 1959–65 period. Sukarno had a vast mass following, but his power base rested on the support of two antagonistic groups: the Armed Forces of the Republic of Indonesia (ABRI) and the Indonesian Communist Party (PKI). What has been officially described as a PKI attempted coup d'état on September 30, 1965, resulted in Sukarno's displacement from power, a massacre of PKI supporters on Java and other islands, and the rise of General Suharto to supreme power.

Suharto's New Order regime placed ABRI firmly in control of Indonesia's political system and, to an extent, its economy as well. Friendly ties were restored with Western countries and Japan, and Indonesia accepted large amounts of Western and Japanese aid and private investment. Under rational economic planning policies, the country experienced orderly development and increases in the standard of living for most of the population. But Suharto's strong anticommunism and insistence on using the Pancasila (see Glossary) as the ideological foundation of all groups in society contributed to a tightly controlled, centralized system. The regime's occupations of West New Guinea (which became Indonesia's Irian Jaya Province) and East Timor (which became Timor Timur Province) were a focus of international criticism, stemming from charges of human rights violations. Reelected repeatedly to the presidency, Suharto was regarded by many observers as

indispensable to the system's stability and continuity (see Political Dynamics, ch. 4).

Early History

Beginning in the 1890s, paleontologists discovered fossil remains of creatures on the island of Java that, although probably not the direct ancestors of modern humans, were closely related to them. These Javan hominids, known by scientists as *Homo erectus,* lived 500,000 years ago and some possibly as long as 1.7 million years ago. Their remains are identified as Jetis—the earlier specimens found in eastern Java—and Trinil—later specimens found in Central Java, including the Solo River area. Evidence of probable descendants of the Trinil *erectus,* known as *Homo soloensis* or Solo Man, was found at Ngandong, also in Central Java; these descendants are thought to have evolved between 500,000 and 100,000 years ago. Assemblages of stone tools have not clearly been tied to *Homo soloensis,* but there is evidence that these early *Homo sapiens* had a rudimentary social organization (small hunting and gathering bands) and used simple tools around 40,000 years ago.

Many observers agree that the modern inhabitants of Indonesia may be descended from *Homo erectus.* Although insufficient paleographical information makes it impossible to determine precisely the dates of migrations by modern *Homo sapiens,* contrary to earlier hypotheses of migration from the Malay Peninsula, many experts believe that Indonesia's early population—comprised of the ancestors of most of its present inhabitants—was the product of continued hominid evolution within the archipelago. There was, of course, continuing seepage of other populations into the gene pool, contributing to the complex ethnographic picture of Indonesia (see The Emerging National Culture, ch. 2). That the archipelago may have developed its own *Homo sapiens* line has not been ruled out by some scholars.

Although Indonesia is extremely diverse ethnically (more than 300 distinct ethnic groups are recognized), most Indonesians are linguistically—and culturally—part of a larger Indo-Malaysian world encompassing present-day Malaysia, Brunei, the Philippines, and other parts of insular and mainland Asia (see Language, ch. 2). Early inhabitants had an agricultural economy based on cereals, and introduced pottery and stone tools during the period 2500 to 500 B.C. During the period between 500 B.C. and A.D. 500, as the peoples of the archipelago increasingly interacted with South and East Asia, metals and probably domesticated farm animals were introduced.

Partially dismantled Buddhist stupa on upper terrace of Borobudur, built ca. A.D. 800
Courtesy Dirk Bakker © 1988 and Festival of Indonesia

The Spread of Indian Civilization

During the early centuries A.D., elements of Indian civilization, especially Hinduism and Mahayana Buddhism, were brought to Sumatra and Java and stimulated the emergence of centralized states and highly organized societies. Scholars disagree on how this cultural transfer took place and who was involved. Apparently, traders and shippers, not just Indian but Indonesian as well, were primarily responsible. Small indigenous states existed in the coastal regions of western Indonesia at a time when Indian Ocean trade was flourishing.

But, unlike the Islamic culture that was to come to Indonesia nearly 1,000 years later, India in the first centuries A.D. was divided into a rigid caste hierarchy that would have denied many features of Indian tradition to relatively low-caste merchants and sailors. Historians have argued that the principal agents in Indianization were priests who were retained by indigenous rulers for the purpose of enhancing their power and prestige. Their role was largely, although not exclusively, ideological. In Hindu and Buddhist thought, the ruler occupied an exalted position as either the incarnation of a god or a bodhisattva (future Buddha). This position was in marked contrast to the indigenous view of the local chief as merely a "first among equals." Elaborate, Indian-style ceremonies confirmed the ruler's exalted status. Writing in Sanskrit brought literacy to the courts and with it an extensive literature on scientific, artistic, political, and religious subjects.

Some writers are skeptical about the role of priests because high-caste Brahmins would have been prohibited by Brahmanic codes from crossing the polluting waters of the ocean to the archipelago. Some must have gone, however, probably at the invitation of Southeast Asian courts, leading to the hypothesis that Hinduism may indeed have been a proselytizing religion. In the early nineteenth century, the British faced mutinies by their high-caste Indian troops who refused to board ships to fight a war in Burma. Perhaps such restrictions were less rigid in earlier times, or the major role in cultural diffusion was played by Buddhists, who would not have had such inhibitions.

Although the culture of India, largely embodied in insular Southeast Asia with the Sanskrit language and the Hindu and Buddhist religions, was eagerly grasped by the elite of the existing society, typically Indian concepts, such as caste and the inferior status of women, appear to have made little or no headway against existing Indonesian traditions. Nowhere was Indian civilization accepted

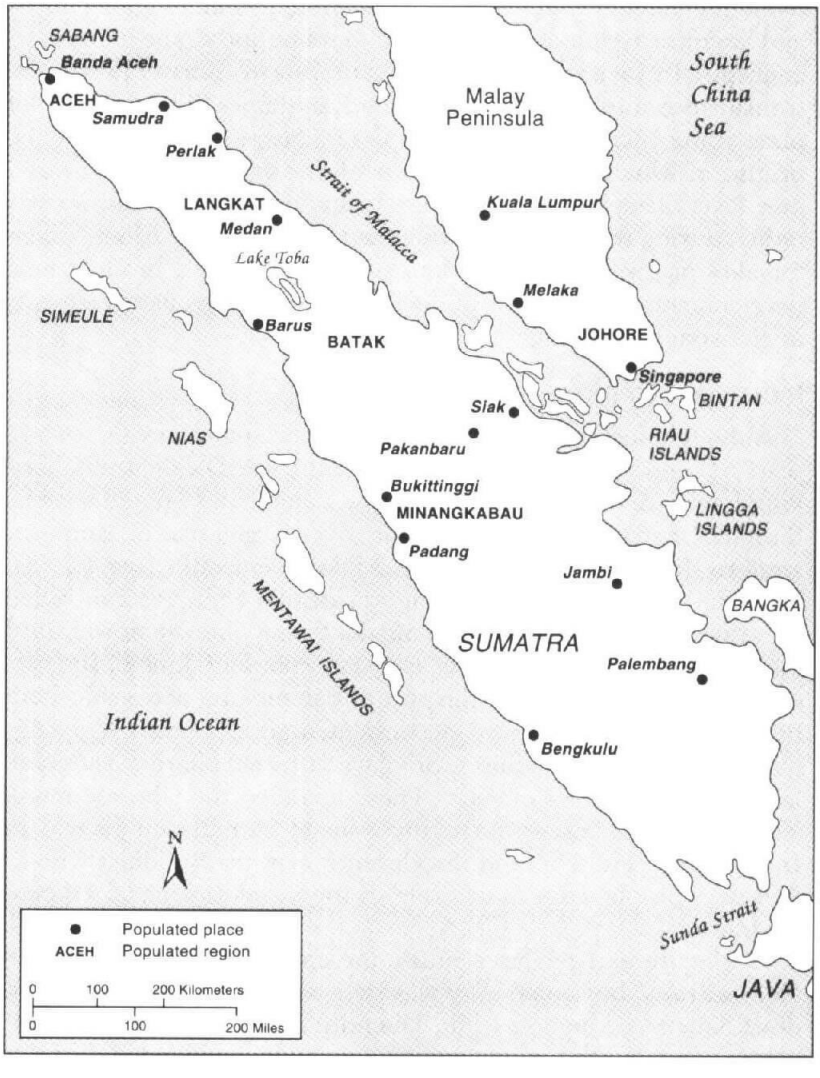
without change; rather, the more elaborate Indian religious forms and linguistic terminology were used to refine and clothe indigenous concepts. In Java even these external forms of Indian origin were transformed into distinctively Indonesian shapes. The tradition of plays using Javanese shadow puppets (*wayang*—see Glossary), the origins of which may date to the neolithic age, was brought to a new level of sophistication in portraying complex Hindu dramas (*lakon*) during the period of Indianization. Even later Islam, which forsakes pictorial representations of human beings, brought new developments to the *wayang* tradition through numerous refinements in the sixteenth to eighteenth centuries.

Indianized Empires

Although historical records and archaeological evidence are scarce, it appears that by the seventh century A.D., the Indianized kingdom of Srivijaya, centered in the Palembang area of eastern Sumatra, had established suzerainty over large areas of Sumatra, western Java, and much of the Malay Peninsula (see fig. 2). Dominating the Malacca and Sunda straits, Srivijaya controlled the trade of the region and remained a formidable sea power until the thirteenth century. Serving as an entrepôt for Chinese, Indonesian, and Indian markets, the port of Palembang, accessible from the coast by way of a river, accumulated great wealth. A stronghold of Mahayana Buddhism, Srivijaya attracted pilgrims and scholars from other parts of Asia. These included the Chinese monk Yijing, who made several lengthy visits to Sumatra on his way to India in 671 and 695, and the eleventh-century Buddhist scholar Atisha, who played a major role in the development of Tibetan Buddhism.

During the early eighth century, the state of Mataram controlled Central Java, but apparently was soon subsumed under the Buddhist Sailendra kingdom. The Sailendra built the Borobudur temple complex, located northwest of Yogyakarta. Borobudur is a huge stupa surmounting nine stone terraces into which a large number of Buddha images and stone bas-reliefs have been set. Considered one of the great monuments of world religious art, it was designed to be a place of pilgrimage and meditation. The bas-reliefs illustrate Buddhist ideas of karma and enlightenment but also give a vivid idea of what everyday life was like in eighth-century Indonesia. Energetic builders, the Sailendra also erected *candi,* memorial structures in a temple form of original design, on the Kedu Plain near Yogyakarta.

The late ninth century witnessed the emergence of a second state that is noted for building a Hindu temple complex, the Prambanan,



Source: Based on information from M.C. Ricklefs, *A History of Modern Indonesia: c. 1300 to the Present,* Bloomington, 1981, 311.

Figure 2. Sumatra and the Malay Peninsula in the Seventh Century A.D.

which is located east of Yogyakarta and was dedicated to Durga, the Hindu Divine Mother, consort of Shiva, the god of destruction. From the tenth to the fifteenth centuries, powerful Hindu-Javanese states rivalling Srivijaya emerged in the eastern part of the island. The kingdom of Kediri, established in eastern Java in 1049, collected spices from tributaries located in southern Kalimantan and

the Maluku Islands, famed in the West as the Spice Islands or Moluccas. Indian and Southeast Asian merchants, among others, then transported the spices to Mediterranean markets by way of the Indian Ocean.

The golden age of Javanese Hindu-Buddhist kingdoms was in the late thirteenth and fourteenth centuries. Although the eastern Javanese monarch Kertanagara (reigned 1268–92) was killed in the wake of an invasion ordered by the Mongol emperor Khubilai Khan, his son-in-law, Prince Vijaya, established a new dynasty with its capital at Majapahit and succeeded in getting the hard-pressed Mongols to withdraw. The new state, whose expansion is described in the lengthy fourteenth-century Javanese poem *Nagarakrtagama* by Prapanca, cultivated both Shivaite Hinduism and Mahayana Buddhism. It established an empire that spread throughout much of the territory of modern Indonesia.

The empire building was accomplished not by the king but by his prime minister, Gajah Mada, who was virtual ruler from 1330 to his death in 1364. Possibly for as long as a generation, many of the Indonesian islands and part of the Malay Peninsula were drawn into a subordinate relationship with Majapahit in the sense that it commanded tribute from local chiefs rather than governing them directly. Some Indonesian historians have considered Gajah Mada as the country's first real nation-builder. It is significant that Gadjah Mada University (using the Dutch-era spelling of Gajah Mada's name), established by the revolutionary Republic of Indonesia at Yogyakarta in 1946, was—and remains—named after him.

By the late fourteenth century, Majapahit's power had ebbed. A succession crisis broke out in the mid-fifteenth century, and Majapahit's disintegration was hastened by the economic competition of the Malay trading network that focused on the state of Melaka (Malacca), whose rulers had adopted Islam. Although the Majapahit royal family stabilized itself in 1486, warfare broke out with the Muslim state of Demak; and the dynasty, then ruling only a portion of eastern Java, ended in the 1520s or 1530s.

The Coming of Islam

The Indian Ocean continued to serve as both a commercial and a cultural link between Indonesia and the countries to the west. Thus Islam, which was established on the Arabian Peninsula by the Prophet Muhammad in the seventh century A.D., followed the Hindu and Buddhist religions into the archipelago. By the late twentieth century, approximately 85 percent of Indonesia's inhabitants considered themselves to be Muslim. Among some Indonesians, Islam is only an element in a syncretic belief system that

also includes animist and Hindu-Buddhist concepts. Others are intensely committed to the faith (see Religion and Worldview, ch. 2). Like the introduction of Indian civilization, the process of Islamization is obscure because of the lack of adequate historical records and archeological evidence. The archipelago was not invaded by outsiders and forcibly converted. Yet states that had converted to Islam often waged war against those that adhered to the older, Hindu-Buddhist traditions. Religious lines, however, do not appear to have been clearly drawn in Javanese statecraft and war.

Over the centuries, merchants from Arabian Sea and Indian Ocean ports and mystics and literary figures propagated the faith. Because commerce was more prevalent along the coasts of Sumatra, Java, and the eastern archipelago than in inland areas of Java, it is not surprising that Islamization proceeded more rapidly in the former than the latter. According to historian M.C. Ricklefs, legends describe the conversion of rulers to Islam in coastal Malay regions as a "great turning point" marked by miracles (including the magical circumcision of converts), the confession of faith, and adoption of Arabic names. Javanese chroniclers tended to view it as a much less central event in the history of dynasties and states. But the Javanese chronicles mention the role of nine (or ten) saints (*wali* in Arabic), who converted rulers through the use of supernatural powers.

Doubtless small numbers of Muslims traveled through and resided in the archipelago at a very early date. Historical records of the Chinese Tang Dynasty (A.D. 618-907) tell of Arab traders who must have stopped at Indonesian ports along the way to Guangzhou and other southern Chinese ports. Yet the conversion of rulers and significant numbers of indigenous peoples to Islam apparently did not begin until around the late thirteenth century.

Many areas of the archipelago resisted the religion's spread. Some, such as Ambon, were converted to Christianity by Europeans. Others preserved their distinctiveness despite powerful Islamic neighbors. These included small enclaves on Java and the adjacent island of Bali, where animist and Hindu beliefs created a distinct, inward-looking culture.

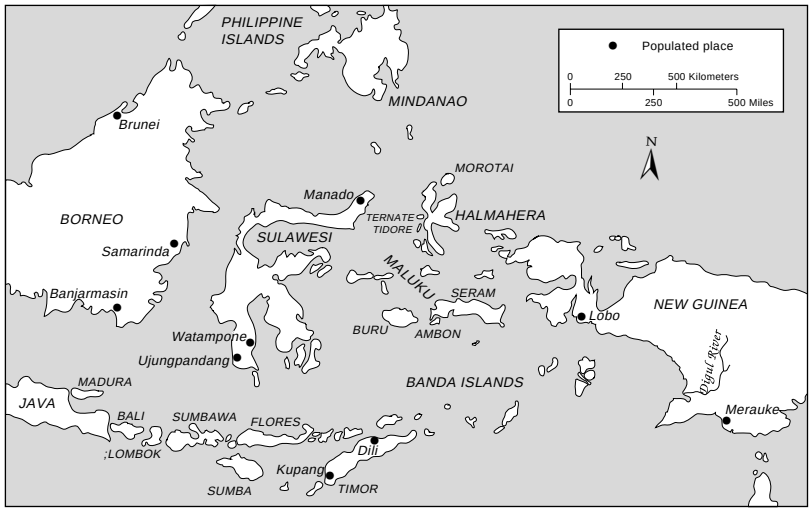
The first reliable evidence of Islam as an active force in the archipelago comes from the Venetian traveler Marco Polo. Landing in northern Sumatra on his way back to Europe from China in 1292, he discovered an Islamic town, Perlak, surrounded by non-Islamic neighbors. An inscription from a tombstone dated 1297 reveals that the first ruler of Samudra, another Sumatran state, was a Muslim; the Arab traveler Muhammad ibn-'Abdullah ibn-Battuta visited the same town in 1345-46 and wrote that its monarch

was a Sunni (see Glossary) rather than a Shia (see Glossary) Muslim. By the late fourteenth century, inscriptions on Sumatra were written with Arabic letters rather than older, indigenous or Indian-based scripts.

There also were important Chinese contacts with Java and Sumatra during this period. Between 1405 and 1433, a Chinese Muslim military leader, the Grand Eunuch Zheng He, was commissioned by the Ming Dynasty (1368–1643) emperor to make seven naval expeditions, each comprising hundreds of ships and crews numbering more than 20,000. The various expeditions went from China to Southeast Asia, South Asia, the Arabian Peninsula, and East Africa. Rather than voyages of exploration, these expeditions followed established trade routes and were diplomatic in nature and helped expand contacts among and provide information about the regions visited. Zheng used Java and Sumatra as waystops and, on his first voyage, destroyed a Chinese pirate fleet based near Palembang on the north coast of Sumatra. He also is said to have developed close contacts with Melaka on the Malay Peninsula.

The major impetus to Islamization was provided by Melaka, a rich port city that dominated the Strait of Malacca and controlled much of the archipelago's trade during the fifteenth century. According to legend, Melaka was founded in 1400 by a princely descendant of the rulers of Srivijaya who fled Palembang after an attack by Majapahit. Originally a Hindu-Buddhist, this prince converted to Islam and assumed the name Iskandar Syah. Under his rule and that of his successors, Melaka's trading fleets brought Islam to coastal areas of the archipelago. According to the sixteenth-century Portuguese chronicler Tomé Pires, whose *Suma Oriental* is perhaps the best account of early sixteenth-century Indonesia, most of the Sumatran states were Muslim. The kingdom known as Aceh, founded in the early sixteenth century at the western tip of Sumatra, was a territory of strong Islamic allegiance. In Pires's time, the ruler of the Minangkabau people of central Sumatra and his court were Muslim, but their subjects were not.

In eastern Indonesia, Islamization proceeded through the sixteenth and seventeenth centuries, often in competition with the aggressive proselytization of Portuguese and other Christian missionaries. According to Pires, the island states of Ternate and Tidore, off the west coast of Halmahera in Maluku, had Muslim sultans, and Muslim merchants had settled in the Banda Islands (see fig. 3). In 1605 the ruler of Gowa in southern Sulawesi (Celebes) converted to Islam and subsequently imposed Islam on neighboring rulers. Muslim missionaries were sent from the north coast



Source: Based on information from M.C. Ricklefs, *A History of Modern Indonesia: c. 1300 to the Present,* Bloomington, 1981, 316.

Figure 3. The Eastern Archipelago in the Sixteenth and Seventeenth Centuries

of Java to Lombok, Sulawesi, and Kalimantan until the late seventeenth century.

Because of the antiquity of Java's civilizations and the relative isolation of some of its most powerful kingdoms, the process of Islamization there was both complex and protracted. The discovery of Muslim gravestones dating from the fourteenth century near the site of the Majapahit court suggests that members of the elite converted to Islam while the king remained an adherent of Indian religions. The early focus of conversion was the northern coastal region, known as the Pasisir (Javanese for coast). Melaka's domination of trade after 1400 promoted a substantial Islamic presence in the Pasisir region, which lay strategically between Melaka to the west and Maluku to the east. Muslim merchants were numerous, although their role in the conversion of royal courts is unclear. The north shore state of Gresik was ruled by one of the nine saints. During the sixteenth century, after Melaka had ceased to be an Islamic center following its capture by the Portuguese in 1511, the Malay trading network shifted to Johore and northwest Kalimantan.

In the early seventeenth century, the most powerful state in Central Java was Mataram, whose rulers cultivated friendly relations with the Pasisir states, especially Gresik, and tolerated the

establishment of Islamic schools and communities in the countryside. Tolerance may have been motivated by the rulers' desire to use the schools to control village populations. Muslim groups in the interior were often mutually antagonistic, however, and sometimes experienced official persecution. The greatest of Mataram's rulers, Sultan Agung (reigned 1613–46), warred against various Javanese states and defeated as many as he could. Without shedding the Hindu-Buddhist or Javanese animist attributes of kingship, he sought and received permission from Mecca to assume the Islamic title of sultan in 1641.

Scholars have speculated on why Islam failed to gain a large number of converts until after the thirteenth century, even though Muslim merchants had arrived in the islands much earlier. Some have suggested that the Sufi (see Glossary) tradition—a mystical branch of Islam that emphasizes the ultimate reality of God and the illusoriness of the perceived world—may have been brought into the islands at this time. Given the mystical elements of both Sufism and indigenous beliefs, it may have been more appealing to Indonesians than earlier, more austere, and law-bound versions of Islam. Yet according to Ricklefs, no evidence of the existence of Sufi brotherhoods in the early centuries has been found.

European Intrusions

The Portuguese were the first Europeans to come in significant numbers to the archipelago. The golden age of Portuguese exploration and conquest in Asia began with Vasco da Gama's voyage to India in 1497–99 and continued through the first half of the sixteenth century. Faith and profit, nicely harmonized, motivated these early European explorers. The papacy charged Portugal with converting Asia to Christianity. Equipped with superior navigational aids and sturdy ships, the Portuguese attempted to seize rich trade routes in the Indian Ocean from Muslim merchants. They established a network of forts and trading posts that at its height extended from Lisbon by way of the African coast to the Straits of Hormuz, Goa in India, Melaka, Macao on the South China coast, and Nagasaki in southwestern Japan. The Portuguese came to Indonesia to monopolize the spice trade of the eastern archipelago. Nutmeg, mace, and cloves were easily worth more than their weight in gold in European markets, but the trade had hitherto been dominated by Muslims and the Mediterranean city-state of Venice. Combining trade with piracy, the Portuguese, operating from their base at Melaka, established bases in the Maluku Islands at Ternate and on the island of Ambon but were unsuccessful in gaining control of the Banda Islands, a center of nutmeg and mace production.

Indonesian Muslim states wasted no time in trying to oust the intruders. During the sixteenth century, the sturdy Portuguese fort of A Famosa (the Famous One) at Melaka withstood repeated attacks by the forces of the sultans of Johore (the descendants of the ruler of Melaka deposed by the Portuguese), Aceh, and the Javanese north coast state of Jepara, acting singly or in concert. The Portuguese were minimally involved in Java, although there were attempts to forge alliances with the remaining Hindu-Buddhist states against the Muslims. The Portuguese goal of Christianizing Asia was largely unsuccessful. Saint Francis Xavier, a Spaniard who was an early member of the Society of Jesus (Jesuits), established a mission at Ambon in 1546 and won many converts whose lineal descendants in the early 1990s were Protestant Christians. The small enclave of Portuguese (East) Timor, which survived three centuries surrounded by Dutch colonialism only to be formally absorbed into Indonesia in 1976, was largely Roman Catholic.

Given Portugal's small size, limited resources, and small labor pool, and its routinely brutal treatment of indigenous populations, Portugal's trading empire was short-lived, although remnants of it, like Portuguese Timor, survived into the late twentieth century. Although numerically superior Muslim forces failed to capture Melaka, they kept the intruders constantly on the defensive. Also, the dynastic union of the Portuguese and Spanish crowns in 1580 made for Portugal a new and increasingly dangerous enemy: the Dutch.

The United East India Company

The United Provinces of the Netherlands was, in a sense, the world's first modern state. It was a republic dominated by middle class burghers rather than a dynastic monarchy. Winning independence from Spain in 1581, the Netherlands became a major seafaring power. During the seventeenth century, Amsterdam emerged as Europe's primary center for commerce and banking. Largely Protestant and Calvinist, the new state, unlike Portugal, did not reflect the crusading values of the European Middle Ages.

A four-ship Dutch fleet entered Indonesian waters in 1596, visiting Banten on the western tip of Java as well as north-coast Javanese ports and returning home with a profitable cargo of spices. There followed a few years of "wild" or unregulated voyages, when several Dutch trading concerns sent out ships to the islands. In 1602, however, these companies merged to form the United East India Company (VOC) under a charter issued by the Dutch parliament, the Staten-Generaal.

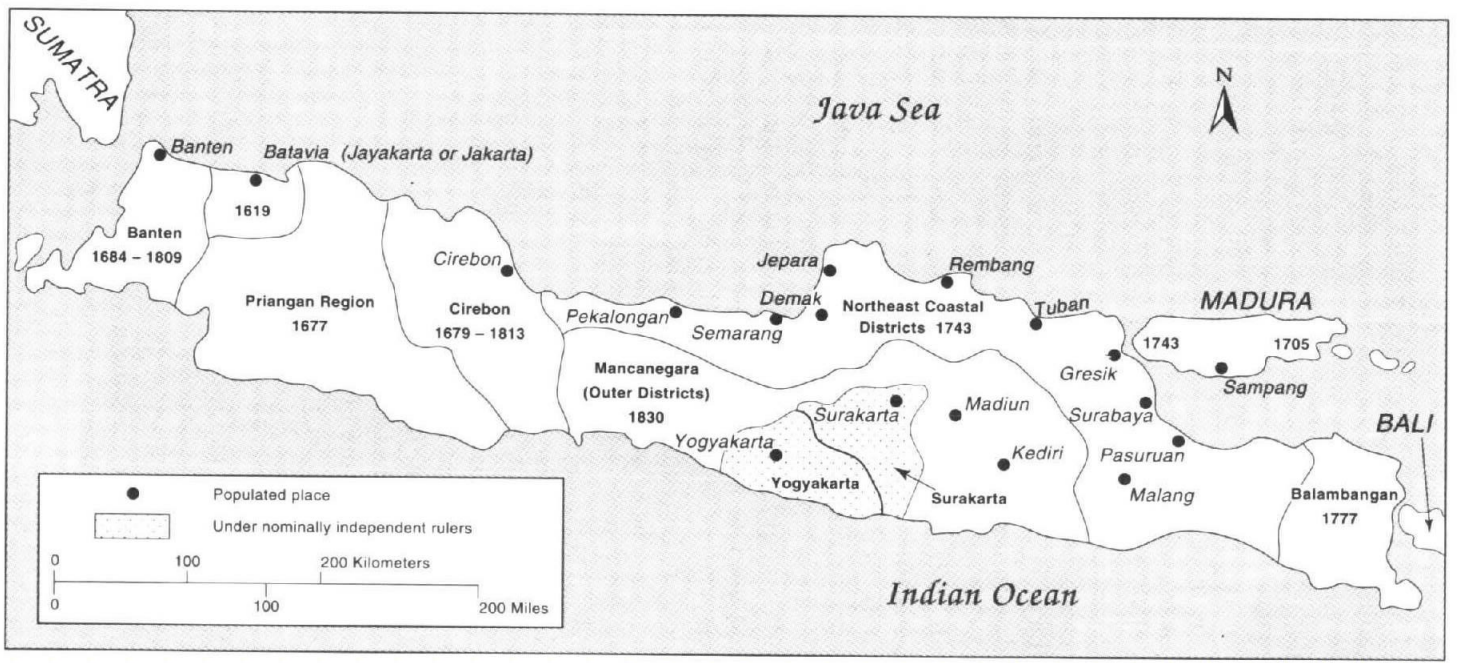
Although its directors, the Heeren Zeventien (Seventeen Gentlemen), were motivated solely by profit, the VOC was not simply

a trading company in the modern sense of the word. It had authority to build fortresses, wage war, conclude treaties with indigenous rulers, and administer justice to subject populations. In the early years, the Heeren Zeventien attempted to direct their operations from Amsterdam, but this proved impossible and in 1610 the post of governor general of the VOC was established. Jan Pieterszoon Coen, governor general from 1619 to 1623 and again from 1627 to 1629, was the most dynamic VOC chief executive. He seized the port of Jayakarta (modern Jakarta, also known as Batavia during the colonial period) from the sultan of Banten in western Java and established the trading post at Sunda Kelapa. Since then, Jakarta served as the capital of the VOC, of the Netherlands Indies after 1816, and of the independent Indonesian state after World War II.

Coen was determined to go to almost any lengths to establish and reserve a VOC monopoly of the spice trade. He accomplished his goal by both controlling output and keeping non-VOC traders out of the islands. Ambon had been seized from the Portuguese in 1605, and anti-Iberian alliances were made with several local rulers. However, the English East India Company, established in 1600, proved to be a tenacious competitor. When the people of the small Banda archipelago south of the Malukus continued to sell nutmeg and mace to English merchants, the Dutch killed or deported virtually the entire population and repopulated the islands with VOC indentured servants and slaves who worked in the nutmeg groves. Similar policies were used by Coen's successors against the inhabitants of the clove-rich Hoamoal Peninsula on the island of Ceram in 1656. The Spanish were forced out of Tidore and Ternate in 1663. The Makassarese sultan of Gowa in southern Sulawesi, a troublesome practitioner of free trade, was overthrown with the aid of a neighboring ruler in 1669. The Dutch built fortresses on the site of the Gowa capital of Makassar (modern Ujungpandang) and at Manado in northern Sulawesi and expelled all foreign merchants. In 1659 the Dutch burned the port city of Palembang on Sumatra, ancient site of the Srivijaya empire, in order to secure control of the pepper trade.

The Dutch on Java, 1619–1755

The key to Dutch commercial success in Indonesia was the security of its base of operations at Batavia. The security issue involved the VOC in the internal politics of Java. The earliest governor generals had not intended to become involved in Java's politics. They had envisioned the company as primarily a maritime power, consisting of a network of forts and heavily defended trading routes. But during the seventeenth century and especially the eighteenth



Source: Based on information from D.G.E. Hall, *A History of South-East Asia,* New York, 1981, 351; and Geoffrey Barraclough and Norman Stone (eds.), *The Times Atlas of World History,* Maplewood, New Jersey, 1989, 176.

Figure 4. Dutch Expansion in Java, 1619–1830

century, the Dutch found themselves caught up in Java's perennial political instability. Defense of VOC interests required the raising of armies and collection of revenue from rulers and the general population to pay for them (see fig. 4.).

By the 1620s, Sultan Agung of Mataram had conquered Surabaya, a powerful rival state, extended his power on Java as far west as Cirebon, occupied the island of Madura after a bloody campaign, and forced the sultans of Banjarmasin and Sukadana on Kalimantan (known during the colonial era as Borneo) to become his tributaries. Batavia, already threatened by the hostile sultan of Banten, was besieged by Mataram forces by both land and sea in 1628–29. The siege was unsuccessful, and Sultan Agung had to accept the company's continued existence on Java. Royal poets and chroniclers, however, portrayed Dutch diplomatic missions to the Mataram court after 1629 as expressions of humble submission. The ruler turned his attention eastward, devastating the Hindu-Buddhist state of Balambangan but suffering defeat in his attempt to conquer the intrepid Balinese.

A revolt against Sultan Agung's successor, Amangkurat I (reigned 1646–77), in 1671 led the ruler, much resented for his harsh policies, to seek Dutch assistance against the rebels. When his palace was captured by the rebels, Amangkurat I sought refuge on VOC-controlled territory in 1677, where he died. His successor, Amangkurat II (reigned 1677–1703) gave the VOC monopolies over the sugar, rice, opium, and textile trade in Mataram territory in exchange for the VOC's military support in his efforts to regain the throne. Amangkurat II also agreed to the cession of the Priangan Districts south of Batavia. In 1684 the crown prince of Banten, involved in a revolt against his own father, asked for Dutch aid and in return was obliged to make concessions that essentially spelled the end of the kingdom's independence.

In the eighteenth century, Mataram experienced continued struggles for power among royal contenders. The First Javanese War of Succession (1704–08) resulted in Pakubuwona I (reigned 1705–19) assuming the throne with Dutch aid; in return, he gave the VOC the privilege of building forts anywhere it wished in Java, the right to station a VOC garrison at the royal court paid for by the royal treasury, an annual grant to Batavia of a large amount of rice for twenty-five years, and the promise that Javanese ships would not sail east of the island of Lombok or beyond the bounds of the Java Sea. The Second Javanese War of Succession (1719–23) resulted in the installation of Amangkurat IV (reigned 1719–26) as king, and further concessions were made to the VOC.

The Third Javanese War of Succession (1746–55) was decisive because it resulted in the division of Mataram into the states of Surakarta and Yogyakarta, each with its own sultan. Two years after Pakubuwona II (reigned 1725–49) had agreed to lease the north coast of Java to the VOC, Javanese princes led by Mangkubumi rebelled in 1745 precipitating war against the Dutch. The war dragged on until 1755, when the Treaty of Giyanti was ratified, recognizing Pakubuwona III (reigned 1749–55) as ruler of Surakarta and Mangkubumi (who took the title of sultan and the name Hamengkubuwono) as ruler of Yogyakarta. In 1757 a new state, Mangkunegaran, was carved from Surakarta territory. Banten, meanwhile, had become a territory of the VOC in 1753. The policy of divide and rule brought a measure of peace to Java thereafter, but the VOC had little time to enjoy the fruits of its many decades of involvement in court politics.

VOC Bankruptcy and the British Occupation

Not only continuous wars on Java but also the VOC's own greed and shortsightedness led to its undoing by the end of the eighteenth century. Its personnel were extraordinarily corrupt, determined to "shake the pagoda tree" of the Indies, to use a phrase popular with its eighteenth-century British contemporaries, to get rich quick. Although the VOC preserved its monopoly over the spice trade, it could not prevent foreign rivals, especially the British and French, from growing spices on their own territories in the West Indies and elsewhere. Thus, European markets were assured a cheap supply. Moreover, the development in Europe of winter forage in the late seventeenth century made spices less of a necessity, since livestock did not have to be slaughtered in autumn and its meat preserved with spices over the cold season. War between the Netherlands and Britain in 1780–84 also prevented the VOC from shipping its goods.

The VOC turned to new cash crops and products: pepper and textiles from Sumatra, and coffee and tea grown in the mountainous Priangan Districts. In Priangan, inhabited by people of the Sundanese ethnic group, the local rulers collected coffee from cultivators and delivered it to the VOC. Coffee became Java's most profitable crop from the early eighteenth to the mid-nineteenth century. But despite such diversification, the Dutch Staten-Generaal in 1789 discovered the company had a deficit of some 74 million guilders. The Netherlands was occupied by French troops in 1795, and a French protectorate established. The new government abolished the VOC by allowing its charter to lapse in 1799. VOC territories became the property of the Dutch government.

In 1808 Louis Bonaparte, who had been made king of the Netherlands by his brother Napoleon, appointed Herman Willem Daendels as governor general of the Dutch possessions. Daendels, imbued with the ideas of the French Revolution, had scant patience for the intricacies of Java's "feudal" political system and introduced a comprehensive set of reforms. In doing so, he earned the hostility of the Javanese nobility, who had benefited from the old system of indirect rule. But in 1811, a year after the Netherlands had been incorporated into the French empire, the British occupied Java. In August 1811, they seized Batavia and a month later received the surrender of French forces.

Thomas Stamford Raffles was appointed lieutenant governor of Java (1811–16) and its dependencies by the British East India Company in Calcutta. Raffles, best known for being the founder of Singapore in 1819, attempted, like Daendels, comprehensive reform. Many of his ideas were enlightened: abolition of forced labor and fixed quotas for cash crops, peasants' free choice of which crops to grow, salaries for government officials, abolition of the slave trade in the archipelago, and improvement of the lot of slaves (his goal of total opposition to slavery was deemed impractical). Raffles also sponsored the establishment of a subsidiary court, Pakualaman, in Yogyakarta in 1812, further dividing the authority of the Yogyakarta sultanate. But there was little time for these efforts to take root. At the outset of the Napoleonic Wars, the British government had promised the Dutch government-in-exile that at the end of the war occupied territories would be returned to the Netherlands. Over the objections of Raffles, Dutch authority was reestablished in 1816.

The Netherlands Indies Empire

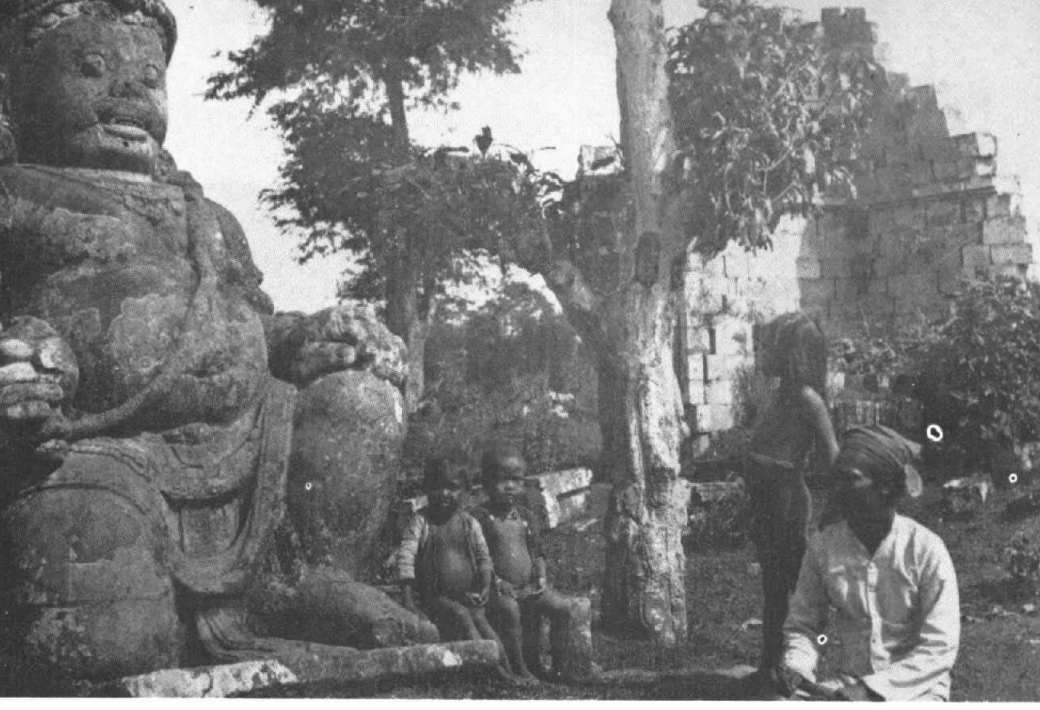
Nineteenth-century Indonesia experienced not only the replacement of company rule by Dutch government rule but also the complete transformation of Java into a colonial society and the successful extension of colonial rule to Sumatra and the eastern archipelago. The modern state of Indonesia is in a real sense a nineteenth-century creation. It was during this century that most of its boundaries were defined and a process of generally exploitative political, military, and economic integration was begun. Some analysts, such as Benedict R.O'G. Anderson, argue that the New Order state of Suharto is a direct descendant of the Dutch colonial state, with similar objectives as summarized in the Dutch phrase *rust en orde* (tranquillity and order). There was, at least, a natural historical continuity between the Dutch colonial and the modern Indonesian state (see The New Order under Suharto, this ch.).

The Java War and Cultivation System

During the VOC period, the Dutch depended on the compliance of the Javanese aristocratic class, which allowed them to rule in an indirect manner. The regents' role of expropriating cash crops from the peasants to deliver to the VOC gave them a comfortable income because they also continued to tax their subjects for rice and labor. Variations on this pattern were found throughout Java, with local adaptations. But the reforms of Daendels and Raffles threatened this arrangement. Moreover, the elite in Central Java were humiliated by a British occupation and partition of Yogyakarta in 1812. As Dutch demands for tax revenues expanded after 1816, many of the elite found themselves short of funds and indebted. The common people also suffered from years of war, disruption, and the exploitation of Chinese farmers employed by the British and the Dutch.

The Java War of 1825–30 constituted the last resistance of the Javanese aristocracy to Dutch rule. Its central figure was Pangeran Diponegoro (ca. 1785–1855), eldest son of the sultan of Yogyakarta. His education and disposition combined both Islamic and mystical elements: he was well acquainted with the teachings of the traditional Islamic schools (*pesantren*) in the rural village where he lived as a child with his grandmother, but he also had experienced a vision in which the Goddess of the Southern Ocean promised that he was a future king. According to M.C. Ricklefs, Diponegoro was in a unique position to mobilize both the elite and the common people against the colonialists: "As a senior prince, he had access to the aristocracy, as a mystic to the religious community, and as a rural dweller to the masses in the countryside."

The immediate cause of Diponegoro's revolt in 1825 was the Dutch decision to build a road across a piece of his property that contained a sacred tomb. Thereupon ensued the Java War, a bitter guerrilla conflict in which as many as 200,000 Javanese died in fighting or from indirect causes (the population of Java at the end of the eighteenth century was only 3 million). Although the revolt was led by Diponegoro and other aristocrats, its considerable popular appeal, based on Islam and Javanese mysticism, created a scenario similar to twentieth-century wars in Southeast Asia. Insurgency was suppressed only after the Dutch adopted the "fortress system": the posting of small units of mobile troops in forts scattered through the contested territory. Diponegoro was arrested in 1830 and exiled for a short time to Manado in northern Sulawesi and then to Makassar where he died. The territories of



A ninth-century guardian statue near Hindu temple ruins in the vicinity of Prambanan, Jawa Tengah, ca. 1895
Courtesy Prints and Photographs Division, Library of Congress

Yogyakarta and Surakarta were substantially reduced, although the sultans were paid compensation.

The Java War was not a modern anticolonial movement. Diponegoro and his followers probably did not want to restore an idealized, precolonial past. Nor did they envision an independent, modern nation. Rather they sought a Javanese heartland free of Dutch rule. Because of his anti-Dutch role, Diponegoro is one of modern Indonesia's national heroes.

The Java War gave considerable impetus to a conservative trend in Dutch colonial policy. Rather than reforming their regime in the spirit of Daendels and Raffles, the Dutch continued the old VOC system of indirect rule. As it evolved during the nineteenth century, the Dutch regime consisted of a hierarchy in which the top levels were occupied by European civil servants and a native administration occupied the lower levels. The latter was drawn from the *priyayi* class, an aristocracy defined both by descent from ancient Javanese royal families and by the vocation of government service. The centerpiece of the system was the *bupati,* or regents. Java was divided into a number of residencies, each headed by a Dutch chief administrator; each of these was further subdivided into a number of regencies that were formally headed by a Javanese

regent assisted by a Dutch official. The regency was subdivided into districts and subdistricts and included several hundred villages. The states of Surakarta and Yogyakarta remained outside this system. However, both they and the local regents lost any remnant of political independence they had enjoyed before the Java War. The sultanates played an important cultural role as preservers of Java's traditional courtly arts, but had little or no impact on politics.

Starting in 1830, a set of policies known as the Cultivation System (*cultuurstelsel* in Dutch) was implemented as a means of covering the high cost of colonial administration in Java and bolstering the Netherlands' weak financial condition following the Napoleonic Wars and a civil war with Belgium, with which the Dutch had united in 1815. Governor General Johannes van den Bosch (served 1830–34), the system's proposer, argued that the Cultivation System would benefit both colonizer and colonized. In fact, it brought the Netherlands handsome profits, increased the conspicuous consumption of the indigenous elite, enriched European officials and Chinese middlemen, but was a terrible burden for Javanese villagers.

The Cultivation System in theory required that participating villages grow export crops to raise funds sufficient to meet their land-tax commitment, which was based on rice production. Export crops—the most profitable being coffee, sugar, indigo, tea, cinnamon, pepper, tobacco, cotton, silk, and cochineal—were sold to the government at fixed prices. A balance was supposed to be established between rice production and export crops, and both the village and the colonial economy—and the Netherlands—would enjoy the benefits.

In practice, however, as some historians have pointed out, there was not a "system." Wide local and regional variations in applying van den Bosch's theory occurred, and, instead, colonial exploitation took place. The growth of export crops became compulsory. The crops themselves were shipped to the Netherlands by the Netherlands Trading Company (NHM), which held a monopoly over Cultivation System trade until 1872, and Amsterdam regained its seventeenth-century status as the primary European market for tropical products. Profits from the system constituted between 19 and 32 percent of the Netherlands' state revenues between the 1830s and 1860. These profits erased the colonial government's deficits, retired old VOC debts, financed the building of the Netherlands state railroad, funded the compensation of slaveholders after the abolition of slavery in the colony of Suriname, and paid for Dutch expansion into Sumatra and the eastern archipelago. The success attributed to the Cultivation System inspired

a Briton, aptly named James William Bayley Money, to publish a book entitled *Java, or, How to Manage a Colony* in 1861.

A year earlier, however, a former Dutch colonial official, Eduard Douwes Dekker, using the pen name Multatuli, had written another book, *Max Havelaar: or The Coffee Auctions of the Dutch Trading Company,* that exposed the oppression of Javanese peasants by corrupt and greedy officials, both Dutch and Javanese. *Max Havelaar* eventually had an impact on liberal opinion in the Netherlands and, through translations, in other countries similar to that of Harriet Beecher Stowe's *Uncle Tom's Cabin* in the United States. Some twentieth-century historians, such as Bernard Hubertus Maria Vlekke, claimed that the Cultivation System benefited rural Javanese, pointing to the rapid increase of the population from 7 to 16.2 million between 1830 and 1870. But most evidence supports Douwes Dekker's images of harsh exploitation. Even if the compulsory growing of export crops—particularly coffee, which remained the most profitable—did not divert much land from the cultivation of rice, the labor requirements were so great that farmers had little time or energy to devote to staple crops. Moreover, as the prices paid by the government for export crops increased, the Dutch used the increase as justification to raise the land tax assessment. More effort and organization had to be applied to export-crop production to offset the land-tax increases. By the 1840s, rice shortages appeared and famines and epidemics occurred, resulting in dislocation of some segments of the rural population who sought more profitable land. Nevertheless, profits increased but so too had the cost of maintaining the colonial military establishment, and that, in turn, applied pressure for more export-crop development. The colonial government did little to curb corruption and abuses, which made what was in fact a highly organized system of forced labor even more unendurable.

During the early 1860s, a liberal Dutch government began dismantling the Cultivation System, abolishing government monopolies over spices, indigo, tea, tobacco, and cochineal (the spice monopoly had been in effect since the early seventeenth century). In 1870 the Sugar Law provided for government withdrawal from sugar cultivation over twelve years, beginning in 1878. The Agrarian Law, also passed in 1870, enabled foreigners to lease land from the government for as long as seventy-five years, opening Java up to foreign private enterprise. These developments marked the gradual replacement of the Cultivation System and the beginning of an era of relatively free trade, although compulsory cultivation of coffee continued until 1917.

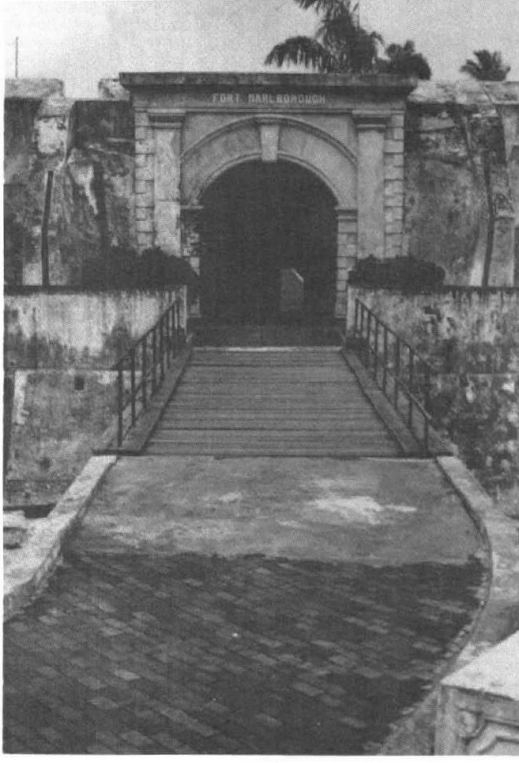
Dutch Expansion in Sumatra and the Eastern Archipelago

Both the British occupation of the archipelago during the Napoleonic Wars and the Java War seriously weakened Dutch authority outside of Java. Pirates flourished in the power vacuum, making Indonesian waters among the most dangerous in the world. In the 1840s, the British established a presence in northern Kalimantan (North Borneo), where James Brooke made himself the first "White Rajah" of Sarawak. Alarmed by such developments, the Dutch initiated policies of colonial expansion in the Outer Islands (see Glossary), which brought all the land area of modern Indonesia, with the exception of Portuguese Timor, under their control.

Dutch expansion began first in neighboring Sumatra. By 1823 the eastern part of the island, including Palembang, was under Dutch control. The Padri War (1821–38) pacified the Minangkabau region. The *padri* were religious teachers committed to the reform and propagation of Islam and were dominant in the region after the assassination of the Minangkabau royal family in 1815. Conflicts arose between them and secular *adat* leaders, and the latter called for Dutch intervention. Between the 1870s and the end of the century, colonial troops also defeated the fierce Batak ethnic group living north of the Minangkabau, and the colonial government encouraged the populace to convert to Christianity.

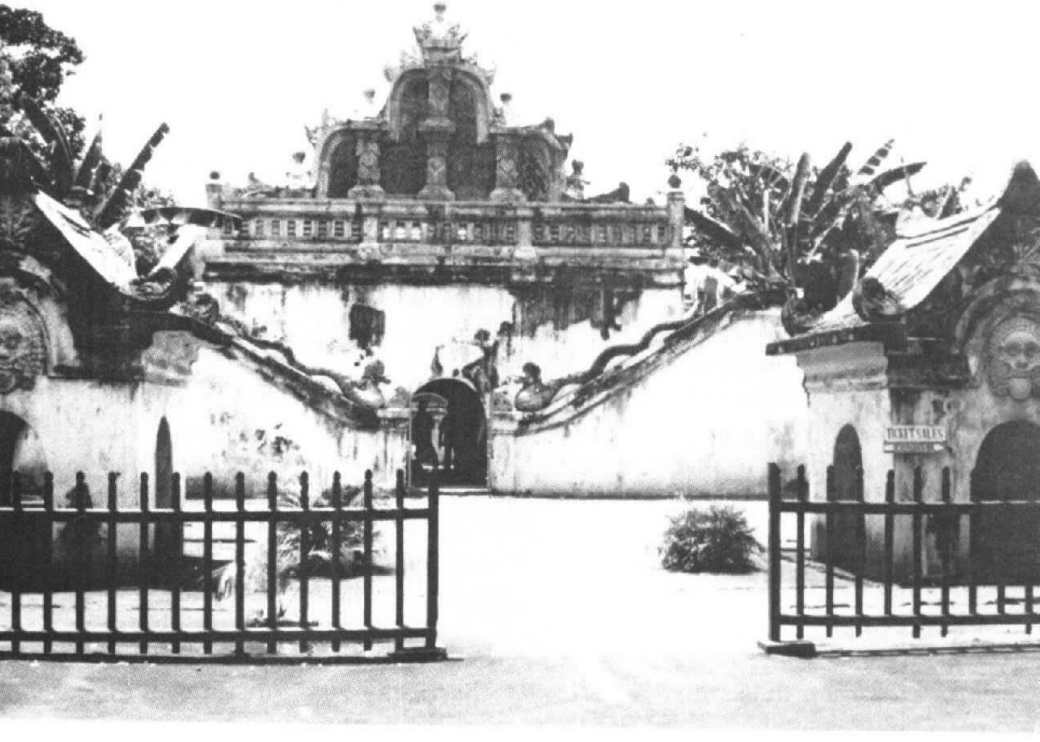
The 1824 Treaty of London defined a British sphere of influence on the Malay Peninsula and a Dutch sphere on Sumatra, although its provisions placed no restrictions on British trade on the island. Sumatran trade became an issue of contention, however, because the British resented what they saw as Dutch attempts to curtail their commercial activities. One provision of the Treaty of London was the independence of the north Sumatran state of Aceh. But Aceh controlled a large portion of the pepper trade and alarmed the Dutch by actively seeking relations with other Western countries. A new Anglo-Dutch treaty, signed in 1871, gave the Dutch a free hand in Sumatra concerning Aceh. Two years later, talks between the United States consul in Singapore and Acehnese representatives gave Batavia the pretext for opening hostilities. Dutch gunboats bombarded the sultanate's capital, Banda Aceh, and troops were landed. The capital fell under Dutch occupation the following year, but Acehnese forces undertook guerrilla resistance. The Aceh War (1873–1903) was one of the longest and bloodiest in Dutch-Indonesian history.

During the nineteenth century, militant or reformist Islam posed a major challenge to Dutch rule, especially in Sumatra. The *padri* of Minangkabau, for example, were returned pilgrims from Mecca



Fort Marlborough, a remnant of the British occupation of Sumatra, in present-day Bengkulu
Courtesy Indonesian Department of Information

Part of the palace of the Sultan of Yogyakarta
Courtesy Indonesian Department of Information



who were inspired by Wahhabism—a Western term given to the strict form of Islam practiced in Arabia—that stressed the unitary nature of God. The *padri* were determined to purge their society of non-Islamic elements, such as the traditional system of matrilineal inheritance and consumption of alcohol and opium. The Acehnese, the most rigorously fundamentalist of Indonesian Muslims, also had close contacts with Mecca.

The principal architect of colonial Islamic policy was Christiaan Snouck Hurgronje, a scholar of Arabic who had gone to Mecca to study Indonesian pilgrims and served as adviser to the Netherlands Indies government from 1891 to 1904. His policy was one of cooptation rather than opposition: instead of promoting the spread of Christianity, he suggested, the government should maintain supportive relations with established Islamic authorities such as the *qadi* or judges of the royal courts. "Established" Islam was no threat, according to Snouck Hurgronje, but "fanatic" Muslim teachers who maintained independent Islamic schools were. He also advised that the government coopt local non-Islamic chiefs, whose source of authority was based on *adat* or local law and custom. This practice was, in fact, Dutch policy in Aceh after the war. Local Acehnese chiefs, the *uleebalang,* were given much the same role as the *priyayi* on Java.

Farther east, the Dutch imposed *rust en orde,* the colonial system, on Madura, where local rulers were assimilated into the regency system in 1887; on Kalimantan, where in 1860 the sultanate of Banjarmasin had been dethroned and replaced by direct colonial rule; in Sulawesi, where wars between the Dutch and the Makassarese and Buginese states of Gowa and Bone continued until 1905–06 and where the headhunting Toraja people were also subjugated; and in the remote western half of New Guinea, which was brought under full control only after World War I. The Dutch had first built a fort at Lobo in West New Guinea in 1828, but abandoned it eight years later.

The Balinese stubbornly resisted Dutch attempts to subjugate them throughout the nineteenth century. This mountainous, volcanic island of great natural beauty, with its own Hindu-animist culture, art, and ways of life, was divided into a number of small kingdoms whose rulers saw no more reason to submit to Batavia than they had to Islamic states during the previous four centuries. Although the northern part of the island came under Dutch control by 1882 and was joined with the neighboring island of Lombok as a single residency, the southern and eastern rulers refused to accept full Dutch sovereignty. Between 1904 and 1908, military expeditions were sent to suppress them. Some of the kings and

their royal families, including women and children, realizing that the independence and self-sufficiency of their ancient world were crumbling, committed suicide by marching in front of Dutch gunners during the height of battle.

Colonial Economy and Society, 1870–1940

The dismantling of the Cultivation System on Java, Dutch subjugation of Sumatra and the eastern archipelago, and the opening of the Suez Canal in 1869 stimulated the rapid development of a cash-crop, export economy. Another factor was technological change, especially the rise of the automotive industry, which created unforeseen markets for tropical products in Europe and North America. Although palm oil, sugar, cinchona (the source of quinine, used in treating malaria), cocoa, tea, coffee, and tobacco were major revenue earners, they were eclipsed during the early twentieth century by rubber and, especially, petroleum. Sumatra and the eastern archipelago surpassed Java as a source of tropical exports, although sugarcane remained important in East Java.

Rubber plantations were established on a large scale in the early twentieth century, particularly around Medan, Palembang, and Jambi on Sumatra, with British, American, French, and other foreign investment playing a major role. A high-yield variety of rubber tree, discovered in Brazil and proven very profitable in Malaya, was utilized. It was during this period that the emergence of smallholder rubber cultivation, which was to play a major role in the Indonesian economy, took place.

Tin had long been a major mineral product of the archipelago, especially on the islands of Bangka and Billiton, off the southeast coast of Sumatra. But petroleum was, and remained, Indonesia's most important mineral resource (see Petroleum, Liquefied Natural Gas, and Coal, ch. 3). Oil, extracted from Sumatra after 1884, was first used to light lamps. In 1890, the Royal Dutch Company for Exploration of Petroleum Sources in the Netherlands Indies (Koninklijke Nederlandsche Maatschappij tot Exploitatie van Petroleum-bronnen in Nederlandsche-Indië) was established, and in 1907 it merged with Shell Transport and Trading Company, a British concern, to become Royal Dutch Shell, which controlled around 85 percent of oil production in the islands before World War II. Oil was pumped from wells in Sumatra, Java, and eastern Kalimantan.

Rapid economic development during the late nineteenth and early twentieth centuries profoundly changed the lives of both European residents and indigenous peoples. By 1930 Batavia had a population of more than 500,000 people. Surabaya had nearly

300,000 people and other large cities—Semarang, Bandung, Yogyakarta, and Surakarta—had populations between 100,000 and 300,000.

Always conscious of its ethnic and cultural diversity, Indonesian society grew more so as the number of Dutch and other Western residents—especially white women—increased and chose to live European-style lives in special urban areas with wide streets or on plantations. There also were increasing numbers of Indonesians who lived in these Western-style urban areas. Nevertheless, the European *trekkers,* as they were known in Dutch, were often not much different from their British counterparts, who were described by George Orwell in *Burmese Days* longing for the home country and looking on the native world around them with suspicion and hostility. An early twentieth century work described Batavia's European quarter as "well planned, it is kept scrupulously clean, and while the natives in their bright colored clothes, quietly making their way hither and thither, give the required picturesque touch to the life in the streets, the absence of the crowded native dwelling houses prevents the occurrence of those objectionable features which so often destroy the charm of the towns in the Orient."

The *trekkers* contrasted with an earlier generation of Dutch colonists, the *blijvers* (sojourners), who lived most or all of their lives in the islands and adopted a special Indisch (Indies) style of life that blended Indonesian and European elements. The *rijsttafel* (rice table), a meal of rice with spicy side dishes, is one of the best-known aspects of this mixed Indonesian-European culture. Eurasians, usually the children of European fathers and Indonesian mothers, were legally classified as European under Netherlands Indies law and played an important role in colonial society; but as *trekkers* outnumbered *blijvers,* the Eurasians found themselves increasingly discriminated against and marginalized. It is significant that a strand of Indonesian nationalism first emerged among Eurasians who argued that "the Indies [were] for those who make their home there."

The Chinese minority in Indonesia had long played a major economic role in the archipelago as merchants, artisans, and indispensable middlemen in the collection of crops and taxes from native populations. They encountered considerable hostility from both Indonesians and Europeans, largely because of the economic threat they seemed to pose. In 1740, for example, as many as 10,000 Chinese were massacred in Batavia, apparently with the complicity of the Dutch governor general. In the late nineteenth century, emigration from China's southern provinces to Indonesia increased apace with economic development. Between 1870 and 1930, the Chinese population expanded from around 250,000 to 1,250,000,

the latter being about 2 percent of the archipelago's total population. Chinese were divided into *totok,* first-generation, full-blooded emigrants, and *peranakan,* native-born Chinese with some Indonesian ancestry, who, like *blijvers* and Eurasians, had a distinct Indies life-style. Overseas Chinese lived for the most part in segregated communities (see Ethnic Minorities, ch. 2). During the early twentieth century, the identity of overseas Chinese was deeply influenced by revolutionary developments in their homeland.

The Growth of National Consciousness

National consciousness emerged gradually in the archipelago during the first decades of the twentieth century, developed rapidly during the contentious 1930s, and flourished, both ideologically and institutionally, during the tumultuous Japanese occupation in the early 1940s, which shattered Dutch colonial authority. As in other parts of colonial Southeast Asia, nationalism was preceded by traditional-style rural resistance. The Java War, joining discontented elites and peasants, was a precursor. Around 1900 the followers of Surantika Samin, a rural messiah who espoused his own religion, the Science of the Prophet Adam, organized passive resistance on Java that included refusal to pay taxes or perform labor service. Militant Islam was another focus of traditional resistance, especially in Sumatra.

Indonesian nationalism reflected trends in other parts of Asia and Europe. Pilgrims and students returning from the Middle East brought modernist Islamic ideas that attempted to adapt the faith to changing times. Other influences included the founding of the Indian National Congress in 1885; the Philippine struggle for independence against both Spain and the United States in 1898–1902; Japan's victory over tsarist Russia in the Russo-Japanese War (1904–05), a major challenge to the myth of white European supremacy; and the success of Kemal Ataturk in creating a modern, secularized Turkey after World War I on the ruins of the Ottoman Empire. The Russian Revolution of 1917 also had a profound impact, reflected in the growth of a strong communist movement by the late 1920s. National consciousness was not homogeneous but reflected the diversity of Indonesian society. Dutch repression and the shock of war from 1942 to 1945, however, forged diverse groups into something resembling a unified whole.

The Ethical Policy

The priorities of both the VOC and the Netherlands Indies state after 1816 were overwhelmingly commercial. Not even in British India was the ledger book such a weighty consideration. But opinion

in the Netherlands was changing. In 1899 a liberal lawyer named Conrad Théodoor van Deventer published a polemical essay, "A Debt of Honor," in the Dutch journal *De Gids*. Van Deventer, who had long experience in the Indies, argued that the Netherlands had a moral responsibility to return to the colony all the profits that had been made from the sale of cash crops following the Dutch Staten-Generaal's assumption of fiscal responsibility for the islands in 1867. He estimated that this amount totaled almost 200 million guilders, which should be invested in welfare and educational facilities. When a liberal government was elected in the Netherlands in 1901, these ideas became the basis for what was known as the Ethical Policy. Its scope included expansion of educational opportunities for the population as a whole, improvements in agriculture, especially irrigation, and the settlement of villagers from overpopulated Java onto some of the Outer Islands.

Filled with good intentions, the proponents of the Ethical Policy, like Daendels and Raffles before them, generally ignored the "feudal" political traditions that had bound together Dutch officials and Indonesian subordinates since the early days of the VOC. The rationalization and bureaucratization of the colonial government that occurred in the wake of new welfare policies alienated many members of the *priyayi* elite without necessarily improving the lot of the common people. Whereas Sumatra and the eastern archipelago were thinly inhabited, Java at the beginning of the twentieth century had serious population and health problems. In 1902 the government began a resettlement program to relieve population pressures by encouraging settlement on other islands; the program was the beginning of the Transmigration Program (*transmigrasi*—see Glossary) that the Republic of Indonesia would pursue more aggressively after 1950.

One Ethical Policy goal was improvement of education. In contrast to British (or pre-British) Burma and the Philippines under both the Spanish and Americans, the islands were poorly endowed with schools, and literacy rates were low. In 1900 there were only 1,500 elementary schools in the entire archipelago for a population of more than 36 million. In Christian areas such as Ambon, some Batak communities in Sumatra, and Manado in Sulawesi, conditions were better than average because missionaries had established their own schools. In Sumatra there were a large number of village-level Islamic schools. But public education was virtually non-existent until the government established a system of village schools in 1906. By 1913 these schools numbered 3,500 and by 1940, 18,000. Many local people, however, resented having to pay teacher salaries and other school expenses.

Even members of the Javanese elite, the *priyayi,* had limited educational opportunities at the beginning of the century. A school for the training of indigenous medical assistants had been established at Batavia as early as 1851, and there were three "chiefs' schools" for the education of the higher *priyayi* after 1880. A handful of the elite, some 1,545 in 1900, studied alongside Dutch students in modern schools. But government policy maintained an essentially segregated system on all school levels. Dutch-Language Native Schools (Hollandsche Inlandsche Scholen), with 20,000 students in 1915 and 45,000 on the eve of World War II, have been described by the historian John R.W. Smail as "perhaps the most important single institution in twentieth century Indies history." Through the medium of Dutch, graduates were introduced to the modern world; being "natives," however, their subsequent careers were limited by racial bars, an injustice that stoked future nationalism.

In 1900 the old medical school became the School for Training Native Doctors, whose students also played a major role in emergent nationalism. A technical college was established at Bandung in 1920, and four years later a law faculty was set up at Batavia. A very small but highly influential group of graduates matriculated at universities in the Netherlands, especially the University of Leiden and the economics faculty at Rotterdam.

Raden Ajeng Kartini (1879–1905), daughter of the regent of Jepara on Java, was one of the first women to receive a Dutch-language education. In letters written to Dutch friends, published in 1911 as *Door duisternis tot licht: gedachten over en voor het Javanese volk* (From Darkness to Light: Thoughts About and on Behalf of the Javanese People) and later translated into English as *Letters of a Javanese Princess,* Kartini called for the modern education of Indonesian women and their emancipation from the oppressive weight of tradition. These letters were published for the purpose of gaining friends for the Ethical Policy, which was losing popularity. As a result, a number of Kartini schools for girls were established on Java in 1913 from private contributions.

The Ethical Policy was at best modestly reformist and tinged with an often condescending paternalism. Few Dutch liberals imagined that the islands would ever be independent. Most assumed a permanent, and subordinate, relationship with the Netherlands which was in striking contrast to American "Philippines for the Filipinos" policies after 1900. Thus the Indies' political evolution was extremely tardy. The Decentralization Law of 1903 created residency councils with advisory capacities, which were composed of Europeans, Indonesians, and Chinese; in 1925 such councils were also established on the regency level. In 1918 the People's

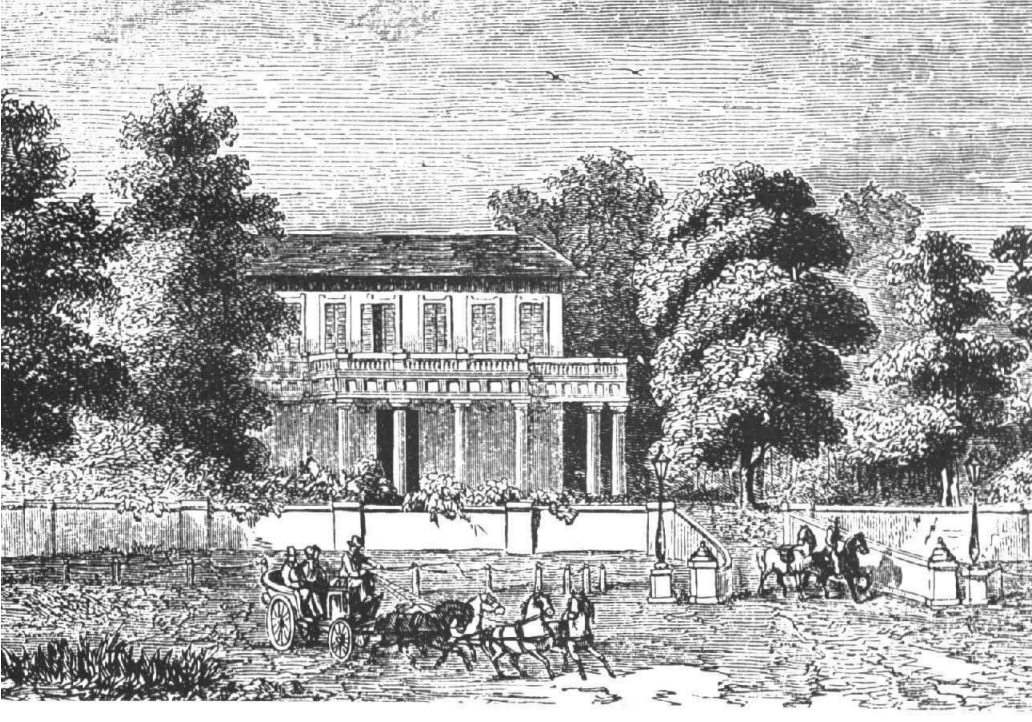
Council (Volksraad), a largely advisory body to the governor general consisting of elected and appointed European and Indonesian members, met for the first time. Although it approved the colonial budget and could propose legislation, the People's Council lacked effective political power and remained a stronghold of the colonial establishment.

Early Political Movements

Centuries of Dutch cooptation made the highest ranking *priyayi* on Java and their counterparts on other islands politically conservative. But lower ranking members of the elite—petty officials, impoverished aristocrats, school teachers, native doctors, and others—were less content with the status quo. In 1908 students of the School for Training Native Doctors in Batavia established an association, Budi Utomo (Noble Endeavor), which is considered by many historians to be the first modern political organization in Indonesia. Java-centered and confined largely to students and the lower *priyayi,* Budi Utomo had little influence on other classes or non-Javanese. Because of its limited appeal and the suspicion of many members of the high-ranking *priyayi,* the organization did not thrive. Similar elite-oriented groups, however, were established during the 1910s both inside and outside Java.

Significantly, Budi Utomo adopted Malay rather than Javanese as its official language. Malay, the lingua franca of the archipelago, became a symbol of its unity and the basis for the national language of independent Indonesia, Bahasa Indonesia (see Glossary). Unlike Javanese, which was laden with honorific language emphasizing status differences, Malay was linguistically democratic as well as free of Java-centeredness, although Bahasa Indonesia itself does not abandon status-conscious forms altogether (see The Emerging National Culture, ch. 2).

A more assertive political movement than Budi Utomo appeared with the establishment in 1910 of the Indies Party (Indische Partij) by E.F.E. Douwes Dekker (known after 1946 as Danudirja Setyabuddhi), a Eurasian and descendant of the author of *Max Havelaar.* A veteran of the Boer War (1899–1902) fighting on the Afrikaaner side and a journalist, Douwes Dekker criticized the Ethical Policy as excessively conservative and advocated self-government for the islands and a kind of "Indies nationalism" that encompassed all the islands' permanent residents but not the racially exclusive *trekkers.* In July 1913, close associates of Douwes Dekker, including physicians Tjipto Mangunkusumo and R.M. Suwardi Surjaningrat (known also as Ki Hadjar Dewantara, later founder of the Taman Siswa or Garden of Pupils school movement), established



Home of the Dutch Resident, Surabaya, Jawa Timur, 1854
Courtesy Prints and Photographs Division, Library of Congress

the Native Committee in Bandung. The committee planned to petition the Dutch crown for an Indies parliament. In 1913 it also published a pamphlet written by Suwardi, "If I were to be a Dutchman," that gained almost instant notoriety. Regarded as subversive by the colonial government and impudent by Dutchmen in general, the pamphlet, which was translated into Malay, led to the exile to the Netherlands of Douwes Dekker and his two Javanese associates. In exile, they worked with liberal Dutchmen and compatriot students. It is believed that the term *Indonesia* was first used in the name of an organization, the Indonesian Alliance of Students, with which they were associated during the early 1920s.

The responses of Islamic communities to the new political environment reflected their diversity. Hard-pressed by ethnic Chinese competition, especially in the batik trade, Muslim merchants formed the Islamic Traders' Association in 1909. In 1912 this group became Sarekat Islam (Islamic Union) under the leadership of a former government official, Haji Umar Said Cokroaminoto. Sarekat Islam became the first association to gain wide membership among the common people. By early 1914, its membership numbered 360,000. Committed in part to promoting Islamic teaching and community economic prosperity (anti-Chinese sentiment was a major appeal), the organization also drew on traditional Javanese

beliefs about the return of the "Just King," and Cokroaminoto went so far as to cast himself in the role of a charismatic, if not divine, figure. Cokroaminoto's advocacy of Indies self-government caused the Dutch some anxiety. By 1916 Sarekat Islam had some eighty branches both on Java and in the Outer Islands.

The modernist or reformist trend in Islam was represented by Muhammadiyah (Followers of Muhammad), a group established in Yogyakarta in 1912. It was particularly strong among the Sumatran Minangkabau, and a number of modernist schools were established there. Its importance is reflected in the fact that Minangkabau, such as Mohammad Hatta, were surpassed in numbers only by Javanese among the leadership of the Indonesian revolution. In 1926 the Nahdatul Ulama (Revival of the Religious Scholars and sometimes known as the Muslim Scholars' League) was organized as a conservative counterweight to the growing influence of Cokroaminoto's syncretism and modernist ideas among believers.

In May 1914, Hendricus Sneevliet (alias Maring) established the Indies Social-Democratic Association (ISDV), which became the Communist Association of the Indies (Perserikatan Komunisi di Hindia) in May 1920 and the Indonesian Communist Party (PKI) in 1924. Backed by the Communist International (Comintern) in Moscow, the PKI became active among trade unionists and rural villagers. In 1926 and 1927, despite advice by Tan Malaka, a Comintern agent from Sumatra, to the contrary, local leaders instigated rural insurrections in western Java and Sumatra. The government moved decisively to crush the insurrections and imprison communist leaders. Some, like Tan Malaka, fled into exile. But 1,300 communists were exiled to the grim Boven Digul penal colony in West New Guinea. The PKI all but disappeared, not to be an important actor on the political stage until after independence.

Sukarno and the Nationalist Movement

The late 1920s witnessed the rise of Sukarno to a position of prominence among political leaders. He became the country's first truly national figure and served as president from independence until his forced retirement from political life in 1966. The son of a lower *priyayi* schoolteacher and a Balinese mother, Sukarno associated with leaders of the Indies Party and Sarekat Islam in his youth and was especially close to Cokroaminoto until his divorce from Cokroaminoto's daughter in 1922. A graduate of the technical college at Bandung in July 1927, he, along with members of the General Study Club (Algemene Studieclub), established the

Indonesian Nationalist Union (PNI) the following year. Known after May 1928 as the Indonesian Nationalist Party (PNI), the party stressed mass organization, noncooperation with the colonial authorities, and the ultimate goal of independence.

Unlike most earlier nationalist leaders, Sukarno had a talent for bringing together Javanese tradition (especially the lore of *wayang* theater with its depictions of the battle between good and evil), Islam, and his own version of Marxism to gain a huge mass following. An important theme was what he called "Marhaenism." Marhaen (meaning farmer in Sundanese) was the name given by Sukarno to a man he claimed to have met in 1930 while cycling through the countryside near Bandung. The mythical Marhaen was made to embody the predicament of the Indonesian masses: not proletarians in the Marxist sense, they suffered from poverty as the result of colonial exploitation and the islands' dependence on European and American markets. Beyond the goal of independence, Sukarno envisioned a future Indonesian society freed from dependence on foreign capital: a community of classless but happy Marhaens, rather than greedy (Western-style) individualists, that would reflect the idealized values of the traditional village, the notion of *gotong-royong* or mutual self-help. Marhaenism, despite its convenient vagueness, was developed enough that by 1933 nine theses on Marhaenism were developed in which the concept was synonymous with socio-nationalism and the struggle for independence. Mutual self-help in diverse contexts became a centerpiece of Sukarno's ideology after independence and was retained by his successor, Suharto, when the latter established his New Order regime in 1966. Considering himself a Muslim of modernist persuasion, like Ataturk in Turkey, Sukarno advocated the establishment of a secular rather than Islamic state. This point of view understandably diminished his appeal among Islamic conservatives in Java and elsewhere.

The Minangkabau Sutan Syahrir (1909–66) and Mohammad Hatta became Sukarno's most important political rivals. Graduates of Dutch universities, they were social democrats in outlook and more rational in their political style than Sukarno, whom they criticized for his romanticism and preoccupation with rousing the masses. In December 1931, they established a group officially called Indonesian National Education (PNI-Baru) but often taken to mean New PNI. The use of the term *education* reflected Hatta's attempt to employ a gradualist, cadre-driven education process to expand political consciousness.

By the late 1920s, the colonial government seemed to have moved a long way from the idealistic commitments of the Ethical Policy.

Attitudes hardened in the face of growing Indonesian demands for independence. Sukarno was arrested in December 1929 and put on trial for sedition in 1930. Although he made an eloquent speech in his own defense, he was found guilty and sentenced to four years in prison. His sentence was commuted after two years, but he was arrested again and exiled to the island of Flores, later being transferred to the town of Bengkulu in Sumatra. In April 1931, what remained of the PNI was dissolved. To replace the PNI, the Indonesia Party (Partindo) was soon established and, in 1932, Sukarno and thousands of others joined it. Partindo called for independence but was repressed by the Dutch and it dissolved itself in 1934. After Japanese forces occupied the Netherlands Indies in March 1942, however, Sukarno was allowed to reenter the political arena to play a central role in the struggle for independence.

World War II and the Struggle for Independence, 1942–50

The Japanese Occupation, 1942–45

Like their Portuguese and Dutch predecessors, the Japanese occupied the archipelago in order to secure its rich natural resources. Japan's invasion of North China, which had begun in July 1937, by the end of the decade had become bogged down in the face of stubborn Chinese resistance. To feed Japan's war machine, large amounts of petroleum, scrap iron, and other raw materials had to be imported from foreign sources. Most oil—about 55 percent—came from the United States, but Indonesia supplied a critical 25 percent.

From Tokyo's perspective, the increasingly critical attitude of the "ABCD powers" (America, Britain, China, and the Dutch) toward Japan's invasion of China reflected their desire to throttle its legitimate aspirations in Asia. German occupation of the Netherlands in May 1940 led to Japan's demand that the Netherlands Indies government supply it with fixed quantities of vital natural resources, especially oil. Further demands were made for some form of economic and financial integration of the Indies with Japan. Negotiations continued through mid-1941. The Indies government, realizing its extremely weak position, played for time. But in summer 1941, it followed the United States in freezing Japanese assets and imposing an embargo on oil and other exports. Because Japan could not continue its China war without these resources, the military-dominated government in Tokyo gave assent to an "advance south" policy. French Indochina was already effectively

under Japanese control. A nonaggression pact with the Soviet Union in April 1941 freed Japan to wage war against the United States and the European colonial powers.

The Japanese experienced spectacular early victories in the Southeast Asian war. Singapore, Britain's fortress in the east, fell on February 15, 1941, despite British numerical superiority and the strength of its seaward defenses. The Battle of the Java Sea resulted in the Japanese defeat of a combined British, Dutch, Australian, and United States fleet. On March 9, 1942, the Netherlands Indies government surrendered without offering resistance on land.

Although their motives were largely acquisitive, the Japanese justified their occupation in terms of Japan's role as, in the words of a 1942 slogan, "The leader of Asia, the protector of Asia, the light of Asia." Tokyo's Greater East Asia Co-Prosperity Sphere, encompassing both Northeast and Southeast Asia, with Japan as the focal point, was to be a nonexploitative economic and cultural community of Asians. Given Indonesian resentment of Dutch rule, this approach was appealing and harmonized remarkably well with local legends that a two-century-long non-Javanese rule would be followed by an era of peace and prosperity.

The Japanese divided the Indies into three jurisdictions: Java and Madura were placed under the control of the Sixteenth Army; Sumatra, for a time, was joined with Malaya under the Twenty-fifth Army; and the eastern archipelago was placed under naval command. In Sumatra and the east, the overriding concern of the occupiers was maintenance of law and order and extraction of needed resources. Java's economic value with respect to the war effort lay in its huge labor force and relatively developed infrastructure. The Sixteenth Army was tolerant, within limits, of political activities carried out by nationalists and Muslims. This tolerance grew as the momentum of Japanese expansion was halted in mid-1942 and the Allies began counteroffensives. In the closing months of the war, Japanese commanders promoted the independence movement as a means of frustrating an Allied reoccupation.

The occupation was not gentle. Japanese troops often acted harshly against local populations. The Japanese military police were especially feared. Food and other vital necessities were confiscated by the occupiers, causing widespread misery and starvation by the end of the war. The worst abuse, however, was the forced mobilization of some 4 million—although some estimates are as high as 10 million—*rōmusha* (manual laborers), most of whom were put to work on economic development and defense construction projects in Java. About 270,000 *rōmusha* were sent to the Outer Islands and

Japanese-held territories in Southeast Asia, where they joined other Asians in performing wartime construction projects. At the end of the war, only 52,000 were repatriated to Java.

The Japanese occupation was a watershed in Indonesian history. It shattered the myth of Dutch superiority, as Batavia gave up its empire without a fight. There was little resistance as Japanese forces fanned out through the islands to occupy former centers of Dutch power. The relatively tolerant policies of the Sixteenth Army on Java also confirmed the island's leading role in Indonesian national life after 1945: Java was far more developed politically and militarily than the other islands. In addition, there were profound cultural implications from the Japanese invasion of Java. In administration, business, and cultural life, the Dutch language was discarded in favor of Malay and Japanese. Committees were organized to standardize Bahasa Indonesia and make it a truly national language. Modern Indonesian literature, which got its start with language unification efforts in 1928 and underwent considerable development before the war, received further impetus under Japanese auspices. Revolutionary (or traditional) Indonesian themes were employed in drama, films, and art, and hated symbols of Dutch imperial control were swept away. For example, the Japanese allowed a huge rally in Batavia (renamed Jakarta) to celebrate by tearing down a statue of Jan Pieterszoon Coen, the seventeenth-century governor general. Although the occupiers propagated the message of Japanese leadership of Asia, they did not attempt, as they did in their Korean colony, to coercively promote Japanese culture on a large scale. According to historian Anthony Reid, the occupiers believed that Indonesians, as fellow Asians, were essentially like themselves but had been corrupted by three centuries of Western colonialism. What was needed was a dose of Japanese-style *seishin* (spirit; *semangat* in Indonesian). Many members of the elite responded positively to an inculcation of samurai values.

The most significant legacy of the occupation, however, was the opportunities it gave for Javanese and other Indonesians to participate in politics, administration, and the military. Soon after the Dutch surrender, European officials, businessmen, military personnel, and others, totaling around 170,000, were interned (the harsh conditions of their confinement caused a high death rate, at least in camps for male military prisoners, which continued to embitter Dutch-Japanese relations even in the early 1990s). Although Japanese military officers occupied the highest posts, the personnel vacuum on the lower levels was filled with Indonesians. Like the Dutch, however, the Japanese relied on local indigenous elites, such as the *priyayi* on Java and the Acehnese *uleebalang,* to

A Japanese soldier watching oil tanks near Jakarta set afire by the retreating Dutch, March 1942
Courtesy Prints and Photographs Division, Library of Congress

administer the countryside. Because of the harshly exploitative Japanese policies in the closing years of the war, after the Japanese surrender collaborators in some areas were killed in a wave of local resentment.

Sukarno and Hatta agreed in 1942 to cooperate with the Japanese, as this seemed to be the best opportunity to secure independence. The occupiers were particularly impressed by Sukarno's mass following, and he became increasingly valuable to them as the need to mobilize the population for the war effort grew between 1943 and 1945. His reputation, however, was tarnished by his role in recruiting *rōmusha.*

Japanese attempts to coopt Muslims met with limited success. Muslim leaders opposed the practice of bowing toward the emperor (a divine ruler in Japanese official mythology) in Tokyo as a form of idolatry and refused to declare Japan's war against the Allies a "holy war" because both sides were nonbelievers. In October 1943, however, the Japanese organized the Consultative Council of Indonesian Muslims (Masyumi), designed to create a united front of orthodox and modernist believers. Nahdatul Ulama was given a prominent role in Masyumi, as were a large number of *kyai* (religious leaders), whom the Dutch had largely ignored. Many *kyai* were brought to Jakarta for training and indoctrination.

As the fortunes of war turned, the occupiers began organizing Indonesians into military and paramilitary units, whose numbers

were added by the Japanese to *rōmusha* statistics. These included the *heiho* (auxiliaries), paramilitary units recruited by the Japanese in mid-1943, and the Defenders of the Fatherland (Peta) in 1943. Peta was a military force designed to assist the Japanese forces by forestalling the initial Allied invasion. By the end of the war, it had 37,000 men in Java and 20,000 in Sumatra (where it was commonly known by the Japanese name Giyūgun). In December 1944, a Muslim armed force, the Army of God, or Barisan Hizbullah, was attached to Masyumi.

The National Revolution, 1945-49

Unlike Burma and the Philippines, Indonesia was not granted formal independence by the Japanese in 1943. No Indonesian representative was sent to the Greater East Asia Conference in Tokyo in November 1943. But as the war became more desperate, Japan announced in September 1944 that not only Java but also the entire archipelago would become independent. This announcement was a tremendous vindication of the seemingly collaborative policies of Sukarno and Hatta. In March 1945, the Investigating Committee for Preparatory Work for Indonesian Independence (BPUPKI) was organized, and delegates came not only from Java but also from Sumatra and the eastern archipelago to decide the constitution of the new state. The committee wanted the new nation's territory to include not only the Netherlands Indies but also Portuguese Timor and British North Borneo and the Malay Peninsula. Thus the basis for a postwar Greater Indonesia (Indonesia Raya) policy, pursued by Sukarno in the 1950s and 1960s, was established. The policy also provided for a strong presidency. Sukarno's advocacy of a unitary, secular state, however, collided with Muslim aspirations. An agreement, known as the Jakarta Charter, was reached in which the state was based on belief in one God and required Muslims to follow the sharia (in Indonesian, *syariah*—Islamic law; see Glossary). The Jakarta Charter was a compromise in which key Muslim leaders offered to give national independence precedence over their desire to shape the kind of state that was to come into being. Muslim leaders later viewed this compromise as a great sacrifice on their part for the national good, and it became a point of contention because many of them thought it had not been intended as a permanent compromise. The committee chose Sukarno, who favored a unitary state, and Hatta, who wanted a federal system, as president and vice president, respectively—an association of two very different leaders that had survived the Japanese occupation and would continue until 1956.

On June 1, 1945, Sukarno gave a speech outlining the Pancasila, the five guiding principles of the Indonesian nation. Much as he had used the concept of Marhaenism to create a common denominator for the masses in the 1930s, so he used the Pancasila concept to provide a basis for a unified, independent state. The five principles are belief in God, humanitarianism, national unity, democracy, and social justice.

On August 15, 1945, Japan surrendered. The Indonesian leadership, pressured by radical youth groups (the *pemuda*), were obliged to move quickly. With the cooperation of individual Japanese navy and army officers (others feared reprisals from the Allies or were not sympathetic to the Indonesian cause), Sukarno and Hatta formally declared the nation's independence on August 17 at the former's residence in Jakarta, raised the red and white national flag, and sang the new nation's national anthem, Indonesia Raya (Greater Indonesia). The following day, a new constitution was promulgated.

The Indonesian republic's prospects were highly uncertain. The Dutch, determined to reoccupy their colony, castigated Sukarno and Hatta as collaborators with the Japanese and the Republic of Indonesia as a creation of Japanese fascism. But the Netherlands, devastated by the Nazi occupation, lacked the resources to reassert its authority. The archipelago came under the jurisdiction of Admiral Earl Louis Mountbatten, the supreme Allied commander in Southeast Asia. Because of Indonesia's distance from the main theaters of war, Allied troops, mostly from the British Commonwealth of Nations, did not land on Java until late September. Japanese troops stationed in the islands were told to maintain law and order. Their role in the early stages of the republican revolution was ambiguous: on the one hand, sometimes they cooperated with the Allies and attempted to curb republican activities; on the other hand, some Japanese commanders, usually under duress, turned over arms to the republicans, and the armed forces established under Japanese auspices became an important part of postwar anti-Dutch resistance.

The Allies had no consistent policy concerning Indonesia's future apart from the vague hope that the republicans and Dutch could be induced to negotiate peacefully. Their immediate goal in bringing troops to the islands was to disarm and repatriate the Japanese and liberate Europeans held in internment camps. Most Indonesians, however, believed that the Allied goal was the restoration of Dutch rule. Thus, in the weeks between the August 17 declaration of independence and the first Allied landings, republican leaders hastily consolidated their political power. Because there was no time for nationwide elections, the Investigating Committee

for Preparatory Work for Indonesian Independence transformed itself into the Central Indonesian National Committee (KNIP), with 135 members. KNIP appointed governors for each of the eight provinces into which it had divided the archipelago. Republican governments on Java retained the personnel and apparatus of the wartime Java Hōkōkai, a body established during the occupation that organized mass support for Japanese policies.

The situation in local areas was extremely complex. Among the few generalizations that can be made is that local populations generally perceived the situation as a revolutionary one and overthrew or at least seriously threatened local elites who had, for the most part, collaborated with both the Japanese and the Dutch. Activist young people, the *pemuda,* played a central role in these activities. As law and order broke down, it was often difficult to distinguish revolutionary from outlaw activities. Old social cleavages—between nominal and committed Muslims, linguistic and ethnic groups, and social classes in both rural and urban areas—were accentuated. Republican leaders in local areas desperately struggled to survive Dutch onslaughts, separatist tendencies, and leftist insurgencies. Reactions to Dutch attempts to reassert their authority were largely negative, and few wanted a return to the old colonial order.

On October 28, 1945, major violence erupted in Surabaya in East Java, as occupying British troops clashed with *pemuda* and other armed groups. Following a major military disaster for the British in which their commander, A.W.S. Mallaby, and hundreds of troops were killed, the British launched a tough counterattack. The Battle of Surabaya (November 10–24) cost thousands of lives and was the bloodiest single engagement of the struggle for independence. It forced the Allies to come to terms with the republic.

In November 1945, through the efforts of Syahrir, the new republic was given a parliamentary form of government. Syahrir, who had refused to cooperate with the wartime Japanese regime and had campaigned hard against retaining occupation-era institutions, such as Peta, was appointed the first prime minister and headed three short-lived cabinets until he was ousted by his deputy, Amir Syarifuddin, in June 1947.

The Dutch, realizing their weak position during the year following the Japanese surrender, were initially disposed to negotiate with the republic for some form of commonwealth relationship between the archipelago and the Netherlands. The negotiations resulted in the British-brokered Linggajati Agreement, initialled on November 12, 1946. The agreement provided for Dutch recognition of republican rule on Java and Sumatra, and the Netherlands-Indonesian Union under the Dutch crown (consisting of the Netherlands, the

republic, and the eastern archipelago). The archipelago was to have a loose federal arrangement, the Republic of the United States of Indonesia (RUSI), comprising the republic (on Java and Sumatra), southern Kalimantan, and the "Great East" consisting of Sulawesi, Maluku, the Lesser Sunda Islands, and West New Guinea. The KNIP did not ratify the agreement until March 1947, and neither the republic nor the Dutch were happy with it. The agreement was signed on May 25, 1947.

On July 21, 1947, the Dutch, claiming violations of the Linggajati Agreement, launched what was euphemistically called a "police action" against the republic. Dutch troops drove the republicans out of Sumatra and East and West Java, confining them to the Yogyakarta region of Central Java. The international reaction to the police action, however, was negative. The United Nations (UN) Security Council established a Good Offices Committee to sponsor further negotiations. This action led to the Renville Agreement (named for the United States Navy ship on which the negotiations were held), which was ratified by both sides on January 17, 1948. It recognized temporary Dutch control of areas taken by the police action but provided for referendums in occupied areas on their political future.

The Renville Agreement marked the low point of republican fortunes. The Dutch, moreover, were not the only threat. In western Java in 1948, an Islamic mystic named Kartosuwirjo, with the support of *kyai* and others, established a breakaway regime called the Indonesian Islamic State (Negara Islam Indonesia), better known as Darul Islam (from the Arabic, *dar-al-Islam,* house or country of Islam), a political movement committed to the establishment of a Muslim theocracy. Kartosuwirjo and his followers stirred the cauldron of local unrest in West Java until he was captured and executed in 1962.

More formidable were the revitalized PKI led by Musso, a leader of the party from the insurgency of the 1920s, and Trotskyite forces led by Tan Malaka. The leftists bridled at what they saw as the republic's unforgivable compromise of national independence. Local clashes between republican armed forces and the PKI broke out in September 1948 in Surakarta. The communists then retreated to Madiun in East Java and called on the masses to overthrow the government. The Madiun Affair was crushed by loyal military forces; Musso was killed, and Tan Malaka was captured and executed by republic troops in February 1949. An important international implication of the Madiun insurrection was that the United States now saw the republicans as anticommunist—rather than "red" as the Dutch claimed—and began to pressure the Netherlands to

accommodate independence demands. Even though the republican government had demonstrated it could crush the PKI at will and many PKI members had abandoned the party, the PKI painfully rebuilt itself and became a political force to be reckoned with in the 1950s.

Immediately following the Madiun Affair, the Dutch launched a second "police action" that captured Yogyakarta on December 19, 1948. Sukarno, Hatta, who was there serving both as vice president and prime minister, and other republican leaders were arrested and exiled to northern Sumatra or the island of Bangka. An emergency republican government was established in western Sumatra. But The Hague's hard-fisted policies aroused a strong international reaction not only among newly independent Asian countries, such as India, but also among members of the UN Security Council, including the United States. In January 1949, the Security Council passed a resolution demanding the reinstatement of the republican government. The Dutch were also pressured to accept a full transfer of authority in the archipelago to Indonesians by July 1, 1950. The Round Table Conference was held in The Hague from August 23 to November 2, 1949 to determine the means by which the transfer could be accomplished. Parties to the negotiations were the republic, the Dutch, and the federal states that the Dutch had set up following their police actions.

The result of the conference was an agreement that the Netherlands would recognize the RUSI as an independent state, that all Dutch military forces would be withdrawn, and that elections would be held for a Constituent Assembly. Two particularly difficult questions slowed down the negotiations: the status of West New Guinea, which remained under Dutch control, and the size of debts owed by Indonesia to the Netherlands, an amount of 4.3 billion guilders being agreed upon. Sovereignty was formally transferred on December 27, 1949.

The RUSI, an unwieldy federal creation, was made up of sixteen entities: the Republic of Indonesia, consisting of territories in Java and Sumatra with a total population of 31 million, and the fifteen states established by the Dutch, one of which, Riau, had a population of only 100,000. The RUSI constitution gave these territories outside the republic representation in the RUSI legislature that was far in excess of their populations. In this manner, the Dutch hoped to curb the influence of the densely populated republican territories and maintain a postindependence relationship that would be amenable to Dutch interests. But a constitutional provision giving the cabinet the power to enact emergency laws with the approval of the lower house of the legislature opened

the way to the dissolution of the federal structure. By May 1950, all the federal states had been absorbed into a unitary Republic of Indonesia, and Jakarta was designated the capital.

Independence: The First Phases, 1950–65

The national consolidation process had been accelerated in January 1950 by an abortive coup d'état in West Java led by Raymond Paul Pierre "The Turk" Westerling, a Dutch commando and counterinsurgency expert who, as a commander in the Royal Netherlands Indies Army (KNIL), had used terroristic, guerrilla-style pacification methods against local populations during the National Revolution. Jakarta extended its control over the West Java state of Pasundan in February. Other states, under strong pressure from Jakarta, relinquished their federal status during the following months. But in April 1950, the Republic of South Maluku (RMS) was proclaimed at Ambon. With its large Christian population and long history of collaboration with Dutch rule (Ambonese soldiers had formed an indispensable part of the colonial military), the region was one of the few with substantial pro-Dutch sentiment. The Republic of South Maluku was suppressed by November 1950, and the following year some 12,000 Ambonese soldiers accompanied by their families went to the Netherlands, where they established a Republic of South Maluku government-in-exile.

Although Indonesia was finally independent and (with the exceptions of Dutch-ruled West New Guinea and Portuguese-ruled East Timor) formally unified, the society remained deeply divided by ethnic, regional, class, and religious differences. Its unitary political system, as defined by a provisional constitution adopted by the legislature on August 14, 1950, was a parliamentary democracy: governments were responsible to a unicameral House of Representatives elected directly by the people. Sukarno became president under the new system. His powers, however, were drastically reduced compared with those prescribed in the 1945 constitution. Elections were postponed for five years. They were postponed primarily because a substantial number of Dutch-appointed legislators from the RUSI system remained in the House of Representatives, a compromise made with the Dutch-created federal states to induce them to join a unitary political system. The legislators knew a general election would most likely turn them out of office and tried to postpone one for as long as possible.

There was little in the diverse cultures of Indonesia or their historical experience to prepare Indonesians for democracy. The Dutch had done practically nothing to prepare the colony for self-government. The Japanese had espoused an authoritarian state, based

on collectivist and ethnic nationalist ideas, and these ideas found a ready reception in leaders like Sukarno. Sukarno also was an advocate of adopting Bahasa Indonesia as the national language. Outside of a small number of urban areas, the people still lived in a cultural milieu that stressed status hierarchies and obedience to authority, a pattern that was most widespread in Java but not limited to it. Powerful Islamic and leftist currents were also far from democratic. Conditions were exacerbated by economic disruption, the wartime and postwar devastation of vital industries, unabated population growth, and resultant food shortages. By the mid-1950s, the country's prospects for democratization were indeed grim.

Given its central role in the National Revolution, the military became deeply involved in politics. This emphasis was, after all, in line with what was later enunciated as its *dwifungsi,* or dual function, role of national defense and national development (see The Armed Forces in National Life, ch. 5). The military was not, however, a unified force, reflecting instead the fractures of the society as a whole and its own historical experiences. In the early 1950s, the highest-ranking military officers, the so-called "technocratic" faction, planned to demobilize many of the military's 200,000 men in order to promote better discipline and modernization. Most affected were less-educated veteran officers of Peta and other military units organized during the Japanese and revolutionary periods. The veterans sought, and gained, the support of parliamentary politicians. This support prompted senior military officers to organize demonstrations in Jakarta and to pressure Sukarno to dissolve parliament on October 17, 1952. Sukarno refused. Instead, he began encouraging war veterans to oppose their military superiors; and the army chief of staff, Sumatran Colonel Abdul Haris Nasution (born 1918), was obliged to resign in a Sukarno-induced shake-up of military commands.

Independent Indonesia's first general election took place on September 29, 1955. It involved a universal adult franchise, and almost 38 million people participated. Sukarno's PNI won a slim plurality with the largest number of votes, 22.3 percent, and fifty-seven seats in the House of Representatives. Masyumi, which operated as a political party during the parliamentary era, won 20.9 percent of the vote and fifty-seven seats; the Nahdatul Ulama, which had split off from Masyumi in 1952, won 18.4 percent of the vote and forty-five seats. The PKI made an impressive showing, obtaining 16.4 percent of the vote and thirty-nine seats, a result that apparently reflected its appeal among the poorest people; the Indonesian Socialist Party (PSI) won 2 percent of the vote and five seats. The following December, the long-awaited Constituent Assembly

was elected to draft a constitution to replace the provisional constitution of 1950. The membership was largely the same as the House of Representatives. The assembly convened in November 1956 but became deadlocked over issues such as the Pancasila as the state ideology and was dissolved in 1959.

The PNI, PKI, and Nahdatul Ulama were strongest among Javanese voters, whereas Masyumi gained its major support from voters outside Java. No single group, or stable coalition of groups, was strong enough to provide national leadership, however. The result was chronic instability, reflected in six cabinet changes between 1950 and 1957, that eroded the foundations of the parliamentary system.

In the eastern archipelago and Sumatra, military officers established their own satrapies, often reaping large profits from smuggling. Nasution, reappointed and working in cooperation with Sukarno, issued an order in 1955 transferring these officers out of their localities. The result was an attempted coup d'état launched during October–November 1956. Although the coup failed, the instigators went underground, and military officers in some parts of Sumatra seized control of civilian governments in defiance of Jakarta. In March 1957, Lieutenant Colonel H.N.V. Sumual, commander of the East Indonesia Military Region based in Ujungpandang, issued a Universal Struggle Charter (Permesta) calling for "completion of the Indonesian revolution." Moreover, the Darul Islam movement, originally based in West Java, had spread to Aceh and southern Sulawesi. The Republic of Indonesia was falling apart, testimony in the eyes of Sukarno and Nasution that the parliamentary system was unworkable.

Guided Democracy

Sukarno had long been impatient with party politics and suggested in a speech on October 28, 1956, that they be discarded. Soon after, he introduced the concept of Guided Democracy. Although the concept was new in name, its various themes had been part of the president's thinking since before the war. In the first years of independence, his freedom of action had been limited by parliamentary institutions. But on March 14, 1957, the liberal phase of Indonesian history was brought to an end with Sukarno's proclamation of martial law. In an unstable and ultimately catastrophic coalition with the army and the PKI, he sought to rescue the fragile unity of the archipelago.

The year witnessed the move of the PKI to the center of the political stage. In provincial elections held in July 1957 in Jawa Barat and Jawa Tengah provinces, the PKI won 34 percent of the vote,

ahead of the other major parties—the PNI, Nahdatul Ulama, and Masyumi—although Masyumi defeated the PKI narrowly in Jawa Timur Province. The PKI's success was attributable to superior grass-roots organization, the popular appeal of its demand for land reform, and its support for Sukarno's Guided Democracy idea. As tensions between the republic and the Netherlands over West New Guinea grew, PKI-controlled unions led a movement to nationalize Dutch-owned firms: on December 3, 1957, the Royal Packetship Company (KPM), which controlled most of the archipelago's shipping, was seized and, two days later, Royal Dutch Shell. Some 46,000 Dutch nationals were expelled from Indonesia, and Nasution ordered officers of the Armed Forces of the Republic of Indonesia (ABRI), which had been involved in economic affairs since the late 1940s, to take a role in managing nationalized firms. This action marked the beginning of the armed forces' role in the economy, a role which grew substantially in later years (see Participation in the Economy, ch. 5). Control of the oil industry was seized by ABRI, and Colonel Ibnu Sutowo, Nasution's deputy, was placed in charge of a new national oil company, Permina.

On December 1, 1956, Mohammad Hatta had resigned as vice president in protest against Sukarno's growing authoritarianism. Hatta's exit from the political scene did not improve the relations among the central government, Sumatra, and the eastern archipelago, where Hatta was very popular. On February 10, 1958, when Sukarno was out of the country, a group of Sumatran military officers, Masyumi politicians, and others sent an ultimatum to Jakarta demanding Sukarno's return to a figurehead role as president and the formation of a new government under Hatta and Yogyakarta sultan Hamengkubuwona IX. Five days later, the group proclaimed the Revolutionary Government of the Indonesian Republic (PRRI). On February 17, Permesta rebels in Sulawesi made common cause with them. Although the rebellion was not completely suppressed until 1961, decisive action by the military had neutralized it by mid-1958. There were several important consequences: the forced retirement of many officers from Sumatra and the eastern archipelago, making the officer corps proportionately more Javanese (and presumably more loyal to Sukarno); the firm implantation of central authority in the Outer Islands; and the emergence of Nasution, promoted to lieutenant general, as the most powerful military leader. But the army's victory in suppressing regional rebellion caused Sukarno dismay. To offset the military's power, Sukarno's ties with the PKI grew closer.

The PRRI revolt also soured Sukarno's relations with the United States. He accused Washington of supplying the rebels with arms

and angrily rejected a United States proposal that marines be landed in the Sumatra oil-producing region to protect American lives and property. The United States was providing clandestine aid to the rebels, and Allen Pope, an American B-25 pilot, was shot down over Ambon on May 18, 1958, creating an international incident. Deteriorating relations prompted Sukarno to develop closer relations with the Soviet Union and, especially, the People's Republic of China.

In July 1958, Nasution suggested that the best way to achieve Guided Democracy was through reinstatement of the 1945 constitution with its strong "middle way," presidential system. On July 5, 1959, Sukarno issued a decree to this effect, dissolving the old House of Representatives. His action marked the formal establishment of the period of Guided Democracy, which lasted six years. In March 1960, a new legislature, the House of People's Representatives-Mutual Self-help (DPR-GR; later, simply DPR), was established. One hundred fifty-four of its 238 seats were given to representatives of "functional groups," which included the military, which became known as Golkar (see Glossary). All were appointed rather than elected. As many as 25 percent of the seats were allocated for the PKI. Another body, the 616-member Provisional People's Consultative Assembly (MPR(S); later, simply MPR), was established with communist leader Dipa Nusantara Aidit as deputy chairman. In August 1960, Masyumi and the PSI were declared illegal, a reflection of their role in the PRRI insurrection, the MPR(S)'s enmity toward Sukarno, and its refusal to recognize Guided Democracy.

Years of Living Dangerously

During the Guided Democracy years, Sukarno played a delicate balancing act, drawing the armed forces and PKI into an uneasy coalition and playing them off against each other while largely excluding Islamic forces (especially modernists as represented by the prohibited Masyumi) from the central political arena. Two other features of his political strategy were an aggressive foreign policy, first against the Dutch over West New Guinea (Irian Barat, or later Irian Jaya Province) and then against the newly created state of Malaysia; and demagogic appeals to the masses. A flamboyant speaker, Sukarno spun out slogans and catchwords that became the nebulous basis of a national ideology. One of the most important formulas was Manipol-USDEK, introduced in 1960. Manipol was the Political Manifesto set forth in Sukarno's August 17, 1959, independence day speech, and USDEK was an acronym for a collection of symbols: the 1945 constitution, Indonesian Socialism,

Guided Democracy, Guided Economy, and Indonesian Identity. Another important slogan was Nasakom, the synthesis of nationalism, religion, and communism that symbolized Sukarno's attempt to secure a coalition of the PNI, the Nahdatul Ulama (but not Masyumi), and the PKI. In an observation that often bewildered foreign observers, Sukarno claimed to resolve the contradiction between religion and communism by pointing out that a commitment to "historical materialism" did not necessarily entail belief in atheistic "philosophical materialism."

Indonesia's ailing economy grew worse as Sukarno ignored the recommendations of technocrats and foreign aid donors, eyed overseas expansion, and built expensive public monuments and government buildings at home. In late 1960, an eight-year economic plan was published, but with its eight volumes, seventeen parts, and 1,945 clauses (representing the date independence was proclaimed, August 17, 1945), the plan seems to have been more an exercise in numerology than economic planning. Ordinary people suffered from hyperinflation and food shortages. Motivated by rivalry with the pro-Beijing PKI and popular resentment of ethnic Chinese, the army backed a decree in November 1959 that prohibited Chinese from trading in rural areas. Some 119,000 Chinese were subsequently repatriated, a policy that caused considerable economic disruption. Although Washington and the International Monetary Fund (IMF—see Glossary) sought to encourage rational economic policies, Sukarno resisted. A major reason was that IMF recommendations would have alienated his millions of popular supporters, especially those in the PKI.

PKI power in Java's villages expanded through the early 1960s. In late 1963, following Sukarno's call for implementation of land reform measures that had been made law in 1960, the PKI announced a policy of direct action (*aksi sepihak*) and began dispossessing landlords and distributing the land to poor Javanese, northern Sumatrans, and Balinese peasants. Reforms were not accomplished without violence. Old rivalries between nominal Muslims, the *abangan* (see Glossary), many of whom were PKI supporters, and orthodox Muslims, or *santri* (see Glossary), were exacerbated (see Religion and Worldview, ch. 2). The PKI membership rolls totaled 2 million, making it the world's largest communist party in a noncommunist country. Affiliated union and peasant organizations had together as many as 9 million members. PKI leader Aidit pursued his own foreign policy, aligning Indonesia with Beijing in the post-1960 Sino-Soviet conflict and gaining Chinese support for PKI domestic policies, such as unilateral and

reform actions. Some observers concluded that by 1964 it appeared that a total communist takeover was imminent.

Sukarno's Foreign Policy

The international scene was, for Sukarno, a gigantic stage upon which a dramatic confrontation between (as he termed them) the New Emerging Forces and Old Established Forces was played out in the manner of the *wayang* contest between the virtuous Pandawas and the evil Kurawas. With the assistance and support of the PKI, Sukarno attempted to forge a "Jakarta-Phnom Penh-Beijing-Hanoi-P'yŏngyang axis" in order to combat Neocolonialism, Colonialism, and Imperialism (Nekolim). Although the Soviet Union was a major supplier of arms and economic aid, relations with China through official and PKI channels were growing closer, particularly in 1964–65.

Continued Dutch occupation of West New Guinea led to a break in diplomatic relations between Jakarta and The Hague in 1960. In December of that year, Sukarno established a special military unit, the Army Strategic Reserve Command (Kostrad), also known as the Mandala Command, based in Ujungpandang, to "recover" the territory. Full-scale war, however, was averted when a compromise was worked out under United States auspices in which West New Guinea was first turned over to UN and then to Indonesian administration. The UN replaced the Dutch on October 1, 1962, and in May 1963, Indonesian authority was established. The so-called Act of Free Choice, a UN-sanctioned and -monitored referendum to discover whether the population, mostly Papuans living in tribal communities, wanted to join the republic, was held in 1969. Community leaders representing the various sectors of society were chosen by consensus at local level meetings and then met among themselves at the village, district, and provincial levels to discuss affiliation. Only these community leaders could vote, and they approved incorporation unanimously. Criticism of the process by foreign observers and suspicions of pressure on the voting leaders threw its legitimacy into question.

Hostility to Malaysia, which was established on September 16, 1963, as a union of states of the Malay Peninsula, Singapore, and the North Borneo states of Sabah and Sarawak, sprang from Sukarno's belief that it would function as a base from which Nekolim forces could subvert the Indonesian revolution. Malaysia's conservative prime minister, Tengku Abdul Rahman, had agreed to the continued basing of British armed forces in the country, and Sukarno could not forget that the government of independent Malaya had given assistance to the PRRI rebels in 1958. In the

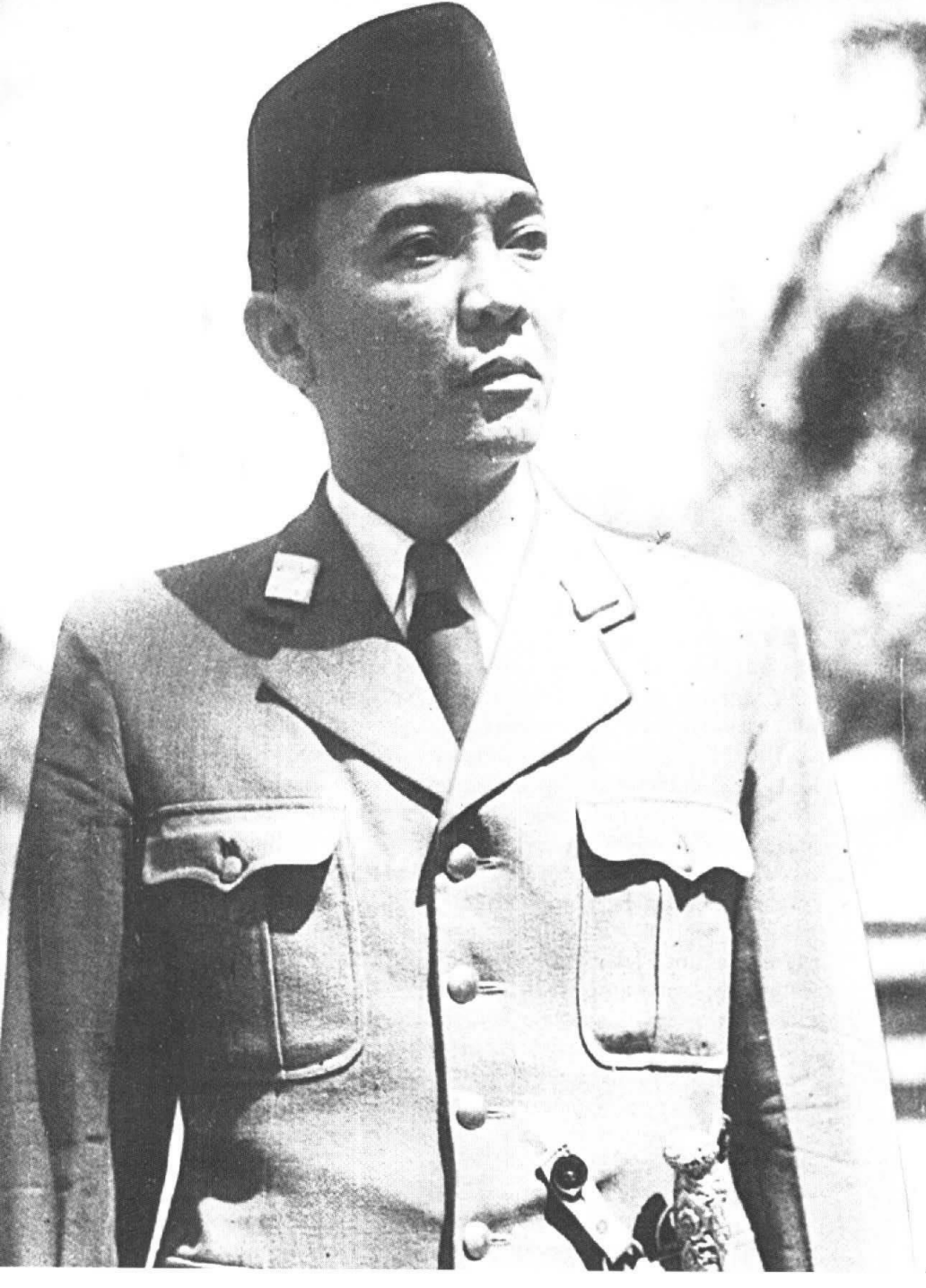
wake of Malaysia's creation, a wave of anti-Malaysian and anti-British demonstrations broke out, resulting in the burning of the British embassy. PKI union workers seized British plantations and other enterprises, which were then turned over to the government.

On September 23, 1963, Sukarno, who had proclaimed himself President-for-Life, declared that Indonesia must "gobble Malaysia raw." Military units infiltrated Malaysian territory but were intercepted before they could establish contact with local dissidents. This action—known as Confrontation (Konfrontasi—see Glossary)—soon involved Britain, the United States, the Soviet Union, and China. When the UN General Assembly elected Malaysia as a nonpermanent member of the Security Council in December 1964, Sukarno took Indonesia out of the world body and promised the establishment of a new international organization, the Conference of New Emerging Forces (Conefo), a fitting end, perhaps, for 1964, which Sukarno had called "A Year of Living Dangerously."

The Coup and Its Aftermath

By 1965 Indonesia had become a dangerous cockpit of social and political antagonisms. The PKI's rapid growth aroused the hostility of Islamic groups and the military. The ABRI-PKI balancing act, which supported Sukarno's Guided Democracy regime, was going awry. One of the most serious points of contention was the PKI's desire to establish a "fifth force" of armed peasants and workers in conjunction with the four branches of the regular armed forces (army, navy, air force, and police; see Organization and Equipment of the Armed Forces, ch. 5). Many officers were bitterly hostile, especially after Chinese premier Zhou Enlai offered to supply the "fifth force" with arms. By 1965 ABRI's highest ranks were divided into factions supporting Sukarno and the PKI and those opposed, the latter including ABRI chief of staff Nasution and Major General Suharto, commander of Kostrad. Sukarno's collapse at a speech and rumors that he was dying also added to the atmosphere of instability.

The circumstances surrounding the abortive coup d'état of September 30, 1965—an event that led to Sukarno's displacement from power; a bloody purge of PKI members on Java, Bali, and elsewhere; and the rise of Suharto as architect of the New Order regime—remain shrouded in mystery and controversy. The official and generally accepted account is that procommunist military officers, calling themselves the September 30 Movement (Gestapu), attempted to seize power. Capturing the Indonesian state radio station on October 1, 1965, they announced that they had formed



Sukarno, president of Indonesia from 1945 to 1967.
Photograph taken in 1946
Courtesy Prints and Photographs Division, Library of Congress

the Revolutionary Council and a cabinet in order to avert a coup d'état by corrupt generals who were allegedly in the pay of the United States Central Intelligence Agency. The coup perpetrators murdered five generals on the night of September 30 and fatally wounded Nasution's daughter in an unsuccessful attempt to assassinate him. Contingents of the Diponegoro Division, based in Jawa Tengah Province, rallied in support of the September 30 Movement. Communist officials in various parts of Java also expressed their support.

The extent and nature of PKI involvement in the coup are unclear, however. Whereas the official accounts promulgated by the military describe the communists as having a "puppetmaster" role, some foreign scholars have suggested that PKI involvement was minimal and that the coup was the result of rivalry between military factions. Although evidence presented at trials of coup leaders by the military implicated the PKI, the testimony of witnesses may have been coerced. A pivotal figure seems to have been Syam, head of the PKI's secret operations, who was close to Aidit and allegedly had fostered close contacts with dissident elements within the military. But one scholar has suggested that Syam may have been an army agent provocateur who deceived the communist leadership into believing that sympathetic elements in the ranks were strong enough to conduct a successful bid for power. Another hypothesis is that Aidit and PKI leaders then in Beijing had seriously miscalculated Sukarno's medical problems and moved to consolidate their support in the military. Others believe that ironically Sukarno himself was responsible for masterminding the coup with the cooperation of the PKI.

In a series of papers written after the coup and published in 1971, Cornell University scholars Benedict R.O'G. Anderson and Ruth T. McVey argued that it was an "internal army affair" and that the PKI was not involved. There was, they argued, no reason for the PKI to attempt to overthrow the regime when it had been steadily gaining power on the local level. More radical scenarios allege significant United States involvement. United States military assistance programs to Indonesia were substantial even during the Guided Democracy period and allegedly were designed to establish a pro-United States, anticommunist constituency within the armed forces.

In the wake of the September 30 coup's failure, there was a violent anticommunist reaction. By December 1965, mobs were engaged in large-scale killings, most notably in Jawa Timur Province and on Bali, but also in parts of Sumatra. Members of Ansor, the Nahdatul Ulama's youth branch, were particularly zealous in

carrying out a "holy war" against the PKI on the village level. Chinese were also targets of mob violence. Estimates of the number killed—both Chinese and others—vary widely, from a low of 78,000 to 2 million; probably somewhere around 300,000 is most likely. Whichever figure is true, the elimination of the PKI was the bloodiest event in postwar Southeast Asia until the Khmer Rouge established its regime in Cambodia a decade later.

The period from October 1965 to March 1966 witnessed the eclipse of Sukarno and the rise of Suharto to a position of supreme power. Born in the Yogyakarta region in 1921, Suharto came from a lower *priyayi* family and received military training in Peta during the Japanese occupation. During the war for independence, he distinguished himself by leading a lightning attack on Yogyakarta, seizing it on March 1, 1949, after the Dutch had captured it in their second "police action." Rising quickly through the ranks, he was placed in charge of the Diponegoro Division in 1962 and Kostrad the following year.

After the elimination of the PKI and purge of the armed forces of pro-Sukarno elements, the president was left in an isolated, defenseless position. By signing the executive order of March 11, 1966, popularly known as Supersemar, he was obliged to transfer supreme authority to Suharto. On March 12, 1967, the MPR(S) stripped Sukarno of all political power and installed Suharto as acting president. Sukarno was kept under virtual house arrest, a lonely and tragic figure, until his death in June 1970.

The year 1966 marked the beginning of dramatic changes in Indonesian foreign policy. Friendly relations were restored with Western countries, Confrontation with Malaysia ended on August 11, and in September Indonesia rejoined the UN. In 1967 ties with Beijing were, in the words of Indonesian minister of foreign affairs Adam Malik, "frozen." This meant that although relations with Beijing were suspended, Jakarta did not seek to establish relations with the Republic of China on Taiwan. That same year, Indonesia joined Malaysia, Thailand, the Philippines, and Singapore to form a new regional and officially nonaligned grouping, the Association of Southeast Asian Nations (ASEAN—see Glossary), which was friendly to the West.

The New Order under Suharto

The transition from Sukarno's Guided Democracy to Suharto's New Order reflected a realignment of the country's political forces. The left had been bloodied and driven from the political stage, and Suharto was determined to ensure that the PKI would never reemerge as a challenge to his authority. Powerful new intelligence

bodies were established in the wake of the coup: the Operational Command for the Restoration of Security and Order (Kopkamtib) and the State Intelligence Coordination Agency (Bakin). The PKI had been crushed on the leadership and cadre levels, but an underground movement remained in the villages of parts of Java. The movement was methodically and ruthlessly uprooted by the end of 1968. Around 200,000 persons were detained by the military after the coup: these were divided into three categories depending on their involvement. The most active, Group A, those "directly involved" in the revolt, were sentenced by military courts to death or long terms in prison; Group B, less actively involved, were in many cases sent to prison colonies, such on Buru Island in the Malukus, where they remained under detention, in some cases until 1980; Group C detainees, mostly members of the PKI peasant organization, were generally released from custody. (As late as 1990, four persons were executed for involvement in the coup. Although the delay was explained as due to the length of the judicial appeals process, many observers believed that Suharto wanted to show that the passage of years had not softened his attitude toward communism.)

Communists aside, Suharto generally dealt with opposition or potential opposition with a blend of cooptation and nonlethal repression. According to political scientist Harold A. Crouch, Suharto's operating principle was the old Javanese dictum of *alon alon asal kelakon,* or "slow but sure." Thus, he gradually asserted control over ABRI, weeding out pro-Sukarno officers and replacing them with men on whom he could depend. The army was placed in a superior position in relation to the other services in terms of budgets, personnel, and equipment. Nasution, Indonesia's most senior general, was gently pushed aside after he left the post of minister of defense and security to become chairman of the DPR in early 1966. Although he later retired from public life, Nasution remained a potential rival to Suharto although he never publicly spoke out or exploited his favorable popular image.

Like Sukarno's Guided Democracy, the New Order under Suharto was authoritarian. There was no return to the relatively unfettered party politics of the 1950–57 period. In the decades after 1966, Suharto's regime evolved into a steeply hierarchical affair, characterized by tight centralized control and long-term personal rule. At the top of the hierarchy was Suharto himself, making important policy decisions and carefully balancing competing interests in a society that was, despite strong centralized rule, still extremely diverse. Arrayed below him was a bureaucratic state in which ABRI played the central role. Formally, the armed forces' place

in society was defined in terms of the concept of *dwifungsi.* Unlike other regimes in Southeast Asia, such as Thailand or Burma, where military regimes promised an eventual (if long-postponed) transition to civilian rule, the military's dual political-social function was considered to be a permanent feature of Indonesian nationhood. Its personnel played a pivotal role not only in the highest ranks of the government and civil service but also on the regional and local levels, where they limited the power of civilian officials. The armed forces also played a disproportionate role in the national economy through military-managed enterprises or those with substantial military interests.

Although opposition movements and popular unrest were not entirely eliminated, Suharto's regime was extraordinarily stable compared with its predecessor. His success in governing the world's fourth most populous and, after India, ethnically most diverse nation is attributable to two factors: the military's absolute or near-absolute loyalty to the regime and the military's extensive political and administrative powers. In the mid-1980s, approximately 85 percent of senior officers were Javanese (although the percentage was declining). Suharto wisely averted a problem of many military regimes: the monopolization of the higher ranks by senior military officers who frustrate the aspirations of their juniors. In 1985 he ordered an extensive reorganization of the officer corps in which the Generation of 1945, who had taken part in the National Revolution, was largely retired, the younger generation promoted into command positions, and an extensive reorganization accomplished in order to promote efficiency (see Transition of Leadership, ch. 5).

Other factors in stability include the establishment of a large number of corporatist-style organizations to link social groups in a subordinate relationship with the regime. These included organizations of a social, class, religious, and professional nature. Rather than imposing cultural and ideological homogeneity—a virtually impossible task given the society's diversity—Suharto revived the Sukarno-era concept of Pancasila. Suharto's approach to political conflict did not reject the use of coercion but supplemented it with a rhetoric of "consultation and consensus," which, like the Pancasila, had its roots in the Sukarno and Japanese eras.

The State and Economic Development

Apart from rejection of leftism, probably the single greatest discontinuity between the Sukarno and Suharto eras was economic policy. Sukarno abused Indonesia's economy, undertaking ambitious building projects, nationalizing foreign enterprises, and refusing to

undertake austerity measures recommended by foreign donors because such measures would have weakened his support among the masses. Suharto also used the economy for political ends, but initiated a generally orderly process of development supported by large infusions of foreign aid and investment.

Debt service obligations in 1966 exceeded export earnings, and total foreign debt was US$2.3 billion. One billion dollars of this amount was owed to the Soviet Union and its East European allies, largely for arms purchases. The following year, talks were initiated with Western and Japanese creditors for aid and new lines of credit. An informal group of major Western nations, Japan, and multilateral aid agencies such as the World Bank (see Glossary), known as the Inter-Governmental Group on Indonesia (IGGI—see Glossary), was organized to coordinate aid programs. Chaired by the Netherlands, IGGI gained tremendous, and sometimes resented, influence over the nation's economic policymaking. Hand-in-hand with aid donors, a new generation of foreign-educated technocrats—economic planners attached principally to the National Development Planning Council (Bappenas) led by Professor Widjojo Nitisastro—designed and implemented a series of five-year plans. The first plan, Repelita I (see Glossary), which occurred in fiscal year (FY—see Glossary) 1969–73, stressed increased production of staple foods and infrastructure development; Repelita II (FY 1974–78) focused on agriculture, employment, and regionally equitable development; Repelita III (FY 1979–83) emphasized development of agriculture-related and other industry; Repelita IV (FY 1984–88) concentrated on basic industries; and Repelita V (FY 1989–93) targeted transport and communications. During the 1980s, these plans also provided a greater role for private capital in industrialization (see Central Government Budget, ch. 3).

Helped substantially by oil revenues after the quadrupling of prices during the 1973 global "oil shock," Indonesia emerged from pauperdom to modest prosperity. The development of new, high-yield varieties of rice and government incentive programs enabled the nation to become largely self-sufficient in this staple crop (see Food Crops, ch. 3). In most areas of the archipelago, standards of nutrition and public health improved substantially.

Oil revenues were vital for the Suharto regime because they provided it with resources to compensate groups whose cooperation was essential for political stability. Government projects and programs expanded impressively. Indonesia is a member of the Organization of the Petroleum Exporting Countries (OPEC—see Glossary). Reflecting OPEC's pricing policies, the state's income from oil, channelled through the state-owned enterprise Pertamina

(the National Oil and Natural Gas Mining Company), increased 4,000 percent between the FY 1968 and FY 1985. Economic planners realized, however, the danger of depending excessively on this single source of export revenue, particularly when crude oil prices declined during the mid- and late 1980s. As a result, the export not only of manufactured goods but also of non-oil raw and semi-processed materials such as plywood and forest products was promoted. But the oil boom also provided new opportunities for corruption. Pertamina was established in 1968 as a merger of Permina and two other firms. Its director, General Ibnu Sutowo, a hardy survivor of the transition from Guided Democracy to New Order who had been director of Permina, embarked on an ambitious investment program that included purchase of oil tankers and construction of P.T. Krakatau, a steel complex. In the mid-1970s, however, it was discovered that he had brought the firm to the brink of bankruptcy and accrued a debt totaling US$10 billion. In 1976 he was forced to resign, but his activities had severely damaged the credibility of Indonesian economic policy in the eyes of foreign creditors.

The Pertamina affair revealed the problems of what Australian economist Richard Robison, in a 1978 article, called Indonesia's system of "bureaucratic capitalism": a system based on "patrimonial bureaucratic authority" in which powerful public figures, especially in the military, gained control of potentially lucrative offices and used them as personal fiefs or appanages, almost in the style of precolonial Javanese rulers, not only to build private economic empires but also to consolidate and enhance their political power. Because Indonesia lacked an indigenous class of entrepreneurs, large-scale enterprises were organized either through the action of the state (Pertamina, for example), by ethnic Chinese capitalists (known in Indonesia as *cukong*), or, quite often, a cooperative relationship of the two.

Through the 1970s and 1980s, Indonesia's pervasive corruption became a political issue that the New Order state could not entirely muffle. In January 1974, the visit of Japanese prime minister Tanaka Kakuei sparked rioting by students and urban poor in Jakarta. Ostensibly fueled by resentment of Japanese exploitation of Indonesia's economy, the so-called "Malari Affair" also expressed popular resentment against bureaucratic capitalists and their *cukong* associates. During the 1980s, the ties between Suharto and Chinese entrepreneur Liem Sioe Liong, one of the world's richest men, generated considerable controversy. The Liem business conglomerate was in a favored position to win lucrative government contracts at the expense of competitors lacking presidential ties.

Import licenses were another generator of profits for well-connected businessmen. The licensing system had been established to reduce dependence on imports, but in fact it created a high-priced, protected sub-economy that amply rewarded license holders but reduced economic efficiency. By 1986 licenses were required for as many as 1,500 items. Foreign journals also published reports concerning the rapidly growing business interests of Suharto's children.

The Pancasila and Political Parties

Suharto's regime transformed and marginalized political parties, which, minus the PKI, still retained considerable popular support in the late 1960s. Party influence was diminished by limiting the parties' role in newly established legislative bodies, the DPR and the MPR, about 20 percent of whose members were appointed by the government. Parties were forced to amalgamate: in January 1973, four Islamic parties were obliged to establish a single body known as the United Development Party (PPP) and non-Islamic parties, including the PNI, were obliged to merge into the Indonesian Democratic Party (PDI). Established by the armed forces in 1964, the Joint Secretariat of Functional Groups (Golkar) was given a central role in rallying popular support for the New Order in carefully staged national legislative elections.

Designed to bring diverse social groups into a harmonious organization based on "consensus," by 1969 Golkar had a membership of some 270 associations representing civil servants, workers, students, women, intellectuals, and other groups. Backed both financially and organizationally by the government, it had mastered Indonesia's political stage so completely by the 1970s that speculation centered not on whether it would gain a legislative majority, but on how large that majority would be and how the minority opposition vote would be divided between the PPP and the PDI. In the general elections of 1971, 1977, and 1982, Golkar won 62.8, 62.1, and 64.3 percent of the popular vote, respectively. As the 1980s progressed, Golkar continued to consolidate its electoral dominance (see Political Parties, ch. 4).

In 1985 the legislature passed government-backed bills requiring all political parties and associations to declare their support for the Pancasila as their ideological foundation. Declaring such support was an extremely delicate issue for Muslim groups, including the PPP, since it attacked the basis of their identity (the government demanded that the Muslim parties not be exclusive and allow non-Muslim memberships). Although the Pancasila includes the principle of belief in a "supreme being," use of the term Maha Esa,

rather than Allah, was designed to encompass diverse religious groups: Christians, Hindus, and Buddhists as well as Muslims. The Pancasila policy aroused strong opposition among politically active Muslims. Riots broke out in the Tanjung Priok port area of Jakarta on September 12, 1984, and a wave of bombings and arson took place in 1985. Targets included the Borobudur Buddhist temple, the palace of the Sunan of Surakarta, commercial districts in Jakarta, and the headquarters of the Indonesian state radio.

Voices of democratic opposition were heard May 5, 1980, when a group called the Petition of Fifty, composed of former generals, political leaders, academicians, students, and others, called for greater political freedom. In 1984 the group accused Suharto of attempting to establish a one-party state through his Pancasila policy. In the wake of the 1984–85 violence, one of the Petition of Fifty's leaders, Lieutenant General H.R. Dharsono, who had served as secretary general of ASEAN, was put on trial for antigovernment activities and sentenced to a ten-year jail term (from which he was released in 1990).

Territorial Continuity: Irian Jaya and East Timor

A connection between the Sukarno and Suharto eras was the ambition to build a unitary state whose territories would extend "from Sabang [an island northwest of Sumatra, also known as Pulau We] to Merauke [a town in southeastern Irian Jaya]." Although territorial claims against Malaysia were dropped in 1966, the western half of the island of New Guinea and East Timor, formerly Portuguese Timor, were incorporated into the republic. This expansion, however, stirred international criticism, particularly from Australia.

West New Guinea, as Irian Jaya was then known, had been brought under Indonesian administration on May 1, 1963, following a cease-five between Indonesian and Dutch forces and a seven-months UN administration of the former Dutch colony. A plebiscite to determine the final political status of the territory was promised by 1969. But local resistance to Indonesian rule, in part the result of abuses by government officials, led to the organization of the Free Papua Movement (OPM) headed by local leaders and prominent exiles such as Nicholas Jouwe, a Papuan who had been vice chairman of the Dutch-sponsored New Guinea Council. Indonesian forces carried out pacification of local areas, especially in the central highland region where resistance was particularly stubborn.

Although Sukarno had asserted that a plebiscite was unnecessary, acceding to international pressure, he agreed to hold it. The

Act of Free Choice provisions, however, had not defined precisely how a plebiscite would be implemented. Rather than working from the principle of one man-one vote, Indonesian authorities initiated a consensus-building process that supposedly was more in conformity with local traditions. During the summer of 1969, local councils were strongly pressured to approve unanimously incorporation into Indonesia. The UN General Assembly approved the outcome of the plebiscite in November, and West Irian (or Irian Barat) became Indonesia's twenty-sixth province in 1969 and, to avoid charges of territorial pretentions on the eastern half of the island, was renamed Irian Jaya (Victorious Irian) in 1972. But resistance to Indonesian rule by the OPM, which advocated the unification of Irian Jaya and the neighboring state of Papua New Guinea, continued. Border incidents were frequent as small bands of OPM guerrillas sought sanctuary on Papua New Guinea territory.

East Timor and the small enclave of Oecusse on the north coast of the island of Timor were poor and neglected corners of Portugal's overseas empire when officers of Portugal's Armed Forces Movement, led by General António de Spínola, seized power in Lisbon in April 1974. Convinced that his country's continued occupation of overseas territories, especially in Africa, was excessively costly and ultimately futile, Spínola initiated a hasty "decolonization" process. In Portuguese Timor, local political groups responded: the Timor Democratic Union (UDT) favored a continued association with Lisbon, the Revolutionary Front for an Independent East Timor (Fretilin—see Glossary), demanded full independence, and the Popular Democratic Association of Timor (Apodeti) favored integration with Indonesia.

Although Indonesia's minister of foreign affairs, Adam Malik, assured Portugal's foreign minister on his visit to Jakarta that Indonesia would adhere to the principle of self-determination for all peoples, attitudes had apparently changed by the summer of 1974. Fretilin's leftist rhetoric was disquieting, and Jakarta began actively supporting Fretilin's opponent, Apodeti. Fears grew that an independent East Timor under Fretilin could become a beachhead for communist subversion. At a meeting between Suharto and Australian prime minister Gough Whitlam in September 1974, the latter acknowledged that it might be best for East Timor to join Indonesia but that the Australian public would not stand for the use of force. This acknowledgment seemed to open the way for a more forward policy. External factors relating to the communist subversion theme were the conquest of South Vietnam by communist

North Vietnam in May 1975 and the possibility of a Chinese takeover of the Portuguese colony of Macao.

Fretilin had become the dominant political force inside East Timor by mid-1975, and its troops seized the bulk of the colonial armory as the Portuguese hastened to disengage themselves from the territory. An abortive coup d'état by UDT supporters on August 10, 1975, led to a civil war between Fretilin and an anticommunist coalition of UDT and Apodeti. Fretilin occupied most of the territory by September, causing Jakarta to give the UDT and Apodeti clandestine military support. On November 25, 1975, Fretilin proclaimed the Democratic Republic of East Timor. Jakarta responded immediately. On December 7, Indonesian "volunteer" forces landed at Dili, the capital, and Baukau. By April 1976, there were an estimated 30,000 to 35,000 Indonesian troops in the territory. On July 15, 1976, East Timor was made Indonesia's twenty-seventh province: Timor Timur.

Indonesian troops carried out a harsh campaign of pacification that inflicted grave suffering on local populations. Through the late 1970s and 1980s, accounts of military repression, mass starvation, and disease focused international attention on Indonesia as a major violator of human rights. An undetermined number—from 100,000 to 250,000—of East Timor's approximately 650,000 inhabitants died as a result of the armed occupation. However, by the mid-1980s, most of the armed members of Fretilin had been defeated, and in 1989 the province was declared open to free domestic and foreign travel (see National Defense and Internal Security, ch. 5).

Foreign Policy under Suharto

Indonesia's foreign relations after 1966 can be characterized as generally moderate, inclined toward the West, and regionally focused. As a founding member of the Nonaligned Movement (see Glossary) in 1961, Indonesia pursued a foreign policy that in principle kept it equidistant from the contentious Soviet Union and the United States. It was, however, dependent upon Japan, the United States, and West European countries for vital infusions of official development assistance and private investment. Jakarta's perceptions that China had intervened substantially in its internal affairs by supporting the PKI in the mid-1960s made the government far less willing to improve relations with Beijing than were other members of ASEAN. Although Indonesia differed with its ASEAN counterparts over the appropriate response to the Cambodian crisis after the Vietnamese invasion of that country in 1978, its active role in promoting a negotiated end to the Cambodian civil war through the Jakarta Informal Meetings in 1988 and 1989

reflected a new sense of confidence. Policy makers believed that since the country had largely achieved national unity and was making ample progress in economic development, it could afford to devote more of its attention to important regional issues.

Given Indonesia's strategic location at the eastern entrance to the Indian Ocean, including command of the Malacca and Sunda straits, the country has been viewed as vital to the Asian security interests of the United States and its allies. Washington extended generous amounts of military aid and became the principal supplier of equipment to the Indonesian armed forces. Because of its nonaligned foreign policy, Jakarta did not have a formal military alliance with the United States but benefited indirectly from United States security arrangements with other states in the region, such as Australia and the Philippines. The New Order's political repressiveness and its pacification of East Timor, however, were criticized directly and indirectly by some United States officials, who in the late 1980s began calling for greater openness.

In terms of international economics, Indonesia's most important bilateral relationship was with Japan. During the 1970s, it was the largest recipient of Japanese official development assistance and vied with China for that distinction during the 1980s. Tokyo's aid priorities included export promotion, establishment of an infrastructure base for private foreign investment, and the need to secure stable sources of raw materials, especially oil but also aluminum and forest products. Jakarta depended on aid funds from Tokyo to build needed development projects. This symbiotic relationship, however, was not without its tensions. Indonesian policy makers questioned the high percentage of Japanese aid funds in the form of loans rather than grants and the heavy burden of repaying yen-denominated loans in the wake of the appreciation of the Japanese currency in 1985. Although wartime memories of the Japanese occupation were in general not as bitter as in countries such as the Philippines, Malaysia, and China, there was some concern about the possibility of Japanese remilitarization should United States forces be withdrawn from the region. In the context of Indonesia's long history, the forces bringing about greater integration with the international community while creating political and economic tensions at home were not unexpected. Historians of the twenty-first century are likely to find remarkably similar parallels with earlier periods in Indonesia history.

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Peter Bellwood's *Prehistory of the Indo-Malaysian Archipelago* is an

excellent source for understanding the early development of Indonesian society. Jacques Dumarçay's *Borobudur* provides an extensive description of the temple complex and an account of historical developments during one of the earliest periods of Indonesian history. An overview of the ways in which Islam reached and spread through the archipelago is provided by M.C. Ricklefs in his *A History of Modern Indonesia,* which also provides an excellent account of events leading up to the 1965 coup d'état. A good discussion of both the pre-Islamic and Islamic periods is also found in Koentjaraningrat's *Javanese Culture,* although, as the title indicates, it devotes little attention to events outside Java. C.R. Boxer's *The Dutch Seaborne Empire: 1600–1800* describes the adventures and misadventures of the VOC in Indonesia, but also places them in the broader context of worldwide colonial history. *In Search of Southeast Asia,* edited by David Joel Steinberg, places Indonesian historical development after the eighteenth century in comparative perspective with other Southeast Asian countries.

Anthony Reid's "Indonesia: From Briefcase to Samurai Sword," published in Alfred W. McCoy's *Southeast Asia under Japanese Occupation;* and Nugroho Notosusanto's *The Peta Army During the Japanese Occupation of Indonesia* discuss the relevance of the Japanese occupation. A good discussion of the National Revolution period is found in Audrey R. Kahin's *Regional Dynamics of the Indonesian Revolution: Unity from Diversity* and Reid's *Indonesian National Revolution, 1945–50.* Bernard Dahm's *Sukarno and the Struggle for Indonesian Independence* and John D. Legge's *Sukarno* are well-written portraits of this interesting individual. Hamish McDonald's *Suharto's Indonesia* provides an extensive examination of events leading up to the New Order and its subsequent policies. An excellent supplement to the whole course of Indonesian prehistory and history is Robert B. Cribb's *Historical Dictionary of Indonesia.*

Periodicals with extensive coverage on Indonesia include *Asian Survey, Journal of Asian Studies, Journal of Southeast Asian Studies* [Singapore], *Modern Asian Studies* [London], *Indonesia, Pacific Affairs* [Vancouver], and *Southeast Asian Affairs* [Singapore]. The Dutch periodical *Bijdragen tot Taal-, Land-, en Volkenkunde* [Leiden] has numerous articles in English on Indonesia. The weekly *Far Eastern Economic Review* [Hong Kong] and its annual *Asia Yearbook* provide timely updates to the historical record. The *Bibliography of Asian Studies,* published annually by the Association for Asian Studies, and the semiannual *Excerpta Indonesica* [Leiden] also provide additional reference material. (For further information and complete citations, see Bibliography.)