



Courtesy of the Smithsonian Institution, Freer Gallery of Art, Washington, D.C.

A Buddha head from the Borobodur shrine. Along with Hinduism and animism, Buddhist beliefs color the Muslim faith of many Indonesians.

Indonesia

As many specialists see it, Indonesia, the world's largest Muslim nation, has become a major test of the capitalist West's approach to economic development. Others disagree. Resource-rich Indonesia is the only Asian member of OPEC. Despite 7 years of high oil revenues and 15 years of Western aid and advice, its economy lags far behind those of Taiwan, South Korea, and Singapore. Here, Benedict Anderson traces the country's past, focusing on the tumult that led to the sudden 1965 swing from theatrical "anti-imperialism" to strong ties with Washington. Donald Emmerson discusses Indonesia's "top-heavy" economic progress since 1965, assessing the importance of both oil and ideology. Finally, James Peacock examines Indonesia's culture and its peculiar brand of Islam.

LOOKING BACK

by Benedict R. O'G. Anderson

Jakarta, capital of Indonesia, is a huge, humid sprawl of shanties and skyscrapers, so unlike the nation it commands that traditionalists regard it with suspicion, yet so alluring that every year hundreds of thousands of peasants flock to it from the extremely poor, densely populated, Javanese countryside. Today, it is so overcrowded—the population is now about 6 million—that the government has created a system of internal passports to control the city's growth.

Jakarta is where Western and Japanese corporate executives often pay Indonesian generals 20 percent as "signature bonuses" on multimillion dollar contracts, and it is home to more than a million desperately poor squatters. Here Muslim

politicians come to rail against gambling, prostitution, and Christian missionaries, and here the metropolitan governor annually crowns a "Queen of Wadam" (a combination of *wanita*—woman—and Adam) as the prettiest male transvestite in the city.

At the intersection of the capital's busiest boulevards is *Medan Merdeka* (Freedom Square), crowded with hawkers and hustlers and featuring the Sukarno-built National Monument, an intentionally phallic 137-meter-tall marble shaft tipped by a golden flame and decorated with 35 kilograms of gold leaf. Not far away stands another of Sukarno's constructions, a Soviet-style statue of a man atop two concrete steles, his musclebound arms flung skyward, his feet amid broken chains. Intended to commemorate the 1962 liberation of Western New Guinea from Dutch control, it today stands as a conspicuous relic of the Sukarno era.

Three hundred miles to the east, near the old royal city of Jogjakarta, is another monument, the largest in the Southern Hemisphere. Built from 2 million cubic feet of stone and containing a mile of friezed galleries, the gigantic 9th-century Buddhist shrine called the Borobodur was, according to one version of the story, buried by volcanic lava in 1006. It had been all but forgotten by local folk when a curious European visitor found it 800 years later. It is now being restored under UNESCO auspices.

The disparity between the magnificence of the Borobodur and the garishness of modern Jakarta is one measure of the span of Indonesian history. But the story is much older than Borobodur; the earliest surviving records are the Sanskrit-enscribed stone tablets set up by Javanese rulers in about 400 A.D.

As Asia's maritime trade developed, Java and Sumatra, two narrow islands strung tip to tip along the chief route between India and China, became centers of political and economic power. The island's early commercial ties with China were important, but it was the spread of Hinduism and Buddhism from India that stimulated the flowering of the archipelago's great civilizations. On Sumatra, from the 7th through the 14th centuries, the empire of Srivijaya dominated the region's trade and culture, drawing merchants, priests, and pilgrims from all over the Buddhist world. On Java, a series of Hindu-Buddhist king-

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Coll. Tropenmuseum, Amsterdam.

The Ricefield, a 19th-century Dutch lithograph. The great majority of Indonesians are country folk and spend their lives among fields such as these.

doms culminated in the empire of Majapahit, which flourished from 1292 until about 1450. Even today, the ruined temples, shrines, and palaces of the empire dot the Javanese landscape. Old Java also gave birth to a brilliant literature, much of which has survived. From those lyric poems, epics, and legends, modern Indonesians from peasant to President evoke a glorious pre-colonial past.

Marco Polo, the archipelago's first recorded European visitor, reached Sumatra in 1292 on his sea voyage homeward from China to Venice. "This kingdom is so frequented by Muhammadan traders," he noted, "that they have converted the local people." Thus began the process of Islamization that has made modern Indonesia the world's largest Muslim nation. In time, with their busy trade, fertile land, and mature culture, the islands might have generated a great Islamic civilization of their own, but in 1511 the Portuguese explorer Affonso de Albuquerque seized Malacca, a port just east of Sumatra.

There ensued four and a half centuries of European conquest and exploitation. Lured by the high profits of the spice trade—until the 18th century the East Indies produced most of the world's cloves, nutmeg, cinnamon, and pepper—Portuguese, Spaniards, Dutchmen, and Britons fought for commer-

cial dominance. The Portuguese faded quickly; by the middle of the 17th century, their holdings had been reduced to an arid enclave on the island of Timor. The Spanish retreated northward to the Philippines, leaving the British and Dutch to carve up the region, with the British eventually taking the Malayan peninsula, Singapore, and northern Borneo.

Relying on their firearms and superior ships, Dutch traders organized as the *Vereenigde Oost-Indische Compagnie* (the V.O.C., or United Dutch East Indian Company), controlled the waters of the archipelago, and monopolized its export trade. The company sought profits, not converts, and so was interested in the natives primarily as growers of indigo and coffee. But to secure monopolies in those commodities and in Moluccan spices, V.O.C. officials needed the cooperation of local princes and sultans. Wars, bribes, and the manipulation of dynastic successions ensured that cooperation—and in 200 years reduced a proud ruling class to an obedient salariat. Large-scale, armed resistance to the Dutch was only sporadic, and after the doomed guerrilla war led by Prince Diponegoro between 1825 and 1830, it ceased altogether in Java. The 19th-century court poet Ronggawarsita later lamented the passing of Javanese power in a work composed shortly before his death, “Poem of a Time of Darkness”:

The lustre of the realm
Is now vanished to the eye.
In ruins the teaching of good ways
For there is no example left.

During the early 1800s, the Dutch crown took over the East Indies from the V.O.C. Deeply in debt from a vain attempt to suppress the Belgian independence movement, it turned Java into a giant royal plantation under the “Cultivation System.” This system forced peasants to set aside one-fifth or more of their land for the cultivation of export crops—indigo, coffee, and sugar—and deliver them to the state at very low controlled prices. From the Dutch point of view, it worked. Between 1831 and 1877, the East Indies paid 823 million guilders into the Dutch treasury, annually subsidizing nearly one-third of the state budget.

The Cultivation System began to end during the 1870s. Dutch businessmen joined humanitarians inspired by *Max Havelaar*, a vitriolic exposé of Dutch greed in the East Indies written by a former colonial official, to break the state monop-

oly in the Indies in favor of a free-market "Liberal System." Determined to keep up with the British, and aided by the easier access to Europe that resulted from the opening of the Suez Canal (1869), the colonial regime extended its sway across Borneo, Sulawesi (Celebes), the Sumatran interior, and the smaller islands, thus creating Indonesia's modern 3,000-island domain. This enormous territorial expansion coincided with the invention and proliferation of the automobile. In 1930, rubber shipments alone were worth \$69 million, far more than the total value of *all* exports in 1870. The new oil industry, dominated by Royal Dutch Shell, was even more profitable, as the Dutch East Indies climbed to fourth place in world oil production.

Using the Whip and the Club

By the 1920s, the Dutch Indies had become the most prosperous colony in Southeast Asia, so rich that it attracted a large population of Dutch settlers, as well as American, British, and Belgian planters. Yet, paradoxically, in 1939, on the eve of World War II, the colony was politically underdeveloped. Other Asian colonies were moving toward self-determination—Washington had promised the Philippines independence by 1946, and British Burma had lived under a Burmese Prime Minister for four years. But the Dutch had no intention of handing over power; they had granted the native population of the Indies only a bare majority in the 60-man *Volksraad*, the virtually powerless colonial legislature.

Europeans dominated the economy, and left the fringes—retail trade and local moneylending—to the Chinese, most of them descendants of refugees from the dying Ch'ing Empire. The Indonesians were all but absent from commerce. In 1940, near the end of Dutch rule, the colony's population was made up of 250,000 Europeans, 2 million Chinese, and 70 million Indonesians. Yet while more than 20,000 Europeans enjoyed incomes of over \$2,000 in 1939,* only 1,244 Indonesians had risen to that level. (The Chinese were in the middle, with just over 3,000 people in the top tax bracket.) Moreover, as in the Belgian Congo, education of the natives was deliberately neglected: In 1940, only 37 Indonesians were graduated from college. That year, Indonesians held only 221 of the 3,039 civil service jobs classified as "higher rank."

During the first decades of the 20th century, a small group of Indonesian intellectuals became the core of an emerging anti-

* In that year, 3 percent of the U.S. population earned incomes of \$2,000 or more.

colonial movement. Foremost among the new organizations was the Muslim *Sarekat Islam* (Islamic League), which by 1919, only seven years after its founding, boasted a membership of almost 2½ million. In 1920, Dutch Marxists and Indonesian labor leaders founded Asia's first Communist party, the PKI. They joined with the Sarekat Islam, pulling its leadership leftward and exploiting its grass-roots organization to spread the Marxist message.

Disaster soon followed. In November 1926, facing a government crackdown, the PKI launched a badly organized insurrection. The Dutch rapidly crushed it. They executed 16 leaders, arrested 13,000 suspects, and shipped 823 rebels to the Tanah Merah concentration camp in the malarial swamps of south-western New Guinea.

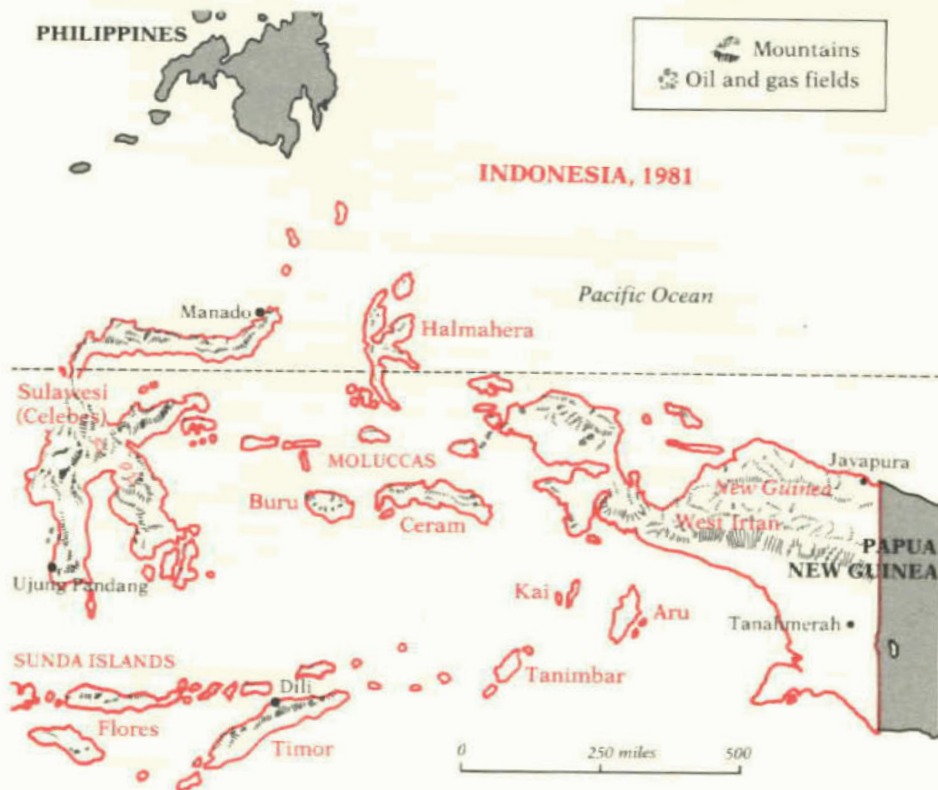
After the PKI's debacle, a charismatic young Javanese engi-



neer, Sukarno, founded the *Partai Nasional Indonesia* (PNI). He was, of course, to dominate Indonesian politics for the next four decades. Appealing to intellectual and peasant, to Muslim and Christian, Sukarno told Indonesians that political salvation would not be delivered by "an airplane from Moscow or a caliph from Istanbul." The colonial government swiftly recognized the young man's potential and kept him in detention for all but two years between 1929 and the advent of World War II.

During the 1930s, the hardliners then in control of the colonial government believed they had suppressed the nationalists. "We have ruled here for 300 years with the whip and the club," Governor-General B. C. De Jonge is reported to have said, "and we shall still be doing it in another 300 years."

Then came Pearl Harbor and Japan's swift advance to the south. The oil-rich Indies fell to the Japanese on March 9, 1942,



only eight days after the first Japanese soldier set foot on Java. The 8,000-man Dutch garrison went into the prison camps. Welcomed as fellow Asians, the Japanese soon began turning potential allies into enemies. Determined to employ the entire Indonesian population in the war effort, Japanese military commanders exploited the country with a ruthlessness that made Dutch rule seem mild by contrast. On Java, massive requisitions of rice caused sporadic famine. Hundreds of thousands of peasants were taken away for forced labor on construction projects as far away as Burma.

Yet the harsh years of occupation were also a time of political gestation. As the Allies closed in, the Japanese began to seek native support. In 1944, they promised Indonesian independence "in the future." On Java, they gave Sukarno, Mohammad Hatta, and other leading nationalists access to the radio and set up PETA (an acronym for "Fatherland Defense Force"), which soon grew into a volunteer army of 66 battalions, the core of future nationalist military strength. Thus, during the closing years of World War II, Sukarno was delivering anti-Allied speeches on Radio Jakarta—a favorite jingle of the time was *Amerika Kita Seterika, Inggris Kita Linggis* ("We'll Flatten America with an Iron, We'll Take a Crowbar to the English"). Meanwhile, the man destined to be his successor in 1967 as President of Indonesia, Suharto, was serving as a 20-year-old PETA company commander.

Mountbatten's Unpleasant Surprise

Independence came amid confusion. Just after Tokyo surrendered to the Allies, a band of youthful militants kidnaped an indecisive Sukarno. The Japanese secured his release, and on August 17, 1945, he read aloud to a small Jakarta crowd an uncharacteristically unadorned statement: "We, the people of Indonesia, hereby declare Indonesia's independence. Matters concerning the transfer of power and other matters will be executed in an orderly manner and in the shortest possible time."

The Dutch contested independence at every step of the way. But after five years of German occupation, The Hague initially was in no position to reimpose its old colonial rule—and for the first time, large numbers of Indonesian nationalists had modern weapons and training. Six long weeks passed before British troops landed on the islands to disarm the Japanese and re-establish Dutch authority. During those six weeks, Indonesian nationalists, led by Sukarno, established a cabinet, a constitution, and the beginnings of an army. Lord Louis Mountbatten,

the Supreme Allied Commander for Southeast Asia, was unpleasantly surprised by the fierce resistance that greeted his troops. Desperate for manpower, he pressed into service released Dutch prisoners-of-war and Japanese troops awaiting repatriation. But increasingly heavy losses, as in Surabaya, where Indonesian forces fought a 10-day battle against a British infantry backed by planes and warships, soon made Mountbatten unwilling to press Dutch claims.

Embarrassing the CIA

For many Dutch businessmen, soldiers, and politicians, however, a Holland stripped of the East Indies was inconceivable. By August 1947, the Dutch had put 150,000 troops into the archipelago. They gained control of the major cities and rice-growing regions, intending to starve out their adversaries.

But other factors intervened. Anticommunists won the struggle for power among the Indonesian nationalists in September 1948, and so American support for a free Indonesia became stronger. When the Dutch lost patience and launched a major offensive in December 1948, a group of powerful Republicans in the U.S. Senate threatened to cut off Marshall Plan aid to Holland. Worldwide pressure grew. Denounced by everyone from Jawaharlal Nehru to a *Chicago Tribune* editorial writer (who urged that Holland's Queen Juliana be hanged), and facing condemnation by the UN General Assembly, the Dutch made their way to the negotiating table, and at the end of 1949, conceded Indonesia's independence.

The newborn regime of the Republic of Indonesia, led by Sukarno, inherited a country drained by 20 years of war and economic depression. Even so, the years 1950–57 were a time of liberty and democracy. Under the Constitution of 1950, which established a multiparty parliamentary system, a series of coalition governments struggled with the problems of educational backwardness, population pressure, and ethnic conflict. They also faced continuing Dutch domination of shipping, banking, manufacturing, export agriculture, and the oil industry.

Worse yet, the Army, commanded by Major General A. H. Nasution, had grown accustomed to political influence during the armed anticolonial struggle. Its commanders regretted yielding up their power to civilians. Nasution found similar thinking at the top: President Sukarno, never comfortable with the compromises that are the essence of parliamentary politics, felt an urge to throw off the constitutional limits on his own power. "The democracy I would like to have for Indonesia," he

BUNG KARNO



In April 1955, Indonesia's President Sukarno addressed China's Zhou Enlai, India's Nehru, Egypt's Nasser, and the representatives of 26 other Asian and African regimes attending the meeting known as the "Bandung Conference," after the West Java town in which it was held. It was Sukarno's supreme moment, his bid to be ranked with Tito and Nehru as a leader of the Third World. "Sisters and Brothers," he said, "Indonesia is Asia-Africa in small . . . a country with many religions and many faiths."

Sukarno, the son of a Javanese schoolteacher, was born in 1901 in Surabaya, East Java. Tjokroaminoto, chairman of the anticolonial *Sarekat Islam*, made young Sukarno his protégé and sent him to the Technical College at Bandung. There, in 1927, Sukarno achieved sudden prominence with a series of fiery nationalist speeches that prompted the Dutch to jail him. When Indonesia declared independence in 1945, Sukarno became its President.

"Bung Karno" (*bung* means "brother" or "comrade") proved to be a charismatic head of state, an incompetent administrator, a flamboyant globe-trotting *bon vivant* with a sense of humor. He managed to marry a total of seven women—and dallied with countless others. Indeed, Sukarno's breezy autobiography opens with the statement that "the simplest way to describe Sukarno is to say that he is a great lover."

In the years after Bandung, Sukarno, seeking to imitate Mao, imposed "Guided Democracy," threw offending newsmen into jail, and tilted toward the local Communists. But according to anthropologist Clifford Geertz, this system was less Maoist than it was a revival of the old imperial Javanese "theatre state," in which "power served pomp, not pomp power." Thus, Sukarno gave himself a series of inflated titles ("The Extension of the People's Tongue," for example), mounted a largely rhetorical "*konfrontasi*" campaign against Malaysia, and filled Jakarta with grandiose monuments. Money for all this came from the Soviet Union. Moscow gave Indonesia an estimated \$1 billion in aid between 1960 and 1965. Much of that aid went to the military—but much of the military was turning against Sukarno. In 1965, General Suharto shut down Sukarno's theatre state for good.

Isolated and ailing, the "Great Leader of the Revolution" died on June 21, 1970. On Suharto's orders, he was buried not near Jakarta, as he had requested, but hundreds of miles away, next to his mother's grave in the eastern Javanese town of Blitar.

announced in 1956, "is a guided democracy . . . especially if we want to construct it in the way I saw in the Chinese People's Republic."

In Washington, U.S. Secretary of State John Foster Dulles and his brother Allen, head of the Central Intelligence Agency, were alarmed by Sukarno's rhetoric. The Communist PKI had made considerable gains in the 1957 local Javanese elections. And that year Sukarno had nationalized all Dutch properties in Indonesia. In his memoirs, *Portrait of a Cold Warrior*, former CIA officer Joseph Burkholder Smith recalls the reaction of the CIA's Deputy Director of Plans: "It's time we held Sukarno's feet to the fire." The CIA, which had spent a million dollars supporting conservative Indonesian parties in the 1955 national election, soon got its chance to step up its anti-Sukarno efforts. On Sulawesi and Sumatra, in February 1958, non-Javanese Army commanders, with the backing of a few prominent Muslim politicians, announced the formation of the Revolutionary Government of the Republic of Indonesia.

Sukarno responded swiftly. Loyal Java-based Army battalions landed on Sumatra and Sulawesi and quickly crushed the rebellion. In *The Man Who Kept the Secrets*, a biography of former CIA chief Richard Helms, journalist Thomas Powers assesses the entire effort as an "abrupt, embarrassing failure," especially because direct American involvement became known: Flying a B-26 for the rebel air force, CIA pilot Allen Lawrence Pope was shot down after bombing and strafing the town of Ambon in eastern Indonesia.

A Split Society

What advantages a CIA victory would have given Washington remains a matter of conjecture. Some observers believe the Dulles brothers hoped to install a new regime; Powers claims that they hoped a chastened Sukarno would "suppress the PKI, send the Russians packing, and get on the American team." Instead, Sukarno scrapped the 1950 constitution in favor of his "Guided Democracy," which was little more than a euphemism for dictatorship.

Above all, the rebellion led to further polarization and tension. With 350,000 men, the Army and its commanders grew steadily more hungry for power. Martial law, already declared in 1957, gave Army leaders vast political influence, strengthened by their new control of formerly Dutch enterprises. In fear of his generals, Sukarno turned for support to the PKI, which had grown to be the world's third largest Communist party,

after those of China and Russia.

The split in Indonesian society was exacerbated by an economic tailspin. Military corruption and mismanagement and Sukarno's increasingly erratic leadership (characterized by the costly but futile 1963-66 "Crush Malaysia" campaign) brought on an annual inflation rate that hit 600 percent in 1965.

Death to the GESTAPU

Toward the end, Sukarno seemed almost desperate: In February 1964, he admitted that famine had struck parts of Java, but five weeks later shouted in public at U.S. Ambassador Howard Jones "To hell with your aid!" He went on to withdraw Indonesia from the United Nations and the World Bank, and then declared his nation part of an "anti-imperialist axis" including China, North Vietnam, and Sihanouk's Cambodia.

What happened in late 1965 and why remains obscure. Early on the morning of October 1, a small band led by Lt.-Col. Untung of the Presidential Guard shot to death six senior Army generals, seized the Jakarta radio station, and announced the formation of a Revolutionary Council. Untung declared that he was protecting Sukarno from a CIA-sponsored *coup d'etat*—a claim that Indonesians in 1965 did not dismiss out of hand. Within hours, General Suharto, leading some of the best troops in Indonesia, the Strategic Reserve's "Red Berets," launched a counterattack. Like Untung, Suharto claimed to be defending Sukarno. His strategy was to seize the capital and keep the President away from his supporters. Unlike Untung, who was soon executed, Suharto was successful.

Whatever the truth of the matter, the Army high command took the opportunity to blame the PKI for the Untung coup. Suharto and his associates whipped the nation into a panic by spreading stories about Communist youth groups torturing their victims; the Army intelligence corps sharpened the fear by coining the acronym GESTAPU for Lt.-Col. Untung's self-styled "September 30th Movement" (*Gerakan September Tiga Puluh*). For half a year, following Suharto's order to wipe out the PKI, the Army (and the bands of Muslim youths they supplied with trucks and weapons) hunted down and shot, strangled, or hacked to death an estimated 500,000 suspected Indonesian leftists. Loyalty to the new regime was demonstrated by joining in the pogrom; those who objected to the killings were accused of being Communist sympathizers.

Suharto and his fellow generals pressed on against Sukarno, stripping him of his powers but allowing him to retain

his title. Then, in March 1966, Sukarno tried to exercise his presidential prerogative to form a new Cabinet. Army paratroopers surrounded his palace and forced him to flee the capital. Thereafter, his orders were ignored.

In March 1967, just 46 months after Sukarno had assumed the title of "President for Life," Suharto appointed himself Acting President, and put Sukarno under strict house arrest. Finally, one year later, Suharto took on the full title of President. The new military regime now looked to Japan and the West for political support and for economic aid. Indonesia, dazed and shaken, was firmly in the Army's grip.

NO MIRACLE, NO MIRAGE

by Donald K. Emmerson

Is Indonesia winning its war on poverty?

A Chemical Bank report is optimistic: A bumper rice crop, buoyant oil prices, a construction boom, natural gas sales, and increased manufacturing combined to lift GNP by 9.5 percent in 1980—the country's highest growth rate in seven years. The bank predicts another strong performance in 1981.

A World Bank report is somber: "Life expectancy at birth—48 years—remains very low by international standards. About 600,000 infants less than one year old die annually. Almost 30 million people aged 15 and over remain illiterate. Daily wages in many parts of Indonesia are less than \$1."

Indonesia Handbook, an Australian travel guide, is unflattering: "Oil-king generals earn \$100 a month, then blow \$50,000 on a daughter's wedding. You can buy the captaincy of a ship (\$1,200) or [pay] to send off a letter extra-fast at the post office (25¢). You must even pay the teacher in order that your child graduate from the 4th to the 5th grade."

Diverse views reflect diverse realities. Indonesia must be

credited with impressive gains in overall economic growth since 1965. Yet poverty remains widespread, and corruption seems to have grown along with the economy. This contradiction is rooted in the history of Indonesia's "New Order."

In 1966 and 1967, Indonesia's new military rulers rejected Sukarno's romantic nationalism in favor of development through trade with and aid from the major capitalist nations. Sukarno's successor, General Suharto, made "development" the goal of his New Order of "political and economic stability." The Army undertook to ensure political order, while a newly influential group of Indonesian technocrats was charged with reversing Indonesia's economic decline.

Led by Berkeley-educated Widodojojo Nitisastro, who told the *New York Times* that he wanted to make Indonesia a "test case" of the free enterprise system, the 7 Western-trained economists and 5 generals in Suharto's 18-man "Development Cabinet" set out to balance the budget, stabilize the currency, reschedule Indonesia's foreign debts, and attract foreign investment. As one of those technocrats later recalled, "In 1967, everything and everyone was welcome. The first major company [Freeport Sulphur] virtually wrote its own ticket."

Suharto's anti-communist triumph in Southeast Asia's most populous nation and his inclination to follow the Western path pleased Washington, then waging an inconclusive anti-communist war in nearby Indochina. In 1966 and 1967, Indonesia rejoined the United Nations, the International Monetary Fund (IMF), and the World Bank. In response, a consortium of industrial democracies called the Intergovernmental Group on Indonesia* granted Indonesia \$200 million in emergency aid.

During 1968, on his first overseas trip as president of the World Bank, Robert McNamara visited Indonesia and announced that his organization would set up a permanent mission in Jakarta, a move unprecedented in the bank's operations. Enjoying special powers (such as direct access to McNamara) that, according to one bank officer, "exceeded those of

*Current members: Indonesia, the United States, Japan, the Netherlands, West Germany, France, Belgium, Italy, Switzerland, Austria, Britain, Australia, New Zealand, and Canada. Denmark and Norway are observers.

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KRAKATAU AND CORRUPTION

Named after the Krakatau volcano, whose sky-darkening 1883 eruption was one of the most powerful on record, the Krakatau steel mill and its checkered history illustrate many of the pitfalls of economic uplift in Indonesia—and the rest of the Third World.

In the late 1950s, the Soviet Union, then courting Sukarno, agreed to build a prestigious steel mill for Indonesia, just as it had done for Algeria, India, and China. Construction got underway in 1963 but was halted three years later, after Sukarno was ousted and the Russian technicians were invited to leave the country. The half-completed structure rusted until 1970, when the Indonesian government formed the Krakatau Steel Co. and married it to Pertamina, the prospering state-owned oil company. Pertamina soon signed contracts with a number of West German firms: Ferrostaal agreed to build the smelter; Siemens the power station; and Kloeckner the other sections.

But in January 1975, it came to light that Pertamina had borrowed over \$10 billion from Western banks—a debt eight times the total of Indonesia's foreign reserves. Investigators later found that the director of Krakatau had built himself a \$1 million home and that the contracts with the German firms were unusually expensive: The fee to Siemens, for example, was said to be triple the normal cost per kilowatt of capacity.

The scandal lives on today in the courts of Singapore, where Pertamina's attorneys are sparring with the widow of Haji Achmad Thahir, once a senior Pertamina official, over \$35 million of the dead man's fortune, acquired on an annual salary of \$9,000. Mrs. Thahir does not deny that much of the \$35 million (which now sits in a Singapore bank) came from enormous kickbacks on Krakatau contracts. But she testifies that her husband did nothing unusual. Even President Suharto, she claims, has received commissions on arms deals with West Germany and Israel.

The story of the still-unfinished Krakatau steel mill indicates the scale of corruption in Indonesia, supposedly one of the most graft-ridden countries in the world. According to a recurring but unverifiable estimate, 30 percent of the national income goes to "leakage." Bribery and abuse of office go back to the early days of Dutch colonialism, when unsalaried Dutch East India Company officials paid the company an "office charge" for the privilege of squeezing the locals.

Today, say some of Suharto's critics, political corruption has enabled generals, top bureaucrats, and their associates to monopolize entire sectors of the economy. Suharto's wife, for example, is rumored to control the importation of cloves, which are rolled into the tobacco of Indonesian cigarettes. "You either get somebody in power associated with your company," one foreign businessman told the *Asian Wall Street Journal*, "or they wipe you out."

any other of the Bank's resident missions before or since," and sharing officers with BAPPENAS, Suharto's development planning agency, the World Bank mission could directly influence Indonesia's development policies. The bank's first loan to Indonesia: \$5 million in 1968 to dredge and rebuild silted irrigation canals.

Confounding the "Berkeley Mafia"

While the World Bank was dispensing loans, Pertamina, the state-owned oil company, was issuing exploration contracts to Western oil companies. In 1970, one of those firms discovered Indonesia's first offshore oil field. In May 1971, more oil was located in Sumatra; in September, the Java Sea offshore field began producing; in October, the Union Oil Company struck even more oil off the east coast of Kalimantan.

One year later, the IMF reported that Indonesia, thanks to oil exports, had run up a trade surplus of \$500 million.

In aggregate economic terms, Suharto had scored an impressive success. Between 1965 and 1968, the government's budget deficit had been cut from the equivalent of 64 percent of expenditures to zero, and the inflation rate brought down from 600 percent to 10 percent. The nation's politics had been stabilized and its ability to export natural resources revived.* For achieving political stability and economic growth so soon after replacing a regime that had accomplished neither, the New Order was credited with what Rand Corporation analyst Guy Pauker, writing in 1973, called an "economic and political miracle."

But economic growth was narrowly based on the export of raw materials—mostly oil and timber. And the results of the First Five Year Plan, which came to an end in 1973–74, were respectable but not miraculous. The increase in rice production was less than half the planned 47 percent, although most other targets were attained. With this success under their belts, the technocrats—by this point dubbed the "Berkeley Mafia" because of their American degrees—produced the Second Five Year Plan.

Certain actions taken by the Organization of Petroleum Exporting Countries soon made the new plan irrelevant. In July 1973, Indonesia sold a barrel of its crude oil for \$4.72. By November of that year, the price was \$6, and eight months later,

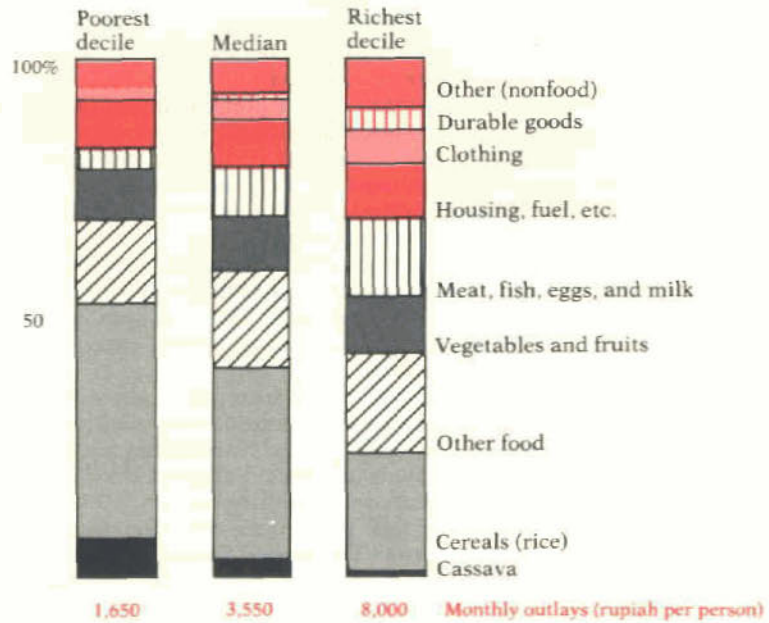
*Political stabilization came at a price. In 1965 and 1966, hundreds of thousands of suspected leftists were killed or imprisoned without trial; many were held until 1979. Even today, criticizing Suharto means risking arrest. Democratic rights, he once said, are like spices: "Used excessively, they spoil everything."

INDONESIA COMPARED: GNP PER PERSON, 1950-77

Per capita GNP (in 1976 dollars)



HOW INDONESIA SPENT THEIR MONEY, 1976



Note: In 1976, U.S. \$1 = 415 rupiah.

Source: International Bank for Reconstruction and Development, 1980 (top) and 1976 (bottom).

THE OBSCURE TRAGEDY OF TIMOR

In April 1974, a group of young Army officers toppled the right-wing government that had ruled Portugal since 1926. The new regime in Lisbon soon told the people of Portugal's colonies of Angola, Mozambique, and East Timor (as something of an afterthought) to prepare for independence.

Lost in the backwaters of the Indonesian archipelago, Portuguese Timor was populated by subsistence farmers, 90 percent of them illiterate. Poor in natural resources, it had remained a colony of Lisbon from the 16th century until the 1970s for one reason: No one else wanted the place. And when Portugal no longer wanted it, the trouble began.

In August 1975, a group of Timorese seeking continued links to Portugal attempted a coup. They seized the small airport, the radio station, and police headquarters in Dili, the capital. But many of the Timorese in the local Portuguese Army garrison went over to *Fretilin*, a leftist pro-independence party then led by Francisco Xavier do Amaral, a former customs official. *Fretilin* soon launched a counterattack, and by mid-September it controlled most of the colony. Alarmed by the prospect of "a Cuba on the doorstep," the Indonesian government sent arms to *Fretilin*'s foes, now organized as the *Movimento Anti-Communist*a—a coalition group that, unsurprisingly, favored incorporation of Timor into Indonesia. On November 28, 1975, *Fretilin* declared Timor independent.

Indonesia's rulers responded with a naval bombardment of Dili, followed by a 10,000-man invasion. Indonesian troops shot suspected *Fretilin* sympathizers and herded the rest of the population into resettlement camps. There, thousands suffered from tuberculosis, malaria, and malnutrition. In mid-1976, Indonesia officially annexed Portuguese Timor but kept out all foreigners.

By September 1979, when foreign relief agencies were finally allowed to enter Timor, between one-tenth and one-half of its estimated 1975 population of 650,000 had died. The situation of the 240,000 people still in the camps was "as bad as Biafra," according to an International Red Cross official.

Fretilin, now consisting of a few hundred insurgents, showed unexpected tenacity; its guerrillas harassed Indonesian installations as late as mid-1980. And for five years, the United Nations has annually voted to condemn Indonesian actions in Timor. Yet it is unlikely that the Suharto regime will be pressured into pulling out. In 1975, Secretary of State Henry Kissinger told the American Ambassador in Jakarta to downplay the Timor issue. The United States, he said, had "enough problems of greater importance" elsewhere. That comment was, and is, true of almost every government in the world—and it may serve as a kind of epitaph for East Timor.

\$12.60. (As of early 1981, the price ranged from \$33 to \$38.) In 1966, when Suharto's economists began to draw up their frugal plans for stabilization, oil accounted for 5 percent of Indonesian government revenues. During 1974, when the Second Five Year Plan was introduced, the percentage shot up to 55 percent. Yet Indonesia's petroleum proved to be a mixed blessing. Although the rising value of oil enlarged Indonesia's foreign exchange holdings, it also pushed up the prices of imports, including petroleum-based fertilizer. The government was hard put to spend its earnings on development without enlarging the domestic money supply and so spurring inflation.

Soldiers Sell Volkswagens

The oil bonanza also encouraged some Indonesians to question the technocrats' careful planning. One such doubter was the man in charge of Indonesia's oil, General Ibnu Sutowo, the director of Pertamina and, not coincidentally, owner of the only Rolls Royce in the Indonesian archipelago. Sutowo thought the technocrats' idea of incremental development was far too cautious. He operated beyond their reach, signing contracts with foreign firms and taking out unreported loans from foreign banks. As the U.S. House of Representatives' Subcommittee on Foreign Assistance later charged, Suharto's regime tended to agree "in principle" to focus on rural development and the creation of jobs; but then its leaders would quietly commit themselves to "costly, capital-intensive projects"—schemes such as the Krakatau steel plant in Cilegon, Java, now scheduled for completion in 1983.

General Sutowo, who liked to think big and spend bigger, was a prime mover behind such projects. Using his company's funds—he once told *Time* magazine that "Pertamina and Sutowo are very difficult to separate from each other"—he invested in motels, monuments, mosques, hospitals, Southeast Asia's largest helicopter fleet, and giant oil tankers at top-of-the-market prices.

Late in 1974, when Pertamina ranked 118 on the *Fortune* list of top corporations outside the United States, a worldwide recession and a fast climb in foreign banks' interest rates caught Sutowo by surprise. As newspapermen Seth Lipsky and Raphael Pura later explained in *Foreign Affairs*, "Pertamina was a bubble. Much of its debt was to fund projects that would take far longer to build than the loans would run." (There is reason to believe that the Japanese, European, and American bankers who made those loans were betting that Tokyo and Washington

Market (1954) by
Balinese artist
I.B.M. Nadera.
Much of Indonesia's
commerce still
centers around such
open-air markets,
featuring everything
from patent
medicines to single
cigarettes.



Photo by Frank Bodmer.

would not allow a nation as strategically located and resource-rich as Indonesia to go bankrupt.) It was a \$10.5 billion bubble—four times the foreign debt run up by Sukarno—and its creation infuriated the technocrats. They were happy to see Pertamina stripped of its nonoil holdings and then to see Sutowo separated from Pertamina.

But Sutowo was replaced by another general, not an economist. Even today, citing their theory of *dwi fungsi* (“dual function”), which holds that the armed forces have a duty to develop as well as defend the nation, the military combines public duties with private profit. Thus, General Sofjar was already chairman of the Indonesian Chamber of Commerce when he became head of the Army Strategic Command, which reportedly holds partial ownership of the Volkswagen distributorship in Indonesia, as well as interests in a bank, logging, and Mandala Airlines. This last enterprise puts the Strategic Command in competition with the Air Force, whose C-130 cargo planes sometimes carry civilian passengers for a fee. The Navy, for its part, is said to be involved in commercial shipping, and the police supposedly en-

gage in logging. (Timber is second only to petroleum as an export commodity.) Some of the profits from these ventures go to running the military. To foot the bill for its 1975 invasion of Timor, the Army took over a number of East Timorese coffee plantations, from which it reportedly raised about \$20 million. More generally, the Indonesian government's 1981 defense budget of \$2.1 billion is widely reckoned to cover only 30 to 50 percent of the real needs of the 240,000-man armed forces. Profits from the military's corporations make up the shortfall.

Neither China nor Nigeria

Partly because of the economic power of Indonesia's military elite, partly because of high-level corruption, and partly because of the technocrat's own development strategy, the distribution of wealth is becoming increasingly imbalanced. The cities are getting more of it than the rural areas. Within the cities, the disparity between rich and poor has increased. In the countryside, where the great majority of the Indonesian population lives, the real income of the poorest people may even have declined over the last 10 years. Indonesia is not subject to the desperate poverty found in Haiti, India, and sub-Saharan Africa, but on a typical day in Java in 1976, 17.2 million people could earn about enough to buy only a pound of rice—with nothing left over for shelter, clothing, or additional food.*

The more Indonesia's population grows, of course, the scarcer farm land becomes, especially in Java. One-third to one-half of peasants on that island are without land. (Most of those who do possess land don't have much. The problem of rural reform on Java is not to break up large holdings but to provide the landless with nonagricultural employment.) Underemployment is chronic, and "shared poverty" the rule: In one fishing village in East Java, for example, one worker wakes the fishermen, while others only guard or clean the boat, thus gaining shares in the catch without even going to sea. In 1974, the Federation of Indonesian Labor claimed that out of the 44 million-strong labor force, only 12 million workers were fully employed. These are the realities concealed in the statistics showing a growth in

*The production of rice has increased faster than the population it must feed, but economic growth has increased demand even faster. A poor family that earns a little extra income is likely to spend it making home improvements or eating less cassava and more rice. The government is unwilling to risk riots by allowing scarcity to reduce demand. So, in the 1970s, despite real achievements in output using the high-yielding varieties collectively known as "miracle rice," Indonesia became the world's largest importer of rice, buying some 2 million metric tons per year. The rice revolution also played favorites: Only the wealthier farmers could afford pesticides to keep insects from stripping the crop.

INDONESIA'S POPULATION: IMBALANCE AND OVERCROWDING

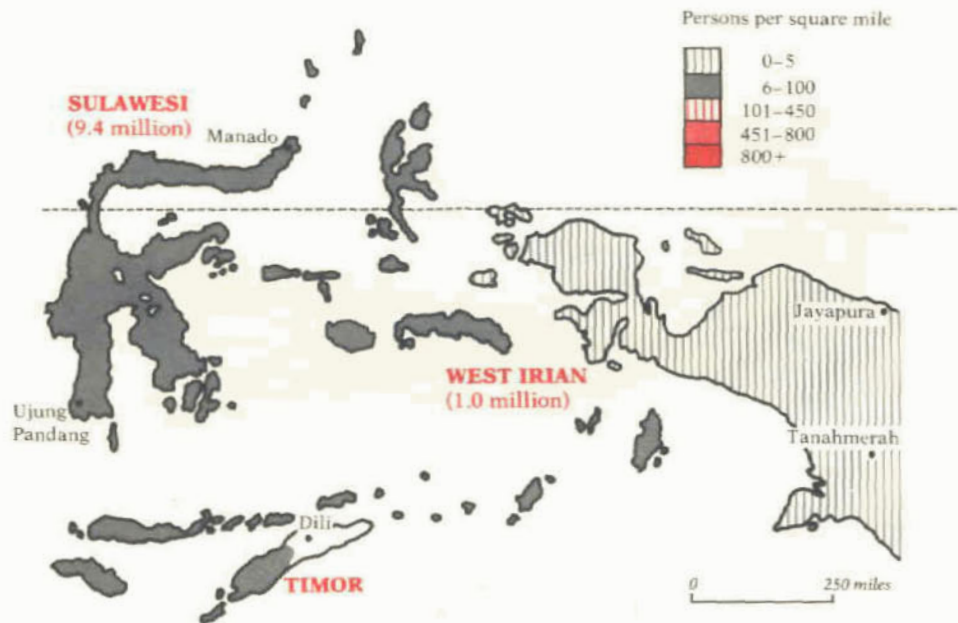


Indonesia's total population in 1976 was 130 million. All figures are approximate. Information on East Timor not available. Numbers in parentheses indicate the populations of principal islands only.

per capita income from \$160 in 1966 to \$360 in 1978.*

Maldistribution of jobs and income did not "just happen." It was the direct result of the New Order's philosophy. During the late 1960s, Suharto's technocrats conceived of development as the fruit of "top-down growth." They gambled on the strong (who by the end of the Sukarno era were relatively weak), and the bet paid off. Stabilization and rehabilitation spurred production, and the economy was revived. But as the economy stabilized, the strong grew stronger—as did their interest in stabilizing inequality. Accustomed to promoting growth in general, the technocrats were ill-equipped to redirect its benefits downward to landless laborers in the villages.

* Even this 1978 figure may be over-optimistic, for it appears to be based on an underestimation of Indonesia's population.



Source: International Bank for Reconstruction and Development, from 1976 population survey.

Even so, one might ask, does not Indonesia's successful effort to generate growth affirm the superiority of the market mechanism?

No. Suharto's New Order is no more a showcase of free-enterprise capitalism than Sukarno's Guided Democracy was a test of socialism. Indonesia remains Indonesia. For all the technocrats' willingness to deregulate, the state now penetrates the economy more than ever before. At the top, interlocking directorates, formal and informal, link generals and bureaucrats to ethnic Chinese financiers and foreign investors in big businesses such as oil, shipping, and construction. At the bottom, many a district chief tries to siphon off what he can. The New Order's success in bringing about overall economic growth results less from its strategy than from oil revenues, and its failure to distribute more equally the ensuing wealth is explained as much



Published in 1980 by dissident Indonesian students, this cartoon shows Suharto using "HPH" (the official forestry licensing system) to carve up Indonesia for ethnic Chinese and foreign businessmen.

by the authoritarian political system as by its decidedly mixed economic model.

Yet Japan and the West remain strongly committed to Suharto's regime. As of 1980, Indonesia was the World Bank's third largest borrower (with \$2.6 billion), behind only Brazil and Mexico. And in fiscal year 1980, only Israel, Egypt, Turkey, and Pakistan received more American aid than Indonesia, which got \$231 million. Nor was Washington being sentimental: By 1980, Indonesia accounted for 6 percent of all U.S. crude oil imports.

Energy-short Japan has an even greater stake in the New Order. In 1980, when Indonesia was the world's ninth-largest oil exporter, and when oil and gas made up over half of its exports, Japan bought over half the petroleum Indonesia sent abroad. (Indeed, in 1979, more than half of *all* Indonesian foreign trade

was with Japan.)

Indonesians are ambivalent about this dependence on Tokyo and Washington. In a nationwide poll conducted last year by the Jakarta newsweekly *Tempo*, nearly three-fourths of the people asked said they were better off financially in 1980 than they had been when Suharto came to power. But many seemed to think they were better off despite, not because of, the government's pursuit of foreign investment. Forty-six percent of those asked believed foreign businessmen had helped the economy; 35 percent felt they had not.

But a popular uprising is hardly imminent. Indonesia today is not China in 1949. Nor is it Nigeria in 1979, because the New Order seems unlikely to civilianize and democratize itself. So Indonesia will remain a military autocracy: Suharto may be toppled by a coup, but if so, his replacement will probably come from the Army.

The population's acquiescence is not solely a matter of fear. "Trickle-down growth" has reached and co-opted many of the New Order's potential opponents in the middle class. In towns and villages, merchants, civil servants, and the more prosperous farmers have gained enough from development to shy away from any Marxist visions of the future.

In Indonesia since Sukarno, a lot has been done for the few. But a great deal remains to be done for—and by—the many. Aggregate growth and political stability have been achieved, but distributive justice has not. The New Order now seems too corrupt to overcome that particular failure but just strong enough not to have to.

THE IMPACT OF ISLAM

by James Peacock

High, thick, whitewashed walls shade pedestrians and bicyclists from the late afternoon sun as they pass by the palace of the sultan of Surakarta, a city which lies in central Java, at the heart of Indonesian culture. Just beyond the far end of the palace, a noisy market is beginning to quiet down. In the open-air courtyard of the palace mosque, scores of merchants and artisans bathe their hands and feet, then kneel and perform the evening prayer of Islam.

Inside the walls stands the palace itself, in which the now-powerless sultan and his family still reside. The entire palace complex is laced with narrow alleys leading to small courtyards, and beside one, 12 men of all ages sit with eyes closed: They are the *Sumarah*, a meditation group. In the corner of another courtyard is a small table, the shrine of a resident mystic, and on that table are figurines: the Buddha, the Hindu god Siva, the Virgin Mary, and the all-powerful clown-god of Java, Semar. On the other side of the wall, the mystic's automobile, a 1957 Chevrolet, boasts hood ornaments of the same figures. Notably absent are any insignia of Islam: the star and the crescent, the green flag, or a picture of the *Ka'bah* (the holy stone of Mecca).

Together with Jogjakarta, a few miles to the west, Surakarta is one of the two surviving sultanates of Indonesia, remnants of the greatest Islamic empire of Southeast Asia, the second Mataram. This mighty kingdom reached its peak in the 17th century, when it was subdued by the Dutch. It went on, under Dutch protection, to elaborate a refined courtly culture that became the base of modern Javanese civilization, which is only partly Islamic. Thus, in the sultan's palace there coexists a variety of religious traditions, ranging from the rather orthodox Islam of those who pray at the mosque to the mixed—strongly Hindu, Buddhist, and magical—worldview expressed by the resident mystic who claims to cure the sick by reciting Indian mantras that enable him to project a searing light from his belly.

Looking beyond the sultanates, we encounter everywhere a scrambled pattern: In Indonesia, Islam is woven into a rich religious tapestry.

Yet, to change the metaphor, is not the desert-born faith of Muhammad a strange transplant in this lush tropical archipelago? Here we have a monotheistic faith, first shaped by the

harsh nomadic life of warring tribes in the Saudi desert, transferred thousands of miles to a complex nation whose civilization was based on a pantheistic Hindu-based philosophy of social and cosmic harmony. Even so, the desert religion took root. Nine out of 10 Indonesians now identify themselves as Muslims, and Indonesia is the world's largest Muslim nation. Yet, as the saying goes, scratch a Javanese Muslim and you'll find a Hindu; scratch him again, and you'll find an animist. Islam in Indonesia is unlike Islam in Iran, or Malaysia, or anywhere else.

Until approximately the time of Christ, the religion of the native tribes scattered across the archipelago was animistic: Swirls of spiritual energy were seen to pervade the atmosphere, appearing here and there in a tree, rock, animal, or demon. Hindu ideas were brought to the islands during the first millennium B.C. by traders following the maritime routes of South Asia. When seagoing Muslim merchants—not warriors—came to Indonesian ports in the 13th century, their kind of Islam could compete because it was not a rigid faith imposed by the sword, as was so often the case with Islam elsewhere, but a speculative religion of the imagination. The mysticism of their creed appealed to the Hindu princes, as did the prospect of luring Muslim traders to their ports to be taxed.

Burying Buffalo Heads

Islam mingled with the existing Javanese-Hindu civilization—physical evidence of the merger can be seen in Java's oldest mosques, which resemble the present-day Hindu temples of Bali—and gave rise to the second empire of Mataram. The Dutch stripped the empire of its military and political power in the 17th century, but its culture lives on even now. As political scientist Benedict Anderson has noted, the Javanese are today so conscious of their refinement that unruly children are described as "*durung Djawa*"—"not yet Javanese"—rather than, as we might put it, "not yet adult."

Without an awareness of all this, one cannot begin to understand Indonesia. Only by looking to the tradition of self-examination through meditation, for example, can we fathom why, in the spring of 1946, General Sudirman, the 31-year-old Commander of the Indonesian Army, responded to a national crisis by asking his soldiers to fast for three days. Similarly, only Indonesia could produce a Sukarno, who wrote under the pseudonym of the shadow-play hero, Bima; named his female paratroopers *Srikandi* after a shadow-play heroine; and compared running his nation to the staging of a *wayang* (the shadow

play) of which he was the priestly puppeteer. Sukarno's successor, Suharto, who is also Javanese, is less theatrical but perhaps no less mystical. It is said that he consults a seer, and that when he went abroad in September 1970, a buffalo head was buried at each far-flung extremity of the archipelago to ensure that the nation would hold together in his absence.

Statistik vs. Fanatik

Java is at the center of this enduring culture. Historically, when the people of the outlying islands have sought a counterweight to Javanese cultural domination, they have turned to Islam. Purist Muslims have always been a threat to the central authorities; Indonesians clearly recognize the purists as a distinct and often dissident subculture. Those who (in anthropologist Clifford Geertz's phrase) hunger for "an Islam of the book rather than of the trance" are known as *santri*. Thus, the 130 million Muslims in Indonesia divide into two broad categories: the *santri*, and the others, the majority who not only ignore the "Five Pillars" of Islam (that is, they neglect the five daily prayers, the Ramadan month of fasting, the religious taxes, the pilgrimage to Mecca, and perhaps even the affirmation of faith in Allah and Muhammad), but also blend their Muslim beliefs with strains of Buddhism, Hinduism, animism, and other religions and ideologies. Overall, perhaps one-third of Indonesia's total population is *santri*; away from Java, however, on the sparsely settled outer islands, *santri* is often the dominant type.

This division is implicitly political: The purists see themselves as members of *Ummat Islam*, the worldwide community of believers, while the others, looking inward, hold themselves to be part of an exclusive Indonesian—or Javanese—civilization. Hence the *santri* deride the majority as "*Islam statistik*"—that is, Muslim in name only—while they in turn are taunted as "*Islam fanatik*," or more simply, "Arabs," pointing up the purists' habit of affecting Arabic styles and larding their talk with a pious Arabic "*Inshallah*"—"if God wills."

The split is also economic. In the countryside, many landlords and landowners are *santri*; in the cities, the purists tend to

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A puppet from the wayang (shadow play). As many as 350 such puppets may be used in a typical all-night performance. To the right: The good king Yudistira, who never fights or raises his voice.



From Wayang Purwa by H. Ulbricht. Reproduced by permission of the author.

be traders, often housed in a special *santri* quarter located near mosque and market. The rich *santri* (and many are rich) tend to attribute their financial success both to faith and to hard effort. One businessman from Surabaya told Clifford Geertz, "All I do is work and pray, work and pray; and it only takes a few minutes to pray." This Asian puritan concluded that "those who are poor are poor mainly because they are lazy, stupid, or sinful."

Throughout the 20th century, the devout minority has tried to make Indonesia less Javanese and so more Islamic. The rivalry between the Javanese and Islamic cultures has most often taken the form of a tug-of-war for political power between the Javanese-dominated central government and the outlying, more *santri*-oriented islands.

At this point, the Jakarta regime appears to be the victor in the struggle. Not only have the Islamic groups been unable to establish an Islamic state, but they have never won a majority in the Indonesian parliament, not even in the relatively free elec-

tion of 1955. And Islam, like all organized religions in the nation, has been brought into the Ministry of Religion, the largest department in the regime's burgeoning bureaucracy. Although it is dominated by *santri* Muslims, the ministry also represents Hinduism, Buddhism, and Christianity. Such control exacts a certain aesthetic toll: Indonesia's emerging bureaucratic culture has crept into Islam and is reflected in the new Muslim style, with its uniformed youth groups, training camps, and terminology drawn from management courses.

But then the Muslims' strength lies far from the cosmopolitan capital, in thousands of *santri* communities. Before 1965, the Communists could compete with the Muslims, but today not even the Army can match the cradle-to-grave reach of the 6-million-strong *Muhammadijah*. This *santri* religious-welfare-state-within-the-secular-state extends throughout the archipelago and includes schools, hospitals, and the most vigorous women's movement in all of Islam.

Islam Absorbed

Such a disparity between Islam's power in the communities and its relative weakness in the political center prompts the question: Is Suharto's Indonesia like the Shah's Iran? Yes, as the Ford Foundation's Sidney Jones has observed, in that both nations have had "an authoritarian regime committed to rapid development along capitalist lines, an overwhelmingly Muslim population, and a growing income distribution gap based partly on the influx of oil revenues."

Such parallels are, however, overshadowed by differences. No religious upheaval seems imminent in Indonesia. The country's Muslims are too few, when they are *santri* purists; too well-integrated into the regime and into national life, when they are not. And *santri* concerns are less political than those of the Ayatollah Khomeini. When in 1979 I asked a *Muhammadijah* leader about the parallel between Iran and Indonesia, he replied, "We seek not an Islamic state, but an Islamic society." Candid or not, the statement accurately reflects what is possible for Islam in Indonesia.

Muslims can and do influence the government—as in 1973, when they forced Suharto to water down a proposed "Indonesian" marriage law that discouraged Islamic polygamy and endorsed interfaith unions; and again in 1976, when they had the country closed to the aggressively evangelical missionaries of Jehovah's Witnesses. They have never triumphed in national elections, but the Muslims' capture of one-third of the popular

vote in 1971 and 1977 makes them the government's strongest competitor. Even so, it seems unlikely that the Muslims will become more than what they are: a powerful opposition group dedicated not to taking over the government but to exemplifying the proper life guided by the will of God.

Around the world, there are three types of Islamic societies. In the first type, a single ethnic group, believing in Islam, dominates a nation's culture, laws, politics, and foreign relations. Saudi Arabia and Pakistan come to mind as examples. In the second type, Islam is the faith of an ethnic majority in a racially dualistic society. Malaysia, with its preponderance of Malay Muslims and large, relatively prosperous Chinese minority, exemplifies this mixture. (Indeed, the Malay phrase "*masuk Melayu*," which literally means "to become Malay," means "to become Muslim.")

Indonesia's society embraces a more complicated relationship between religion and ethnicity. The two crisscross. A member of the Indonesian (as opposed to the Chinese, Indian, or European) ethnic group is not necessarily a Muslim. Hindu-Buddhistic culture thrives on Bali and has been revived on Java; myriad religions of the type we once called "pagan" flourish

Balinese legong dancers, as drawn in 1955 by the Balinese artist I Rudin. The traditional dances, theater, and gamelan (Indonesia's distinctive percussive orchestra) live on today throughout Java and Bali.



Courtesy of Rijksmuseum voor
Volkenkunde, Leiden.

throughout the islands; 12 million Christians live on the islands of Flores, Ambon, Timor, and Java, and among the Minahasans of Sulawesi and the Batak people of Sumatra. Yet some Bataks are Muslim, just as some Indonesian Chinese are Buddhist and others Christian.

The Minangkabau people of the Sumatran highlands show the intricate weave of religion and local tradition. Though fervent Muslims since the 19th century, and a major force in modern Islamic reform movements, the Minangkabau have never given up their matrilineal customs. Even today, it is their women who own and supervise their houses, shops, and fields.

All this complexity makes it difficult to generalize about Indonesian history and politics. While the factionalism of its practitioners sometimes threatens to fragment Indonesia, the Muslim faith is one of the archipelago's few persisting inter-island bonds. The peoples of Java, Sumatra, Sulawesi, Kalimantan, and (especially) the less-"Indianized" eastern islands differ enormously in custom and history, but they are united in being committed in some fashion to Islam.

Perhaps the most telling fact about Indonesia is that centuries ago its Hindu people *absorbed* Islam, unlike the people of India, who made the Hindu-Muslim split a source of lasting bitterness. Indonesia's traditional tolerance is expressed in the proverb, "*lain desa, lain adat*"—which loosely translates as "for each village, a different custom." But the goal of the post-independence governments of Indonesia has been rather different—as is expressed in the national motto, "Unity in diversity." It is a unity within which Islam is, again, absorbed, though in this case the absorption is backed by the state. Islam is one element within the Ministry of Religion, one judicial and educational system among several, one political coalition among three, one philosophy mixed into a diverse worldview.

The palace complex of Surakarta is, indeed, a microcosm of Indonesian culture: The minaret of the sultan's mosque rises above the palace, but down below, among the courtyards and verandas, Islam is assigned to one place among many.

BACKGROUND BOOKS

INDONESIA

From 1854 to 1862, the English naturalist Alfred Russel Wallace, friend and rival of Charles Darwin, toured the East Indies in search of evidence for the theory of evolution.

The archipelago, he wrote, seemed to have "a climate, vegetation, and animated life altogether peculiar to itself."

Wallace's work in classifying flora and fauna led him to perceive the island chain as "a connected whole." Yet in his chatty travelogue, **The Malay Archipelago** (Harper, 1869; Dover, 1978, paper), he found variety, too. The Portuguese colony of Timor was "a most miserable place," while Dutch-ruled Java was "probably the very finest and most interesting tropical island in the world."

As Princeton anthropologist Clifford Geertz reports in **The Religion of Java** (Free Press, 1960, cloth; Univ. of Chicago, 1976, paper), the people of that crowded island have developed a mixture of religious beliefs found nowhere else. Geertz describes their peculiar mysticism as a way "not of turning away from life but toward it."

To the west of Java is oil-rich Sumatra. Its inhabitants pride themselves on being more direct than the Javanese, whom they regard as excessively refined. Indeed, some Sumatrans did not give up the practice of eating people until early in this century. As ethnologist Edwin M. Loeb writes in **Sumatra: Its History and People** (Oxford, 1935, cloth; 1973, paper), cannibalism was for the Batak tribe of the Sumatran highlands "a severe form of capital

punishment," reserved for traitors, spies, and imprudent commoners who committed adultery with the wives of noblemen.

In contrast to Loeb's sobering examination of Sumatra is Miguel Covarrubias's lively **The Island of Bali** (Knopf, 1937). Covarrubias first cites a legend: When Java fell to the Mohammedans, the disgusted Hindu gods decided to move to Bali.

"Everybody on Bali seems to be an artist," writes Covarrubias, a Mexican painter. He lived on the tiny island for two years in the 1930s; he thought he was witnessing the last years of a pure culture "doomed" by modern commercialization. Yet Bali's painters, dancers, sculptors, and musicians thrive today, despite the invasion of this "last paradise" by thousands of tourists each year. And Balinese Hinduism flourishes with its "constant demand for music and dance," notes UCLA ethnomusicologist Mantle Hood in **Indonesia**, edited by Ruth T. McVey (Yale, 1963; 2nd ed., 1968).

Beyond Bali lie the islands of eastern Indonesia. Far from Java's temples, Sumatra's oil, and Bali's art, the hundreds of islands in the vast area bounded by Australia, Papua New Guinea, and the Philippines are scarcely known in the West.

In **Villages in Indonesia**, edited by Raden Mas Koentjarningrat (Cornell, 1967), anthropologist Peter Goethals describes the life of an eastern Indonesian farmer in Sumbawa: His rice seedlings are threatened by fire-resistant weeds, and when the surviving rice matures, it attracts

marauding monkeys. Ants, mice, birds, and wild pigs are constant dangers, requiring a round-the-clock watch on the fields during the growing season. As food stocks run low in the last months before the April harvest, the farmer and his family subsist on plain rice and boiled greens, and for all but the rich few, life becomes a matter of "inertia, drowsiness, and resignation."

Of all the islands, Java inevitably attracts most scholarly attention; it is home to over half of Indonesia's population, the locus of commerce and political power, and the center of the nation's culture. So writes art historian Claire Holt in **Art in Indonesia: Continuities and Change** (Cornell, 1967). She surveys three aspects of that culture: first, the ancient art of Java's classical Hindu-Buddhist period; then the living traditions of dance and *wayang* (shadow plays that could be called Javanese opera); and finally, modern Indonesian painting, which is heavily influenced by Western art.

As Dutch sociologist and historian W. F. Wertheim comments in **Indonesian Society in Transition** (The Hague: W. Van Hoeve, 1956; 2nd ed., 1959; Hyperion, 1980, reprint of 1st ed.), the tough European merchants who settled in the East Indies "could hardly be said to radiate Western culture." Not until the 20th century did any Westernization—whether in art or education—seep below the aristocratic layer of Indonesian society. When European influence did penetrate, young Indonesian students responded most enthusiastically to the ideas of socialism and nationalist revolution.

Both in Holland and in the East Indies, the Dutch were not interested in dialogue: The Indonesians would rule only when they were "ripe for

selfgovernment." Historian Bernard Vlekke observes in **Nusantara: A History of Indonesia** (Quadrangle, 1943; reprint, 1977), that "it was never said . . . *what* qualifications a people must have to be 'ripe for selfgovernment.'"

As it turned out, what first developed in Indonesia was a ripeness for rebellion. Cornell's George Kahin tells how independence was won in 1949, in **Nationalism and Revolution in Indonesia** (Cornell, 1952, cloth; 1970, paper). With victory, a new generation full of "energy and creativeness" set up a parliamentary-style government that, Kahin wrote, "gave promise of taking root."

The title of Herbert Feith's book sums up what happened instead: **The Decline of Constitutional Democracy in Indonesia** (Cornell, 1962). Feith, an Australian political scientist, attributes the 1957 collapse of democracy to postwar disillusionment and a "decline in revolutionary spirit."

That decline is the subject of Mochtar Lubis's melodramatic novel **Twilight in Djakarta** (translated by Claire Holt; Vanguard, 1963). Lubis, an Indonesian writer and journalist, portrays corruption at the top and desperation at the bottom. One senior official urges a fellow bureaucrat to use his official position to obtain an import permit for a car. Then, buy the foreign automobile at 62,000 rupiahs, he says, and resell it for 125,000: "You can buy yourself a second-hand car for about fifty thousand . . . and you are left with a clear seventy-five thousand profit." Meanwhile, a Javanese laborer explains his plight to a friend: "Read—cannot. Write—cannot. Become skilled—cannot. Most I have—two hands and two feet."

Australian novelist Christopher

Koch's **The Year of Living Dangerously** (St. Martin's, 1979) takes place in 1965, when popular uneasiness in Indonesia escalated to panic. The novel is essentially an expatriate's meditation on Sukarno. Through an odd friendship with a half-Chinese dwarf, an ambitious Australian journalist becomes caught up in the disintegration of Indonesian politics. An outcast in every way, the dwarf finds refuge in his faith in Sukarno. "When a great poet writes about his country, he actually gives it a soul it didn't have before," argues the dwarf. "Well, Sukarno's done the same thing in his speeches. He's *created* this country."

Both Koch's novel and **Sukarno: A Political Biography** (Praeger, 1972), a rather dry account by Australian political scientist J. D. Legge, end with the military takeover that toppled the champion of "Guided Democracy."

Since then, the joke goes, holding general elections in Indonesia means electing Indonesian generals. Today, with the civilian opposition outlawed, frightened, or co-opted, argues Harold Crouch in **The Army**

and **Politics in Indonesia** (Cornell, 1978), "the most important power struggles . . . take place within the military elite." Some of the losers of those struggles have been arrested. More often, they are comforted with diplomatic posts or prestigious and lucrative jobs in the state bureaucracy. One trouble with this closed system, says Crouch, a political scientist at the National University of Malaysia, is that in excluding civilians, it becomes unresponsive to civilian discontents.

The massacre of 1965 haunts Indonesian politics, observes Clifford Geertz in the concluding essay of **Culture and Politics in Indonesia**, edited by Claire Holt, Benedict R. O'G. Anderson, and James Siegel (Cornell, 1972). The Javanese, Geertz writes, have a saying: "The crocodile is quick to sink, but slow to come up"—that is, popular passions in Indonesia build slowly, beneath a calm exterior, and then surface gradually but inexorably with overwhelming force. Today, as in 1972, when Geertz wrote the essay, both Indonesians and Western specialists are watching for the crocodile.

EDITOR'S NOTE: *This essay is based on suggestions from Sidney Jones, a Ph.D. candidate at the University of Pennsylvania on leave from the Ford Foundation. Additional titles were suggested by James Peacock and by Audrey Kahin of Cornell University.*