



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-

Benedict R. O'G. Anderson, 44, is a professor of government at Cornell. He was born in Kunming, China, and is an Irish citizen. He received a B.A. in classics from Cambridge University (1957) and a Ph.D. in political science from Cornell (1967). He is the author of Tolerance and the Mythology of the Javanese (1965) and Java in a Time of Revolution (1972).



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.

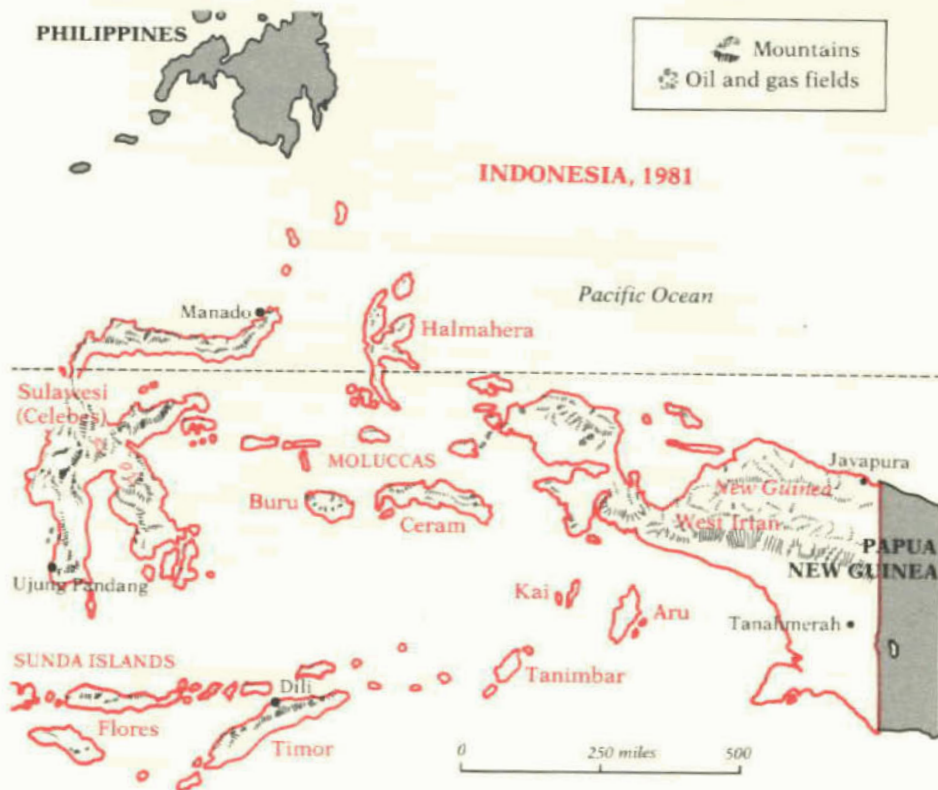
After the PKI's debacle, a charismatic young Javanese engi-



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