

Ten Years of Extraordinary Change in Indonesia

By Christine Drake

CHANGES IN INDONESIA over the past ten years have affected the whole country to varying degrees and left almost no one untouched. Whether political, economic, social, or environmental, the changes have been rapid and unprecedented. Just ten years ago, Suharto and his military government were in power; the country had yet to experience the economic crisis of 1997–98, which brought considerable poverty and lowering of standards of living to tens of millions of people; relationships among members of different religions and ethnic groups were more harmonious; and, environmental concerns, though serious, were less obvious and pressing. The year 1997 also predated the great December 26, 2004, tsunami, recent major earthquakes, flooding, and other natural disasters.

Compared with ten years ago, Indonesia has experienced tremendous growth and change. Indeed, population has increased from approximately 200 million in 1997 to more than 236 million today—a growth of about three and a half million a year.¹ Evidence of population growth is readily apparent in the huge expansion in the construction of houses and other buildings (Photo 1). Houses, small shops, and other businesses line roads leading into burgeoning cities; large areas of rice fields have been swallowed up by land development (Photo 2); and new areas of forest have been cleared for plantations and farms (Photo 3). Roads are severely taxed with the large increase in traffic—especially motorcycles that dart in and out between cars and other vehicles. Almost every major city reports regular traffic jams—road building simply cannot keep up with the increased number of vehicles. Vehicles are also much newer and nicer than those ten years ago. The most popular vehicle is the Japanese Kijang (station wagon).

Nowhere is change more apparent than in Jakarta, a city of some thirteen million people. The number of skyscrapers has increased significantly, and Jakarta has a more obvious central business district than ever before. Cranes are at work erecting still more apartment and business complexes. Shopping malls abound (Photo 4). A new, modern “busway” makes bus travel much more effective and efficient, even when it causes more traffic density in other traffic lanes. Everywhere in Jakarta, people seem busier, more engaged, and more involved in economic activity, yet to a returned observer, the city seems more ordered and possibly less polluted than ten years ago. Toll roads, traffic signals indicating the time remaining before the light changes (Photo 5), the new fast busway, the abolition of slower forms of transport (animal- or human-drawn vehicles), and the great reduction in the number of very polluting *bemos* with their inefficient two-stroke engines, have made the city’s air cleaner. Still, a pall of pollution hangs over the city.

Change is significant in other parts of Indonesia as well. In West Sumatra, for example, animal ploughs (drawn by water buffalo and oxen) have been replaced by mechanical ploughs (Photo 6); far more roads are paved; electricity reaches almost all of the population; satellite dishes are found beside most houses; and new shopping plazas are being built. In North Sulawesi, a huge amount of building is going on in the provincial capital, Manado, especially three-story apartment blocks with housing above small stores. New houses of worship, both mosques and churches, are being built in many villages, and new bridges are being constructed. In Bali, change is almost overwhelming. Denpasar has expanded enormously—swallowing up wet rice fields (*sawah*) as “land consolidation” programs open up farmland for housing. More shops, modern supermarkets, and shopping centers are found everywhere. Unfortunately, some of the charm of Bali has been lost, though at a distance from the big city and tourist sites such as Kuta, Sanur, and Kintamani, Bali is still lovely.



Photo 1: New construction in Jakarta.
Courtesy of Christine Drake.



Photo 2: Rice fields swallowed by urban expansion in Bali.
Courtesy of Christine Drake.



Photo 3: New areas of forest opened up for farms in N. Sulawesi.
Courtesy of Christine Drake.

Political Changes

Growing dissatisfaction with President Suharto and his government in the 1990s boiled over as a result of the economic crisis of 1997–98 that had a profound effect on the value of currency, jobs, and what had been increasing prosperity. Suharto was ousted in 1998. Since then, Indonesia has had four presidents—B.J. Habibie (May 1998–October 1999), Abdurrahman Wahid (October 1999–July 2001), Megawati Sukarnoputri (July 2001–October 2004), and Susilo Bambang Yudhoyono (October 2004–present). The president is now elected by direct popular vote, something no one anticipated just ten years ago.

Among other major political changes, five stand out—the independence of East Timor, the end of the separatist movement in Aceh, terrorist outbreaks, an increase in the number of provinces, and the devolution of power to the *kabupaten* (regencies/districts).²

Responding to international as well as continued East Timorese pressure, President Habibie allowed the East Timorese a referendum to determine their future. From 1520 to 1975, East Timor was a Portuguese colony. However, with the downfall of Portugal’s dictatorial regime in 1974, it became semi-independent; but by making overtures to China, East Timor provoked the Indonesian government into invading and annexing the territory. From 1975 to 1999, East Timor was Indonesia’s twenty-sixth province. Indonesia poured considerable resources into this very poor and neglected region, paving roads, developing the education and health infrastructure, teaching Indonesian, and building a university in the capital, Dili. However, its harsh, repressive methods with the population and with the continued independence movement (FRETILIN) led to its rejection.

In the referendum of 1999, despite massive intimidation and pre-vote violence, the East Timorese voted overwhelmingly (seventy-nine percent) for independence. The Indonesian response was immediate. Angered and hurt by the decision and the perceived ingratitude for all Indonesia had done for the province, Indonesia’s military lashed out—destroying up to seventy percent of the buildings and infrastructure in East Timor and displacing one-third of its population. United Nations forces stepped in to restore calm and rehabilitate the tens of thousands of East Timorese who had been forced to flee their homes. The UN, however, stayed for too short a time, and in 2006, East Timor (Timor-Leste) dissolved into severe internal ethnic conflicts which led to more destruction of lives and property. The new country is very poor, with a fractured society, a destroyed infrastructure, and a broken economy—all in the name of independence. Meanwhile, Indonesia suffered in world opinion for its disastrous behavior during the run-up and transition to independence of East Timor.

On a more positive note, the situation in Aceh in the far northwest of the country has seemingly been resolved. The 2004 tsunami that caused incredible damage and loss of life brought suffering people together and became the catalyst for ending the decades-long rebellion/fight, first for greater autonomy and then for independence. A cease-fire was negotiated, most of Indonesia’s army/militia was withdrawn, and the “rebel” attacks on Indonesian troops ceased. The cease-fire seems to be holding.

The political situation at the other end of the country in Papua (formerly known as Irian Jaya), however, has not been resolved. Tension continues between native Papuans and other Indonesians. The Papuans are fighting against economic injustice and political repression and for greater prosperity and independence. However, Indonesians are determined to keep this mineral- and timber-rich province an integral part of Indonesia. As more Indonesians from the other islands—particularly Java—pour into Papua, the indigenous people are increasingly threatened with becoming a minority in their own land. More than 250 different ethnic groups, each with its own language or dialect, inhabit this western half of the island of New Guinea, and many still live in isolated mountain villages with no road links and few services. Coastal towns, however, are exploding as entrepreneurs arrive and work to improve their own lives.

Over the past decade, Indonesia has suffered from a number of terrorist attacks. Bali especially has been the target of two unprovoked attacks—in 2002 and 2005—which seriously affected its economy and significantly reduced foreign direct investment and tourism. Jakarta too experienced bombings at the Marriott Hotel and international airport in 2003 and outside the Australian Embassy in 2004. The threat of more terrorism is never far away. Indonesia is, after all, the largest Muslim country in the world, and Jemaah Islamiyah, a militant Islamic group with reputed ties with al-Qaeda, is seeking to



Photo 4: A shopping mall in Jakarta.
Courtesy of Christine Drake.



Photo 5: Traffic and traffic lights that tell the remaining time for the light to change. Courtesy of Christine Drake.



Photo 6: Mechanical ploughs are replacing the water buffalo and oxen. Courtesy of Christine Drake.

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establish a pan-Islamic state across much of the region.³ Piracy in the Malacca Strait and the waters north of Sulawesi and Kalimantan, targeting primarily commercial ships, is also a persistent and growing problem.

Since 1996, several new provinces have been created, raising the number from twenty-five to thirty-three (Map 1). This has been done ostensibly to accommodate ethnic and religious sensibilities, reduce intra-provincial rivalries and tensions, and encourage local communities to develop stronger ties with Jakarta, which acts as a binding force in what Sakai calls an otherwise “fracturing state.”⁴

The most ambitious political change, however, is the decision to decentralize power. This movement has a long history.⁵ Even before the birth of the Indonesian state, debate and tension occurred between the Javanese, who wanted a hierarchical, strong central government, and leaders in the outer islands, who preferred a more egalitarian, federal government framework. For the first fifty years and more, the Javanese won out, enforced by the military. This system succeeded in keeping the country together, but at considerable cost in terms of repression and loss of human rights. Javanese fears in the early days of Indonesia’s independence that the country would unravel without such central control, however, probably underestimated the strength of Indonesian nationalism.⁶

The bold steps currently being taken to devolve power to the provinces are having mixed results. Government is now closer to the people and presumably more responsive to local needs and priorities. However, lack of coordination among local units stimulates unnecessary bureaucracy, which could threaten an already struggling economy.⁷ Corruption has also become decentralized. In some provinces, it seems that devolution of power has taken place only in theory, with little power sharing in practice. For example, the national government, on the grounds of enhanced security needs, has taken back the management of marine resources that had previously been entrusted to the provinces. Local governments do not have the resources, either human or financial, to accomplish what needs to be done and are hamstrung by the central government in their ability to raise money.

Despite lip service to decentralization, the central government retains complete control of at least five major areas: foreign policy, the monetary system, defense, the legal system, and religion. Another area of discontent in many provinces is the allocation of the national budget, assigned according to demographics, so that Java always gains the most (since fifty-nine percent of the population of Indonesia lives in Java and Madura); thus, the development gap continues to widen among the provinces.

Another major problem is creeping Islamization, or what some have termed “Arabization.” For example, mosques have been built in traditionally Hindu and Christian areas, with Middle Eastern architecture, intensifying a process which began much earlier. Several conservative provincial governments, supported by growing numbers of people, have tried to introduce elements of *sharia* law. Indonesian Christians and Hindus particularly worry about recent national laws that impose Islamic standards on a country where *Pancasila* (belief in five principles, including tolerance for religious diversity) has been the rule.

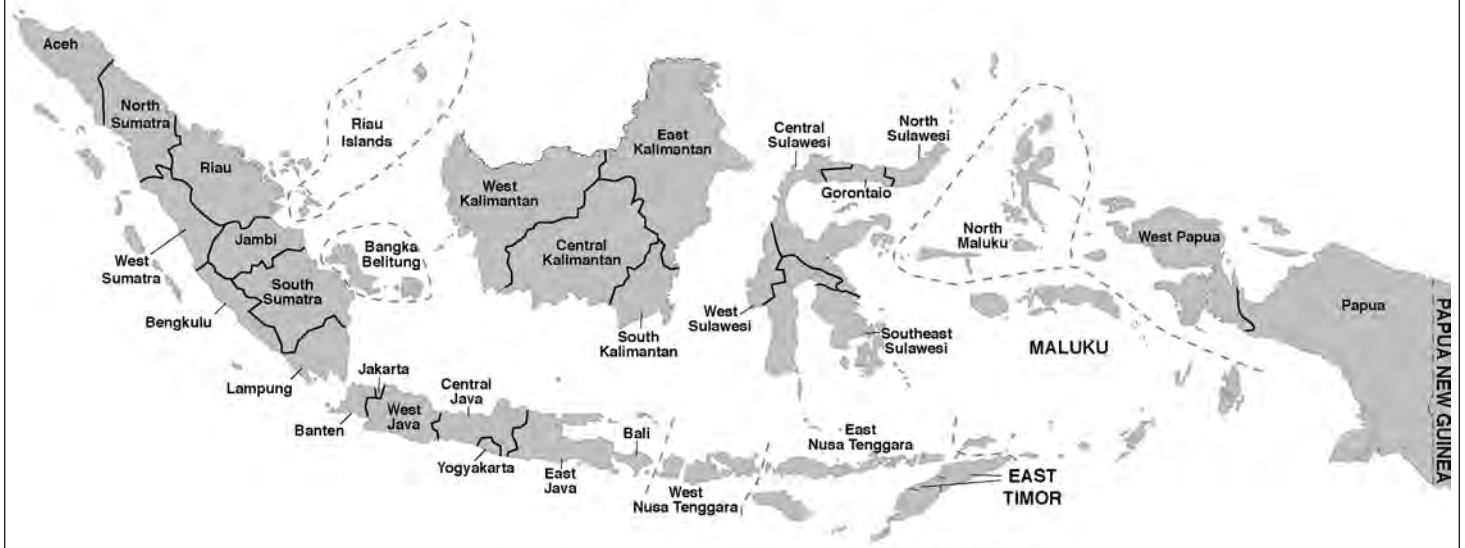
Social Changes

Socially and culturally, much has changed. Despite an active family planning program that began in 1971, population growth continues. Although the norm today is to have two to three children, compared with the six to eight of the past, population continues to grow by nearly three and a half million a year. Part of this growth is a result of life expectancy increases as health conditions have improved. Still, Indonesia’s infant mortality rate is unacceptably high (thirty-five per one thousand live births compared with an average of six in more developed countries).⁸ More than two million preventable deaths occur each year from waterborne diseases made worse by lack of sanitation and access to clean water. Tuberculosis claims nearly three hundred lives each day. Indonesia has more than 600,000 tuberculosis patients spread across the archipelago, though some progress is being made in their care and treatment.⁹ Avian flu has affected Indonesia more than most countries, causing sixty-three human deaths (as of April 2007).¹⁰

Increasing numbers and percentages of people now live in urban areas, although the urban percentage is just forty-two percent.¹¹ Young people especially are leaving their villages and moving to the cities in search of better work and greater freedom. Despite

INDONESIA

Provinces as of January 2007



Map 1. The above map was redrawn by Taya R. Barnett, graphic designer in the Graphics Department at Old Dominion University based on a map from Cartesia Maps.

efforts to keep people on their farms and some rural labor shortages, people are engaging in a classic push-pull type of migration. They are pushed out by inadequate amounts of land as it gets subdivided among family members, low prices for agricultural produce, and displacement by agricultural corporations growing cash, rather than food crops. Pull factors include the growing allure of higher-paying urban jobs and city attractions. These perceived opportunities are rarely realized, and most rural-to-urban migrants end up living in slums and squatter settlements, eking out a marginal existence.

Progress has been made over the past ten years in education: school participation rates have risen and children stay in school longer. Literacy rates have increased and higher education enrollments have grown. Currently, about ninety percent of all Indonesians who are fifteen or older can read and write.¹² Yet an estimated 4.4 million children do not attend school because the state cannot afford educational facilities and teachers. Despite a constitutional mandate that twenty percent of the budget should go to education, the 2006 allocation was only 9.1 percent.¹³

Serious social problems have erupted within the last decade as Suharto's repressive military government has given way to greater democracy and free speech, taking the lid off many seething underlying tensions. Ethnicity, religion, and the growing gap between rich and poor are prominent social problems. One of the most significant ethnic conflicts has been between the Dayaks of Kalimantan and the immigrant or transmigrant Madurese. As is often the case, economics stimulated the confrontation. Transmigrants from Madura were given land traditionally belonging to the Dayak and more government assistance than the indigenous Dayak. In 1999 and 2001, the situation turned ugly, and hundreds of Madurese were killed and thousands more forced to flee their homes.

The Chinese likewise have suffered serious hostility. Throughout their long history in Indonesia, they have been used as scapegoats during difficult economic conditions. In the 1997–98 Southeast Asian economic crisis, wealthy and middle class Chinese were victims of murder, rape, and burglary. Many fled the country, taking with them much-needed capital. Since then, many, though not all, have returned. Ethnic tensions have boiled over in other areas of Indonesia too, especially where immigrants have competed for resources or political power, as in Ambon in Maluku.

Ethnic tensions have taken on religious overtones, especially in Eastern Indonesia. Newcomers, primarily Muslims, have become the majority in some areas, displacing traditional leaders who were often Christian, stimulating sectarian conflict in several places, including Central Sulawesi (Poso and Palu), Maluku (Ambon), and Papua. Certainly, religious tension has existed for many years, even within ethnic groups, but it has increased in several places because of conservative Islam's growth. Churches have been closed in several parts of Java—indeed, in Bandung only one of twelve original

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INDONESIA

Places Referred to in this Article



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churches remains open. In Maluku and Sulawesi, members of the *Laskar Jihad* movement have killed Christians and imposed Islamic laws and customs on non-Muslim people. The Islamic head-scarf, *jilbab*, is much more frequently worn now than it was ten years ago.

Throughout Indonesia, there is a growing struggle between Islam and the Pancasila philosophy. Indonesia was established as a secular Pancasila state, with no reference to Islamic law in its 1945 constitution, but a growing movement to impose Islamic law and customs threatens to split the country.

In terms of other social developments, the proportion of the population having access to improved sanitation and clean water continues to increase. Currently, eighty-nine percent of the urban population and sixty-nine percent of the rural population have access to improved drinking water.¹⁴ Many people in the cities now use refillable, ozone-purified large Aqua bottles that provide both hot and cold water from the same dispenser. The advantages are clear: fresh pure drinking water in refillable containers replaces the need for bottled water in plastic containers. Aqua bottles are both cheaper and less polluting. Fewer plastic bottles are thrown away, reducing pressure on landfills, and lessening the amount of trash on the streets.

A further noteworthy change is in communications. Much more of the country now has access to computers and telecommunications. Even some of the smallest homes have satellite dishes.

However, despite progress being made, probably because of the economic crisis and its long aftermath, Indonesia's rank on the United Nations Human Development Index has slipped from 102 in 1996 to 110 in 2006 (out of 177 countries ranked).¹⁵

Environmental Changes

Much has happened since 1997. Indonesia now has a number of national environmental problems. Legal and illegal logging has severely reduced forest cover in many places, making deforestation among the world's highest. Estimates are that Indonesia has lost more than seventy-two percent of its large intact ancient forest areas, and forty percent of its forests have been completely destroyed.¹⁶ Though not a new problem, annual burning of the rain forest causes smoke and smog problems as far away as Malaysia and Singapore. Habitat reduction in turn has affected the abundance, even the existence, of species such as elephants in Riau and orangutans in West Kalimantan. Some species have become extinct before ever being recognized. Yet new species of frogs, butterflies, and plants have also been discovered.¹⁷

Environmental disasters have also occurred, most notably the December 26, 2004, earthquake and tsunami that killed at least 115,000 people in Aceh and left more than

800,000 homeless. Tens of thousands of people are still without homes or livelihoods. However, out of catastrophe has come progress: the end of the *Gerakan Aceh Merdeka* (Free Aceh Movement) and the reconciliation of pro-independence forces in Aceh with the central government. One could even argue that the tsunami in Aceh played a role in uniting the country. People from all over Indonesia flocked to Aceh to help survivors. Christians, Muslims, and Hindus worked together to alleviate suffering. Less noticed by the rest of the world was a devastating earthquake in Nias in 2005, which left thousands homeless and hundreds of buildings destroyed. A major earthquake in Central Java in May 2006 killed more than six thousand and left up to 200,000 homeless, while Mount Merapi (near Yogyakarta in central Java), one of Indonesia's seventy active volcanoes, exuded gas and ash for weeks in 2006, threatening the lives of thousands living on its fertile slopes.¹⁸ A further catastrophe is a mud geyser in East Java, probably triggered by drilling for gas, that has oozed mud over villages, fields, and factories, displacing more than 13,000 people.¹⁹ Flooding in Jakarta in early 2007 is the most severe yet.

Mining also has caused serious damage to the environment. Most notorious has been the poisoning of the rivers and peoples of Papua near the Grasberg gold and copper mine (the world's largest gold mine and third largest copper mine), operated by Freeport-McMoRan,²⁰ but environmental and human damage has also occurred in Buyat Bay in North Sulawesi, in West Sumatra, and in many other places.

However, these environmental disasters, because of a freer press, are being exposed with more public insistence on economic/environmental justice, with some positive effects. For example, press reports of illegal logging in Papua have exposed European companies involved in purchasing such logs.²¹ Freeport Grasberg mine demonstrations in Papua have led to government demands for greater compliance with national environmental laws. A lawsuit against the Newmont gold mine in North Sulawesi drew attention to mining's inevitable problems of waste disposal and tailings.²² The Newmont mine at Buyat Bay has closed. The problem of unauthorized mining and unsafe disposal of mine wastes by more than a thousand illegal miners in its vicinity, however, has not been addressed.

There is much more environmental awareness than a decade ago. People are more conscious of the connection between deforestation and landslides and floods. More efforts are being made to preserve environmentally sensitive areas. For example, the magnificent coral reefs around Bunaken in North Sulawesi are now part of a national park, and ecotourism is being promoted. The 2004 tsunami also led to more awareness of the importance of mangroves in protecting the shore and coastline. The Mangrove Information Center in Denpasar, Bali, is involved in education and training programs for government and educational leaders throughout Indonesia.

Unfortunately, Indonesia has not dealt well with the growing environmental problem of garbage. In many parts of the archipelago, garbage is dumped on the land in unsanitary piles rather than in sanitary landfills. It continues to be dumped in rivers, causing major problems, especially in Jakarta, where trash blocks the flow of flood waters after heavy rains. However, city streets are generally cleaner than they were ten years ago. An army of street sweepers collects street trash. Indeed, one could argue that some Indonesian cities are now cleaner than many in the United States.

Indonesia is using much more coal to supply electricity to an increasing percentage of the population. Though more polluting, coal-fired steam turbines are seen as preferable to oil-fired plants because of oil's high cost. Electricity use is growing at least six percent per annum.²³ Although winds quickly blow polluting gases out to sea, the gases add to overall atmospheric and ocean pollution, and to greenhouse gases thought to be causing global climate change.

Economic Changes

Indonesia has undergone severe economic fluctuations over the past ten years. First was the 1997–98 Asian economic crisis when the value of the currency plunged, leaving hundreds of companies unable to pay back their foreign currency debts and almost destroying the banks. Many companies folded, causing massive unemployment and poverty. Some firms provided employees one-way tickets home, in hopes that the rural areas could absorb them. However, agricultural mechanization meant that the countryside was far less able to absorb returning urban employees than in the past. Unemployment and poverty

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Trying to clear the waterway after one of the common floods that plague the impoverished areas of Jakarta.

Image source: IMC Jakarta Independent Media Center Web site:

http://jakarta.indymedia.org/newswire.php?story_id=94&results_offset=180.

	2001	2004
Manufacturing Industry	30.1	28.3
Trade, Hotel, and Restaurants	15.9	16.2
Agriculture, Livestock, Forestry, and Fisheries	15.6	15.4
Services	9.0	10.2
Mining and Quarrying	10.8	8.6
Finance, Real Estate, and Business	9.0	8.4
Transport and Communications	4.6	6.1
Construction	5.3	5.8

Pendapatan Nasional 2005

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rose significantly as millions were plunged into living below the \$2.00 per day official poverty standard. Begging and crime rates escalated. Indeed, it is estimated that around forty million Indonesians still live on less than forty cents a day, and millions remain un- or under-employed.²⁴ As the government publication, *Pendapatan Nasional*, stated, the effect of the Asian economic crisis was huge and lasting.²⁵

It has taken years for Indonesia to recover—longer than any other country in East and Southeast Asia, and economic growth has only recently resumed. Better financial management since the Suharto regime’s demise has halved the government’s debt ratio to under fifty percent of GDP, with the expectation that it will be thirty percent by 2009. Yet, still, investment overall has dropped from around \$8 billion a year to \$2 billion, as Indonesia is regarded as not very competitive in a recent global competitiveness report. Among the twelve Southeast Asian countries, Indonesia ranked in the bottom half in its electrification ratio, fixed phone line connection rate, and access to proper sanitation, and had only twelve percent of its water distribution companies considered in good condition.²⁶ Indonesia is also perceived to have an investor-unfriendly legal system.

However, despite all its problems, Indonesia shows considerable development since 1997. The road network has been extended, and roads are now generally in much better condition, with far more vehicles on the streets. Construction projects seem to be going on in almost every village, town, and city. Increased numbers of schools and health centers also point to progress in development, as do new industrial estates and facilities.

The government has liberalized the economy in an attempt to encourage more foreign investment. Valuable resources are being developed and exported, bringing in important revenue for the government. But far too often, local concerns are left unaddressed. It is important for local communities to benefit from resource development, rather than see most of the benefits flow to the national government.

In spite of overall progress, there are some troubling consequences, including a growing gap between rich and poor and between western and eastern Indonesia. Western Indonesia (and Papua in the far east of the country) has always had more resources and been richer than the provinces of East and West Nusa Tenggara and much of Sulawesi. The growing gap has been further aggravated by devolution decisions, whereby the richer provinces keep more of their wealth, leaving less to be distributed to poorer provinces.

Compounding the problems of the poor has been the government’s need to reduce increasingly expensive fuel subsidies. Although Indonesia is still a member of the Organization of Petroleum Exporting Countries (OPEC), it actually imports slightly more oil than it exports. Fuel subsidies were causing grave economic damage and diverting money from other investments. In the past, government attempts to reduce subsidies on basic commodities were strongly resisted and generally rescinded. However, in 2005, the government made the subsidy reductions stick, despite protests. Fuel prices were raised

126 percent, and gas prices rose from 2,500 to 4,500 rupiahs a liter—an incredible jump, especially for the poor, who, though using less fuel directly, were still affected by commodity price increases triggered by rising fuel prices. President Yudhoyono contained the backlash against the fuel subsidy cuts by demonstrating how the \$8 billion plus of annual savings thus realized could be spent alleviating poverty. National welfare payments worth \$32 each quarter were given to around sixteen million poor households. The government is also considering a more comprehensive long-term anti-poverty scheme, which would introduce cash payments for poor families on condition that their children attend school regularly.²⁷ Yudhoyono is now anxious to reform Indonesia's restrictive and job-killing labor laws, although such proposals have run into stiff worker opposition.

Indonesia continues to undergo structural economic change as the percentage of the population engaged in primary industry—agriculture, fishing, lumbering, and mining—continues to decrease amidst industry and services growth. According to 2004 data, forty-four percent of the labor force is currently involved in services, forty-three percent in primary industries, and thirteen percent in secondary/manufacturing industries. Agriculture contributes only fifteen percent of GDP. The manufacturing sector dominates, followed by the trade, hotel, and restaurant sector (see Table 1).²⁸ The relative importance of crude petroleum and natural gas continues to decrease; currently it makes up just 5.2 percent of GDP. Indonesia continues, however, to be an important source of both primary and secondary industrial materials—hardwood such as ebony and teak (and also plywood, of which Indonesia is the world's largest producer), shrimp and other fish, spices (Indonesia is still the number one producer of nutmeg and mace), coal, oil, natural gas, and other minerals. Recent increases have come in the manufacture of transportation equipment and machinery, the cement and various non-metal industries, and the production of fertilizers, chemicals, rubber, paper and printing, textiles, leather, footwear, food, beverages, and tobacco products. Exports of clothing, cooking utensils, and other manufactured goods are of growing importance. The sector of the economy growing fastest is that of transport and communications, especially telecommunications and air transport.

Problems continue to thwart Indonesia's economic growth. Foremost among these are the problems of entrenched bureaucracy and the lack of initiative. As one informant explained it, "People have been told what to do for too long." Under-the-table payments are reputedly as strong as ever, although "official corruption," where officials take a share of the proceeds, is lessening.

Tourism has suffered due to terrorist attacks in Bali and Jakarta during the past five years. Indonesia is still on the US Department of State's list of terrorist countries, although the vast majority of Indonesia is safe. It is sad to see the effects of terrorism on the psyches of some potential tourists, especially US citizens, as tourists from Australia, Japan, and Europe have generally returned to Indonesia. Indonesia remains a wonderful country to visit. Indonesians are a most attractive people whose resilience helps them to overcome both natural and human-caused disasters.

Conclusion

Indonesia has experienced significant change over the past ten years. It confronts a number of major challenges in all realms—political, social, environmental, and economic; but it is doing so in a very different atmosphere compared with ten years ago. The change to democracy is never tidy or easy, but the potential it brings for better governance and economic and social improvement is enormous. Whether the new government can be strong enough to deal with all the challenges remains to be seen—and indeed, in the environmental realm, devolution of power could actually be negative as each regency seeks to use its natural resources to improve conditions in the short term rather than considering national and long-term needs. It will be fascinating to see whether the next decade will be as tumultuous as the past ten years. ■

NOTES

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