



# Ten Keys to Understanding Indonesia

By Terance W. Bigalke


**B**Y NEARLY ANY MEASURE, INDONESIA IS A MAJOR COUNTRY, and its current and future economic, social, and political development will have important consequences for the US, the Asia Pacific, and the wider world. Despite its significance, Indonesia's profile remains surprisingly low, and many people around the world are more familiar with particular parts of Indonesia, such as Bali, Java, or the Moluccas (Spice Islands) than with the country as a whole. The following ten keys are intended to open the door to deeper inquiry into this fascinating country.



**Indonesia is a large country and the world's longest island nation**, stretching nearly from Australia to the Malay Peninsula, 3,000 miles from east to west. Situated in the so-called Ring of Fire, geologically the most volatile region in the world, the Indonesian archipelago is dotted with dormant and active volcanic cones, four of which experienced major eruptions in the past year alone. Shifting tectonic plates have also created three major earthquakes since the huge December 26, 2004, event that generated the Indian Ocean tsunami, causing 120,000 deaths in the western Indonesian region of Aceh, and 80,000 more concentrated in southern Thailand, Sri Lanka, and southeastern India. The March 2005 earthquake flattened much of Nias, and the central Java earthquake of March 2006 devastated parts of the city of Yogyakarta and many of its surrounding villages. Thousands of smaller quakes and aftershocks have rumbled across these islands over this same period, causing little or no damage but for frayed nerves, rumors of tsunamis, and precautionary flights to higher ground.



**Indonesia is a young nation**, just sixty years old, created from the territory incrementally claimed over 350 years by the Netherlands as a trade empire and eventual colony, the Netherlands East Indies. It is an amalgam of political entities of varying sizes and degrees of complexity and sophistication, ranging from highland stateless societies, to small, river-based trading states, to large entities with centuries-long histories as land-based kingdoms or maritime empires. Indonesia traces its independence to the declaration by nationalist leaders on August 17, 1945, as Japanese occupiers were preparing to surrender to Allied forces in World War II. The revolution that followed, resisting the reassertion of Dutch control of the archipelago, created a political narrative that has contributed to a strong sense of nationalism. Indonesia is proud of having fought to attain independence, having overcome separatist movements in Sumatra and Sulawesi in the 1950s, and having remained officially non-aligned during the Cold War. Indonesia is one of the driving forces within the Association of Southeast Asian Nations (ASEAN), and carefully balances cordial if proper relations with China, Japan, Australia, the US, both Koreas, and Islamic nations including Iran.



**Indonesia is the fourth most populous nation** in the world, following China, India and the United States. Its population of 245 million is unevenly distributed throughout the archipelago, with the islands of Java and Bali among the

world's most densely populated places at 1,000 and 600 per square kilometer respectively, while the sparsely populated eastern and southern portions of Kalimantan average twelve people per square kilometer and Papua averages six. Half the Indonesian population is concentrated in Java on just seven percent of the nation's land area; one-quarter of its land is home to only two percent of its population. At considerable expense under the colonial Dutch and independent Indonesian governments, transmigration schemes were pursued in the twentieth century to resettle Javanese outside Java. Budgetary constraints and local opposition to these policies on the grounds of favoritism and cultural imperialism ended transmigration after 1998. An active family planning program has helped reduce the rate of population growth since 1980 from 2.2 percent per year to 1.41 percent per year, and the average size of a household from just under five persons to 3.8.



**Indonesia's economy is in the process of gradual transformation** from a market economy with substantial state enterprise and quasi-state monopolies to one less regulated and more open to global competition. In the decade following 1987, Indonesia's economy was regarded as one of the Asian tigers, with an annual GDP growth rate averaging seven percent. This came to an abrupt halt with serious disruptions caused by the Asian financial crisis of 1997 and the fall of the Suharto government the following year. It has taken nearly a decade of slow recovery for Gross National Income per capita to reach \$1,280 and exceed pre-crisis levels, rising to rank 120th in the world. (By comparison, China at \$1,740 per capita ranks 108th and the US at \$43,740 per capita ranks sixth.) Investor confidence in the recovering economy is rapidly growing and is reflected in projected GDP rates returning to those of headier days, around seven percent in 2006 and 2007. A combination of factors is pushing Indonesia toward more transparent financial institutions, business practices, and deregulation of its economy. These include pressures from international lending agencies, including the IMF, World Bank, and Asian Development Bank, greater political democratization, the decline in tolerance for Army-controlled businesses, and rising public criticism of collusion and corruption.


The Indonesian economy rests upon a domestic agrarian base of rice, the nation's staple food, and exports higher value crops such as palm oil, rubber, and coffee. Other important exports include its highly prized natural gas, minerals

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including gold, nickel, copper, and coal, and such manufactured products as clothing and furniture. The islands of Sumatra, Sulawesi, Kalimantan, and Papua are the main sources of natural resource and agricultural exports, while industrialization is proceeding most rapidly around the major urban centers on Java, and most dramatically around greater Jakarta.

Indonesia is the only Asian member of the Organization of Petroleum Exporting Countries, OPEC, and oil exports historically provided an important source of income and political influence. However, due to the growth of its own domestic demands for energy in the past decade, and its limited refining capacity, Indonesia has gone from being a major exporter of oil to a net importer. Bowing to this reality, Indonesia is working in cooperation with the United Nation's Atomic Energy Commission to develop a nuclear energy generating capacity to meet future growth needs.

While Japan and the United States remain important investment and trading partners for Indonesia, China is rapidly assuming a dominant role. China's search for mineral and energy resources is complementing Indonesia's need for export markets, infrastructural development, and, critically, employment generation. The youth unemployment rate in Indonesia is estimated at about thirty percent and remains one of the greatest challenges for the nation's economy and social tranquility.



### Indonesia is the most urbanized country in Southeast Asia

other than the micro city-state of Singapore. While its rate of population growth has slowed, the increase is flowing from villages into cities and towns. The capital city, Jakarta, has grown by one-quarter in the past decade to reach 12.5 million people, while six other cities exceed one million in population (Bandung, Semarang, Surabaya, Medan, Palembang, and Makassar), with five more between 500,000 and one million (Malang, Surakarta, Padang, Banjarmasin, and Pontianak). Urbanization is rapidly blurring city-country boundaries on Java, and nationwide the urban population is approaching fifty percent.



### Indonesia is the largest Islamic country in the world,

with ninety percent of its population identifying themselves as Muslims. The remainder consider themselves Christian, Hindu, Buddhist, Confucian, or members of an indigenous religion. Muslim traders from India and China played a key role in introducing Islam to the archipelago in the thirteenth to sixteenth centuries, and it spread widely from coastal trading states to inland agricultural states as rulers and political elites increasingly adopted Islam. The Hindu-Buddhist kingdoms in Java and Sumatra converted to Islam and, in time, only Bali and the western half of Lombok continued to practice the Hindu religion. Highland populations generally were the last to abandon the practice of indigenous religions and adopt Islam, and some (especially outside Java-Bali) adopted Christianity introduced by Dutch and German missionaries in the nineteenth and twentieth centuries. Vestiges of animism and other religious beliefs and practices predating the arrival of these world religions

continue to influence Indonesian religious life. In addition, these elements have contributed to a rich variety in Islamic observance across the archipelago.

Periodic purification movements emanating from the Middle East often have sought to impose greater orthodoxy and stringency in Islamic practice and belief. Early in the twentieth century, this directly and indirectly produced two Muslim organizations that have endured to shape post-Independence Islamic social and political life. The first was the modernist Muslim organization Muhammadiyah (Followers of Muhammad). Founded in central Java, Muhammadiyah sought to make Islam more purely monotheistic and strip it of syncretistic practices and beliefs it regarded as idolatrous. It embodied the reformist impulse in Islam that emanated from Egyptian thinker Muhammad Abduh a century ago and congealed around the emerging indigenous trading sector. Muhammadiyah emulated organizational methods of European Christian missionary organizations in the Netherlands East Indies by establishing schools, hospitals, and other socially beneficial activities as vehicles to disseminate the religious message.

The second was Nahdatul Ulama (Awakening of the Islamic Teachers), whose followers embraced the more eclectic system of Islamic practices and beliefs that Muhammadiyah was founded to oppose. Nahdatul Ulama saw the need to adopt the modern organizational innovations pioneered by Muhammadiyah to defend the distinctively syncretistic beliefs and observances, including elements of mysticism and animism, of many Indonesian Muslims, especially in central and east Java. These two streams formed the bedrock of Islamic political parties from Independence to the present, consistently capturing 30 percent to 40 percent of the Indonesian electorate over time.


The latest wave of purification followed the 1979 Islamic Revolution in Iran and the active dissemination of puritanical Wahhabist ideology from Saudi Arabia over the past three decades. The impact of this Islamic revival is apparent in the increasing use of headscarves by women, and the emergence of local ordinances inspired by Islamic law. Except in the province of Aceh, whose special autonomous status permits implementation of Islamic law, these other efforts are in fact prohibited by the Indonesian Constitution, though a weak legal system, a weak police force, and the national leadership's desire to avoid controversy means they remain in place. Despite signs of growing outward and inward Islamic piety in Indonesia, recent polls continue to demonstrate that the vast majority of Indonesian Muslims are moderate in their beliefs and do not support the imposition of Islamic law in Indonesia. The largest political parties rooted in Islam also do not advocate this concept, a position consistent since 1945.

A small minority of Islamic radicals does exist in Indonesia, bent upon erasing the boundaries between religion and politics and pursuing an Islamic state through violence if necessary. This phenomenon is not new in Indonesia, and traces its modern roots to the Darul Islam (House of Islam) movements led by Kartosuwiryo in West Java, Kahar

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Muzakkar in South Sulawesi, and Daud Beureu'eh in Aceh from the 1950s through the early 1960s. While these home-grown movements were extensions of issues emerging from the Indonesian Revolution, what emerged after 2001 produced a series of bombings that had clearer international inspiration and ties. Most damaging were bombings in Bali in 2002 and 2005, in the Marriot Hotel in Jakarta in 2003, and the nearby Australian Embassy in Jakarta, in 2004. Evidence pointed to a pan-Southeast Asian organization known as Jemaah Islamiah (Community of Islam), active in the southern Philippines and with cells in Malaysia, Singapore, and Thailand, and connections to Al-Qaeda. Many of its activists were first recruited in a few unusually radical Islamic boarding schools (*pesantren*) such as Pondok Ngruki near Solo, central Java, whose best-trained claimed experience fighting Soviets or Americans in Afghanistan. The cofounder and head of Pondok Ngruki, Abu Bakar Ba'ashir, himself of Yemeni descent, has played a leadership role in Jemaah Islamiah. He served prison time for conspiracy in connection with the 2002 Bali bombing (though not for terrorism), and is closely watched by Indonesian authorities.

Prior to the 2002 bombings, the government of Indonesia largely denied the existence of violent, international Islamist connections within its own Muslim population. Since the Bali bombings, police and intelligence agencies have cooperated actively with counterparts in the region, the US, and Australia. However, conspiracy theories of Western plots to manufacture Al-Qaeda connections have credibility with broad segments of the Indonesian public. In addition, a strong majority of Indonesians are far more tolerant of radical Islamist expression due to sympathy for the plight of the Palestinian people (which they blame on Israel and the US), than of the US-led war in Iraq, and perceived US expressions of hostility toward Iran. This is striking in a nation dominated by moderate and tolerant Muslims.

 **Indonesia is one of few countries to successfully create a new language, Indonesian,** to unify the nation. This is a direct result of the far-sightedness of leading young nationalists, expressed in the Youth Pledge in 1928, to emphasize national unity over individual regional identities and inclusiveness over elitism by choosing a neutral language tied neither to the dominant ethnic groups nor the European (Dutch) colonial heritage. Based upon Malay, which was used historically to facilitate trade in the region, Indonesian bridges several hundred distinctive languages and dialects of the diverse indigenous ethnic groups, as well as descendents of Chinese, Arab, Indian, and European traders, merchants, and settlers. Ethnic Javanese compose forty-five percent of the population, predominately in the eastern two-thirds of Java as well as in pockets of migrants in Sumatra,

Kalimantan, Sulawesi, and Papua. The Sundanese of west Java are the second largest group at about fourteen percent. No other ethnic group exceeds eight percent of the population. Since Indonesian independence, the Javanese have exerted the dominant political influence on the country, occupying the presidency for all but one (1998–1999) of sixty years. Ethnic Chinese comprise two percent of the population and are the largest non-indigenous group. They have generally played a visible and vital role in the economic life of Indonesia. With China's increasing economic and political importance in the region, Chinese language and culture today is being accorded a respect and open acceptance in Indonesia as never before since independence.

 **Indonesia contains, despite its majority-Muslim population,** certain ethnic groups that have exerted a disproportionately large influence on the development of modern institutions in the Indonesian nation, particularly the Manadonese from north Sulawesi, the Batak from north Sumatra, and the Ambonese from Maluku (the former Spice Islands). These and other, mostly highland, minority groups outside Java-Bali benefited from educational opportunities offered by Christian missionary organizations active in these regions from the mid-nineteenth century to 1942 under the Dutch. Western-educated members of the minorities occupied a core of colonial civil service positions open to the indigenous population, and continued to perform this role in independent Indonesia. Their influence in the bureaucracy progressively declined as larger, predominately Muslim ethnic groups benefited from greater access to the national education system in independent Indonesia. Nonetheless, this rich legacy continues to be visible in the professional, civic, and intellectual life of Indonesia today, as does the extraordinary influence of the Hindu Balinese in the artistic realm.

 **Indonesia has a unique political history.** The country had only two presidents, Sukarno and Suharto, from 1945 to 1998, but in the following eight years had four, including an Islamic cleric, Abdurrahman Wahid (Gus Dur), and a woman, Megawati Sukarnoputri, the daughter of Indonesia's first president. The last three have been democratically elected, and the current incumbent, Susilo Bambang Yudhoyono (popularly known as "SBY"), was chosen by direct popular vote.

Indonesia's first democratic experiment, with a parliamentary form of government, lasted from 1950 to 1957. Highly fragmented political parties, fragile coalition governments, short-tenured prime ministers, and patronage-driven cabinet politics weakened central government authority and helped to discredit the notion of liberal democracy that set the stage for Sukarno's declaration of "Guided Democracy"

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in 1957, and was perpetuated through the authoritarianism of Suharto's New Order from 1966 to 1998.

The Indonesian Nationalist Party (PNI) is the historically dominant political organization. Founded by Sukarno prior to Independence, PNI was the leading political force until Sukarno was deposed in 1966. The party has had strong populist and nationalist tendencies, attracting those who favored protection of religious diversity and greater separation between religion and politics, a concept encapsulated in the state philosophy of Panca Sila (Five Principles). As opposed to being overtly secular, this philosophy espoused belief in a transcendent being and explicitly recognized the primary world religions embraced by the Indonesian populace (Islam, Protestantism, Catholicism, Buddhism, Hinduism, and Confucianism). Like Nahdatul Ulama, the PNI appealed to the heavily populated regions of central and east Java, where pre-Islamic beliefs remained strong even among practicing Muslims, as well as to non-Muslim religious minorities throughout the archipelago.

During the 1950s through 1965, a growing Indonesian Communist Party vied with the PNI for the political allegiance of Indonesians whose primary identification was not with Islam, many of whom held little or no land. Indeed, Sukarno himself increasingly blurred the lines between the populism of the PNI and the radicalism of the Communist Party. This rivalry ended in violence when the Indonesian Army, with strong support from Islamic organizations, crushed the Communist Party following an apparent attempted coup in October 1965, and soon after deposed Sukarno. Several hundred thousand members or sympathizers of the Communist Party were killed, with equally large numbers imprisoned, in the year that followed. This national trauma paved the way for over three decades of authoritarian rule backed by a unified Indonesian Army focused on maintenance of internal security, and an economic development agenda.

Between 1966 and 1998, the Suharto government created a new political organization with earlier roots to monopolize political power. Known as Golkar (short for Golongan Karya, which translates as a Federation of Functional Groups), its architects justified its creation as a way to transform the divisive party politics of the past. While Golkar would by definition remain above the fray, mere political parties would be force-merged into either a United Development Party (all Islamic parties) or an Indonesian Democratic Party (all other parties including PNI, the strongest element in the party). Enforced and artificial unification of the political parties, and the Army's backing of Golkar, made it the dominant political organization through the end of the Suharto era.

When democracy re-emerged after the fall of Suharto, it not only retained the strong, presidential form of executive set out in the 1945 constitution, favored by both Sukarno and Suharto, but also empowered the previously rubber-stamp People's Representative Council (DPR) with genuine legislative authority. A notable trend of governance since 1998 has been decentralization of authority from the central government to district and provincial governments. A growing

concern among Indonesians is endemic corruption throughout the bureaucracy, which touches nearly every aspect of normal life. Some believe that decentralization has merely replicated this problem at lower levels in government. In any event, the issue of corruption helped to propel Susilo Bambang Yudhoyono to the presidency in 2004 and to boost the fortunes of the Prosperous Justice Party, which ran strongly on promises to rectify this social malady.

Golkar has remained the largest, best-organized political party. The reenergized "Struggle" branch of the Indonesian Democratic Party (PDI-P), galvanized around its historical PNI base, is second in size. Orthodox Muslim followers of Nahdatul Ulama, split among multiple parties, form the third largest block. Muhammadiyah remains a political force, but many youthful modernist and reformist Muslims who would be its natural constituency seem to have identified the new Prosperous Justice Party (PKS) as a source of inspiration and hope for the future. The founders of PKS were Indonesians who studied in Egypt and found inspiration in the Muslim Brotherhood, a worldwide movement advocating return to an Islamic empire headed by a Caliph, strict application of Islam to social issues, social justice, alleviation of poverty, and attacks on corruption. Though PKS has not run on a platform of calling for Sharia law in Indonesia, its leadership clearly leans in this direction. Recent popularity polls in Indonesia suggest considerable slippage in support for PKS, however, following a number of well-publicized instances of political opportunism by PKS party leaders, and charges of corruption committed by PKS elected officials.



### Indonesia's enduring challenge is to find "unity in diversity,"

the national slogan. Governments have used the artistic and cultural life of the country to attempt to create a national veneer of cultural unity through representations of traditional music and dance that drew upon selected aspects of regional cultures. This effort reached its high point in the Suharto era, symbolized by the creation of the Beautiful Miniature Indonesia theme park in Jakarta, but more productively by establishing cultural centers at the provincial and district levels across the nation. In these cultural centers and the less restrictive political environment of today, the seeds of authentic expressions of diversity are taking root in the regions as never before. This coincides with a highly creative period of religious thought and exploration of Indonesian identity, the growth of civil society, bureaucratic decentralization, and vigorous freedom of expression. While all of this ferment may challenge idyllic notions of unity, it also underscores the essential solidity and moderation of Indonesia and its people, and their having achieved a constructive and proportional sense of nationalism. The settling of the long-standing dispute between the province of Aceh and the central government in 2005 bodes well for continued power sharing with other regions, and for eventual resolution of the separatist issue in Papua. Indonesia now has an opportunity to resolve the dilemma of the proper balance between central, provincial, and local governments that has persisted since the founding of the nation.

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The winning submission will reflect current scholarship, present innovative teaching strategies, and make a significant impact on the intended audience. Submissions must have been published after January 1, 2006, and include extensive teaching strategies in order to be considered. Various formats are acceptable, including print, CD, video, and online formats. Submissions that address underrepresented regions of Asia are encouraged.

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[www.aasianst.org/book-prizes-buchanan.htm](http://www.aasianst.org/book-prizes-buchanan.htm).

## FURTHER READING

Ricklefs, M.C. *A History of Modern Indonesia Since c. 1300*. 3rd ed. Palo Alto: Stanford University Press, 2003.

The most widely used history textbook on Indonesia over the past 25 years, written by a specialist on sixteenth to eighteenth century Java, soon to be published in a new (fourth) edition.

Taylor, Jean Gelman. *Indonesia: Peoples and Histories*. New Haven: Yale University Press, 2004.

This penetrating and insightful social history succeeds in presenting the richness, diversity, and complexity of Indonesia.

Emmerson, Donald K., ed. *Indonesia Beyond Suharto: Polity, Economy, Society, Transition*. Armonk, NY: M.E. Sharpe, 1999.

A high-quality collection of authors provides a balanced explanation of the lengthy and significant Suharto era and Indonesia's economy, society, and politics prior to the return to democracy in 1999.

Bresnan, John, ed. *Indonesia: The Great Transition*. Lanham, MD: Rowan and Littlefield Publishers, 2005.

This book, an excellent sequel to the Emmerson volume, focuses on the Indonesian transition from 1999 to 2004.

Barton, Greg. *Jemaah Islamiyah: Radical Islamism in Indonesia*. Singapore: Singapore University Press, 2004.

This study does an excellent job of probing the origins and development of politically-radical Islamic movements (Islamism) in Indonesia, while not losing sight of the essentially moderate nature of Indonesian Islam.

Fealy, Greg, and Hooker, Virginia. *Voices of Islam in Southeast Asia. A Contemporary Sourcebook*. Singapore: Institute of Southeast Asian Studies, 2006.

An excellent teaching companion for dealing with a wide range of issues, beliefs, and practices of Islam in Southeast Asia, including valuable contemporary materials translated from regional languages.

Hefner, Robert. *Civil Islam: Muslims and Democratization in Indonesia*. Princeton: Princeton University Press, 2000.

This is a leading work on twentieth century development of Islam in Indonesia, and efforts in the pre- and post-independence era to limit its political engagement and influence. Tracing deeper roots, the author sees Islam as a force for pluralism and democracy in post-Suharto Indonesia.

Toer, Pramoedya Ananta. *This Earth of Mankind*. New York: Penguin, 1996.

The first of the series of historical novels known as the Buru Quartet, written by Indonesia's most widely published author, conceived while he was a political prisoner from 1965 to 1979. The novels cover the period from the late-nineteenth century through the early stage of the nationalist movement ending before 1920. The other novels are entitled *Child of All Nations*, *Footsteps*, and *House of Glass*. ■

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