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Indonesia in Perspective

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*Map of Indonesia
CIA photo*

Chapter 1: Geography

Introduction

The largest archipelagic nation in the world, Indonesia comprises more than 17,000 islands. Straddling the equator, its territory stretches 5,120 km (3,181 mi) from the Pacific Ocean on the east to the Indian Ocean on the west, and 1,760 km (1,093 mi) toward the Asian continent in the north and the Australian continent in the south.² With a total area of nearly 2 million sq km (736,000 sq mi), Indonesia is slightly three times the size of Texas.³ It includes some of the world’s largest islands—New Guinea, Borneo, and Sumatra—as well as thousands of tiny, uninhabited islands. Some islands are shared with other nations: Borneo with Malaysia and Brunei, Timor with Timor-Leste, and New Guinea with Papua New Guinea. Many strategic sea lanes pass among the Indonesian islands, through the Java, Flores, Banda, and Molucca Seas, and the Straits of Malacca, Karimata (Selat Karimata), and Makassar.⁴ The shallow seas between many of the islands are a significant source of offshore petroleum, natural gas, and other minerals.⁵

Indonesia ranks among the world's highest biodiversity-rich countries. It has the world's greatest variety of mammals, palm trees, and swallowtail butterflies; species of reptiles, birds, amphibians, reef corals, and flowering plants are among the most numerous in the world.⁶ Indonesia's human diversity is equally impressive. Some 300 ethnic groups and 700 languages characterize its population of 248,645,008—the world's fourth-largest population in 2012.^{7, 8} Most Indonesians live south of the equator, inhabiting the four large islands of the Greater Sunda group: Java, Sumatra, Sulawesi (Celebes), and Kalimantan (the Indonesian portion of Borneo).⁹ Although the island of Java covers only 7% of the country's area, it is home to 58% of Indonesians. In contrast, only 2% of the population lives in Indonesia's Papuan provinces on western New Guinea, which account for 22% of Indonesia's landmass.¹⁰ Although 56% of Indonesians still live in rural settings, the annual rate of urbanization is projected to be 2% through 2015.¹¹



Landscape of Indonesia
© Anne Roberts

Geographic Features

Geographers commonly place the islands of Indonesia into four main groups. North and west, the Greater Sunda group includes the four large islands of Sumatra, Java, Borneo, and Sulawesi. Extending east from Java, the southern Lesser Sunda group includes Bali and Lombok, Flores, Sumba, and Timor. North of Timor, the Maluku group lies in the Molucca Sea. Historically known as the Spice Islands, this group includes the larger islands of Halmahera and Seram and hundreds of smaller islands such as Ternate, Tidore, and Ambon. Finally, to the east is the Papua group, which includes the western half of the island of New Guinea and smaller outlying islands.

At 4,884 m (16,024 ft), Papua's Mount Puncak Jaya is Indonesia's highest mountain peak, in the Central Mountain range that runs the length of the archipelago. Puncak Jaya has glaciers but no trees.^{12, 13} Several smaller, heath-covered ranges between 3,000–3,800 m (9,843–12,467 ft) are in western Sumatra, Java, Bali, Lombok, Sulawesi, and Seram.¹⁴ ¹⁵ Most of the islands in the northern and central Maluku group have dense vegetation with rugged mountainous interiors often over 900 m (3,000 ft).^{16, 17} Descending from the interior highlands, Indonesia's landmass is covered with lowland tropical and subtropical rainforests. Mangrove swamps and coral reefs line much of the 81,000 km (50,000 mi) of coast.¹⁸ At the west edge of Indonesia's maritime Exclusive Economic Zone, the deepwater Java Trench drops 7,450 m (24,440 ft) below sea level.¹⁹

Indonesia's complex geology continues to reshape the archipelago. Most Indonesian islands rest on one of two continental shelves. The Sahul shelf extends from the

Australian landmass, supporting New Guinea and the northern Malukus. The Sunda shelf extends from the Asian landmass, supporting Borneo, Sumatra, Java, and the Lesser Sundas. Sulawesi and the southern Malukus lie in a geologically unstable zone where the shelves meet.²⁰ Indonesia lies on the Ring of Fire, a zone of volcanic activity that accounts for 75% of the world's volcanoes.²¹ Indonesia has the world's highest number of deaths from volcanic eruptions.²²



Tropical climate
© Wakx / flickr.com

Climate

The climate of Indonesia is tropical (hot and humid), although the highlands are cooler. Monsoon winds from the Indian Ocean drive the rainy season, from November to March. The heaviest rainfall occurs in the mountains and the western coast of Sumatra with up to 610 cm (240 in) a year. Australian desert air feeds the dry season from June to September, and Indonesian islands nearest to Australia average less than 100 cm (39 in) of rain annually. In general, relative humidity is 80% year round, and thunderstorms are common. Average temperatures in 2010 ranged from 24–28°C (75–82°F), between reported lows of 19°C (66°F) in Sumatra and

highs approaching 36°C (97°F) in Riau.^{23, 24, 25} The hot climate makes heatstroke a health concern.

Bodies of Water

Travel by water has played a formative role in the development of Indonesia and maritime Southeast Asia. Ocean and sea routes have long created international connections and conflicts, while waterways on the large islands have served as routes for neighborly trade, migration, and warfare. More recently, intertidal wetlands along the coasts have emerged as an international environmental concern.

Oceans and Seas

The Indian Ocean is the southwest boundary of the nation. It contains important shipping lanes in the Strait of Malacca, located between Sumatra and West Malaysia.²⁶ Nearly 80% of oil and gas imports from East Asia and 30% of global trade pass through these waters annually.²⁷ The waterway has long been plagued by pirates, and in 2004 was ranked “the most dangerous sea route” in the world.²⁸ The Pacific Ocean, largest of the world's oceans, borders Indonesia to the northeast.²⁹

The shallow Java Sea lies between Java and Borneo. Exploration is finding undersea gas and oil deposits from northern Java to northeast Kalimantan, which fuel Indonesia's export program.^{30, 31} The Celebes Sea contains Indonesia's northern border with the Philippines.³² Terrorism and piracy in this sea threaten regional stability.³³ Several smaller seas—Molucca, Banda, Flores, Sawu, Timor—surround their namesake islands.



Barito river
© Nala Atmowiloto

Rivers and Lakes

Indonesia's short rivers serve as important transportation links to rural areas.³⁴ Kalimantan (in Borneo) has the longest rivers in the country.³⁵ The Kapuas, the nation's longest river at 1,140 km (710 mi), flows westward from the Hulu Mountains in the central part of Borneo to the delta near Pontianak, the capital of West Kalimantan.^{36, 37} The second-longest river, the Barito, flows southward through the provincial capital of Banjarmasin to the Java Sea.^{38, 39} It is an important river highway between the coast and Kalimantan's interior.⁴⁰ In Sumatra, the Asahan River flows from northern Lake Toba toward the sea for about 150 km (93 mi). It empties into

the Strait of Malacca. The river was once an important trade link between the inland Batak people and the coastal Malay people.⁴¹ The river is now dammed and provides hydroelectricity for industries.⁴² Sulawesi's lakes, among the world's deepest, preserve conditions similar to those of ancient prehistoric oceans.⁴³

Major Cities

Indonesia is becoming an urbanized country. The nation's earliest civilizations developed as decentralized economic and political entities. Centralized commerce for the international spice trade grew from the 15th century, and colonial cities later became seats of national power after independence. Recently, small and midsized cities are growing more quickly than the urban giants, encouraged by government resettlement programs.⁴⁴ But population density threatens to convert the entire island of Java into a single urban agglomeration.^{45, 46}

Population (2010 est.)		
Name	City (millions)	Metropolitan Area (millions)
Jakarta (Jabodetabekjur)	9.6	28.3
Surabaya	2.8	6.5
Bandung	2.4	7.9
Bekasi	2.3	part of Jabodetabekjur
Semarang	1.0	4.7
Medan	2.1	4.1
Tangerang	1.8	part of Jabodetabekjur
Depok	1.7	part of Jabodetabekjur
Palembang	1.4	1.5
Tangerang Selatan	1.3	part of Jabodetabekjur
Makassar	1.3	1.4
Bogor	1.0	part of Jabodetabekjur
Cianjur (northern suburbs)	0.1	part of Jabodetabekjur



Jakarta skyline
© yohanes budiyanto

Jakarta (Jabodetabekjur)

Jakarta, the capital of Indonesia, is situated on Java's north coast on a low coastal plain between swamps. Known in the 12th century as Sunda Kelapa, the Hindu-Javanese city port was made a vassal state of the Islamic Sultanate of Banten in the 16th century, when it was renamed Jayakarta.⁴⁷ Recognizing its strategic location near the Sunda Strait, the Dutch built a fortress trading post in Jakarta, provoking the Banten sultanate to lay siege.⁴⁸ The siege was ultimately broken by reinforcements of the Dutch East India Company (VOC) arriving from Maluku, who called the fortress (and later the city) Batavia.⁴⁹ The city was renamed Jakarta during the Japanese occupation of Indonesia in World War II. After Allied bombings and postwar revolutionary battles, Jakarta became the official capital of independent Indonesia in 1950.^{50, 51}

Today Jakarta forms a megacity with surrounding urban areas known as Jabodetabekjur. The word *Jabodetabekjur* is an acronym made up of the first letters of *Jakarta* and the names of adjacent municipalities. The acronym's recent changes—from Jabotabek to Jabodetabek to Jabodetabekjur—denote one of the fastest-growing megacities in the world.^{52, 53} Jabodetabekjur's infrastructure has not kept pace with its rapid growth. Traffic congestion contributes to air pollution, while flooding spreads already polluted water and eats away at precious land.^{54, 55, 56} (Jakarta is buying mangrove seeds from the

Forestry Ministry to plant in Jakarta Bay, in an attempt to halt saltwater seepage inland and into city water supplies.)⁵⁷ An organizational problem confronting the city is a law enforcement structure that is unable to handle protests.^{58, 59}



Longest bridge in Indonesia
© Sakurai Midori

Surabaya

Surabaya, the capital of East Java province, is located on Java's northeastern coast across from the island of Madura. It is a historic center of trade, industry, and education. The city's old Arab quarter houses the Mesjid Ampel mosque, burial site of Sunan Ampel (d. 1481), one of the Nine Saints (*wali sanga*) who brought Islam to Java. At the House of Sampoerna cigarette factory, women still hand roll clove-laced *krettek* (Indonesian cigarettes) with high tar content. Surabaya is often regarded as the City of Heroes (*Kota Pahlawan*) because the country's battle for independence began in the city in 1945.^{60, 61}

Today, Surabaya is a major commercial and military seaport. It is home to several public and private universities, as well as the Naval Academy and the Air Training Command.⁶² The country's main naval station at Ujung is located north of Surabaya next to the port of Tanjung Perak. In 2009, the Suramadu Bridge, Indonesia's longest bridge, opened between Surabaya and Madura Island.⁶³



Bandung
©, Ikhlasul Amal

Bandung

Bandung, the City of Flowers, is the capital of West province Java. Situated on a plateau in the Parahyangan mountains, Bandung has cooler temperatures year-round.⁶⁴ Beautiful scenery surrounding the city includes rice and tea fields, waterfalls, and volcanic mountain peaks of 2,150 m (7,050 ft). Founded by Dutch colonists in 1810, Bandung is largely populated by the Sundanese ethnic group.⁶⁵ Indonesia's first president, Sukarno, graduated from Bandung Technical College (now Bandung Institute of Technology). He later chose the city for his 1955 Asia-Africa Conference, widely cited as the start of the Non-Aligned Movement (NAM), which was established in 1961

to foster political and military cooperation.⁶⁶

Besides agriculture, tourism, and higher education, Bandung is known for manufacturing textiles, medicines, rubber products, and machinery. A relatively speedy toll road has linked Bandung to Jakarta since 2005.⁶⁷ Bandung houses Indonesia's Nuclear Research Center, the Senior Officers Military Institute, and the Women's Police Academy.^{68,69} Indonesia's Air Force Materiel Command is headquartered in Bandung.⁷⁰



Semarang Old Town
© Crisco 1492 / wikipedia.org

Semarang

Semarang is a major port city on Java's north coast and the capital of Central Java. Its harbor is unprotected and its port operations are sometimes interrupted by monsoons. The city lies inland along a river and transportation canals.⁷¹ Home to one of the largest Chinese populations in Indonesia, Semarang boasts the well-known Chinese temple of Gedung Batu (Sam Po Kong).^{72,73}

Modern-day Semarang is a regional manufacturing and export center. Besides a sea-based fishing, shrimping, and boatbuilding industry, Semarang has farms and factories. Farm exports include rubber, coffee, tobacco, and cacao, while factories produce glass, electrical equipment, textiles, and herbal medicines (*jamu*).⁷⁴ Rail lines connect Semarang to Java's major cities.⁷⁵ The national Police Command and Staff School, which provides advanced training in administration to police officers, is located in Semarang.⁷⁶

Medan

Medan, the capital of North Sumatra, lies 19 km (12 mi) inland from the Malacca Strait on the Deli River. Home to a historic battlefield, a sultan's palace, and tobacco plantations, Medan has become a supply center for Sumatran oil and gas fields.^{77,78} The city's port, Belawan, underwent a

reconstruction in 1985, adding a container terminal for major exports including rubber, palm oil, tea, and coffee.⁷⁹

Medan is one of the most ethnically diverse cities in Indonesia. Descendants of the Chinese and Indian laborers who worked on the original plantations in the area live together with native Bataks, ethnic Malays, and Javanese migrants. This diversity has

sometimes led to violence, particularly against the Chinese community.⁸⁰

Medan is home to one of Indonesia's largest mosques, the Great Mosque. In September 2012, the American Consulate in Medan closed temporarily during several days of protests against the film *Innocence of Muslims*.^{81, 82}



Ampera Bridge in Palembang
© Gunawan Kartapranata

Palembang

Palembang was the capital of the Buddhist Srivijaya Empire from the 6th to the 14th century, and is the capital of South Sumatra today. The city lies on both banks of the Musi River, which large ships can navigate from Sumatra's east coast upstream to municipal deepwater port facilities.⁸³ Palembang is the center of the country's oil industry. It also has factories that produce fertilizer and cement.⁸⁴ Exports transported through the city include rubber, coffee, timber, coal, tea, and spices.^{85, 86}



Old harbor in Makassar
© Arian Zwegers

Makassar (Ujung Pandang)

Located on the southwest tip of Sulawesi, Makassar was a center of the spice trade long before the arrival of Europeans in the 1500s. The local Bugi and Makassarese peoples were famed seafarers (and by some accounts, pirates).⁸⁷ From the 1970s to 1999, the city was officially known as Ujung Pandang, after its precolonial fort, and both names are still used. Makassar remains an important port and regional distribution hub. Primary economic ventures include shipbuilding and fishing.^{88, 89} The air force's largest operational command is headquartered in Makassar.⁹⁰



Illegal burning of forest
© Wakx / flickr.com

Environmental Concerns

Indonesia has nearly 10% of the world's forest cover. The size and significance of its rain forests rank with those of the Amazon and Congo. Deforestation is a major threat to these resources: Indonesia lost roughly 30% of its primary forests from 1990 to 2005.⁹¹ High poverty in much of rural Indonesia has made it difficult to enforce bans on clear-cutting, intentional burning, and illegal logging. Government-encouraged transmigration in the 1970s–1990s saw millions of Indonesians from densely populated Java and Bali relocate to less populated islands, where the majority of forestlands are found. As a result, pressure increased to use these forestlands for

economic endeavors such as logging and oil-palm plantations.

Deforestation also contributes to Indonesia's air and water pollution. Jakarta and other large cities are notorious for polluted skies resulting from automobile, industrial (especially oil-refining), and waste-burning emissions.⁹² Fires intentionally set to clear forestland for agriculture have created transnational conflicts with Indonesia's neighbors and worldwide concern about climate change ramifications. Indonesia is among the world's largest carbon emitters, and a high percentage of greenhouse gases are released when peatland forests are burned or drained.^{93, 94, 95} Indonesia has yet to ratify the Association of Southeast Asian Nations (ASEAN) Agreement on Trans-Boundary Haze Pollution, which entered into force in 2003.⁹⁶ Runoff from agricultural fields that replace forestlands pollutes Indonesian waters with pesticides and chemical fertilizers. Industrial waste further contaminates both water and food with heavy metals.⁹⁷

Habitat loss, often due to deforestation, is threatening Indonesia's biodiversity, as well as the illegal trafficking in exotic species.⁹⁸ Even the entire Indonesian islands are disappearing because of the demands of its neighboring countries, such as Singapore, for sand as a construction material.⁹⁹



Active volcano in Java
© patrickw1 / flickr.com

Natural Hazards

This nation of volcanic islands is regularly struck by eruptions, earthquakes, tsunamis, storms, and floods. Perhaps the most famous volcano is Anak Krakatoa, an island between Java and Sumatra. It erupted in 1883 in one of the most devastating eruptions in history and, as of 2012, continues to spew lava.^{100, 101} Other active volcanoes include Gunung Agung on Bali (1963–64), Merapi on Java (2006, 2007, 2010), and Sopotan on Sulawesi (2004, 2008, 2011).¹⁰² Earthquakes in this century include the 9.1-magnitude cataclysm that devastated the country in December 2004. More than 130,000 people were killed by the tsunami

that followed, and more than half a million were left homeless. Earthquakes in 2005, 2006, and 2009 each killed thousands and injured or displaced tens of thousands.¹⁰³ In 2010, a tsunami killed 500 along Sumatra's west coast, and in 2012 tropical cyclone Iggy caused 16 deaths and 60 injuries. Although flooding is not as dramatic as other events, it causes the most death and damage cumulatively.¹⁰⁴

Indonesia's biodiversity holds numerous health hazards. The country reports the world's highest incidence of snakebite mortality. Dengue fever is also one of the leading causes of death in Indonesia, particularly in urban areas of Java.. Rabies, anthrax, and avian flu reside in animal populations. Avian flu, in particular, is a public health challenge, given the locals love of cockfighting.^{105, 106} Medical practitioners are working to control tuberculosis, HIV/AIDS, and the neglected and poverty-related diseases such as malaria which is common in rural areas.¹⁰⁷

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Overview: Chapter 1 Assessment

1. The Indonesian archipelago cuts through the equator.

TRUE

Indonesia, the world's largest archipelago, straddles the equator. The nation stretches 5,120 km (3,181 mi) from the Pacific Ocean on the east to the Indian Ocean on the west, and 1,760 km (1,093 mi) toward the Asian continent in the north and the Australian continent in the south.

2. Indonesia shares the three large islands of Sumatra, Borneo, and New Guinea with neighboring countries.

FALSE

Indonesia shares Borneo with Malaysia and Brunei, New Guinea with Papua New Guinea, and Timor with Timor-Leste, since that nation gained its independence in 2002.

3. The large island of Sumatra is home to the majority of the Indonesian population.

FALSE

The island of Java houses more than half of Indonesia's population and most of its large cities. Java is the nation's industrial, administrative, and economic center.

4. Jabodetabekjur is an Indonesian island.

FALSE

Jabodetabekjur is the metropolitan area of Jakarta, the largest city and capital of Indonesia. The word Jabodetabekjur is an acronym made up of the first letters of Jakarta and the names of adjacent municipalities.

5. Deforestation is a serious environmental issue in Indonesia.

TRUE

Conditions of extreme poverty in Indonesia have resulted in extensive illegal clear-cutting and burning of its forests, creating air and water pollution as well as habitat loss.



*Borobudur 9th century temple
© Gunawan Kartapranata*

Chapter 2: History

Introduction

Indonesia is a site of significance in human history. Fossils found on Java, including the famous Java Man skullcap and femur, indicate that *Homo erectus*, an evolutionary predecessor of *Homo sapiens*, occupied the Indonesian archipelago as early as 1.7 million years ago.¹ Anatomically modern humans have lived on the islands for some 40,000 years, but there are few remains that predate the rise of the early kingdoms of Java and Sumatra. Archeological and linguistic evidence suggest that a wide network of early civilizations exchanged ideas—particularly the religious traditions of Hinduism and Buddhism—and traded goods for thousands of years before European colonization established the area’s first modern multinational enterprise, the Dutch East India Company.^{2,3} The rise of nationalism brought independence to greater Indonesia at the end of World War II. Internal struggles in the new nation eventually led to autonomy for some regions, and independence for Timor-Leste.⁴

Prehistory

Uncertainty in Indonesian history begins with competing models of human evolution in the area. According to paleoanthropologist Donald Johanson, in the Out of Africa model, modern humans, “arose in one place—Africa,” and later migrated across Asia

to Indonesia and beyond. In the Multiregional model, “pre-modern humans migrated from Africa to become modern humans in other parts of the world,” including Indonesia.⁵ Researchers have found that some *Homo erectus* fossils from central Java are quite recent. This suggests that Indonesian *Homo sapiens* coexisted with *Homo erectus*, rather than descending from them.⁶ In 2003, fossils of a new species, *Homo floresiensis*, was unearthed in Liang Bua Cave on the island of Flores in Indonesia. Dubbed the “hobbit,” *Homo floresiensis* was a small-brained, small-bodied human, approximately 1 m (3.3 ft) tall, that lived as recently as 12,000 years ago.⁷ Though dwarf species of other animals have been found in island environments, the *Homo floresiensis* discovery may be the first human example of this phenomenon.⁸

Indonesian archeological artifacts as old as 800,000 years tell a story of many small communities, each adapted to the hunting, fishing, and foraging possibilities of its ecological niche. In Papua and the northern Maluku, evidence of horticulture and trade in plants and animals dates to 20,000 years ago. After the last ice age some 10,000 years ago, certain characteristics spread widely throughout the region: languages, rice farming, long-distance seafaring, pottery making and metal working.⁹ For example, ornamental bronze drums crafted in the style of the Dong Son culture, centered in present-day Vietnam, spread to the Indonesian archipelago sometime during the first millennium B.C.E. Some of the drums show figures in possible Chinese or Indian costume, sparking speculation that the original drums may have come via traders from these regions.¹⁰ But the nature of the relationships among island and mainland populations is unknown because of the lack of written records.



Prambanan Hindu temple
© Gunawan Kartapranata

Kingdoms and Sultanates

During the early centuries of the first millennium C.E., kingdoms emerged in the Indonesian archipelago that reflected mainland Asian traditions. The influence of Indian culture is most evident in religion, while Chinese influence is apparent in economic and political spheres.^{11, 12} Srivijaya, the earliest known kingdom, was famous as a center of Buddhist study and economic trade since the seventh century. From the city of Palembang in north Sumatra, Srivijaya extended as far as West Java and the Malay Peninsula. During the next centuries, Hindu Sanjaya and Buddhist Sailendra kingdoms in central Java built monumental temple complexes to Shiva at Prambanan, and to Buddha at Borobudur.^{13, 14}

Succeeding Javanese kingdoms—Mataram, Kediri,

and Singhasari—weakened Srivijaya’s power while incorporating the spice trade from the Maluku Islands and conquering Bali. In 1289, Kublai Khan’s envoy failed to extract obedience from the Singhasari god-king Kertanagara. A return expedition in 1292 was eventually turned away by the king’s son-in-law Vijaya, who went on to establish the Majapahit empire. In the Majapahit “golden age” that followed, the chief minister of the empire, Gadjah Mada, unified for the first time most of what is modern Indonesia.^{15, 16} When Admiral Zheng He and his flotilla arrived from China in the next century, ethnic Chinese communities led by Ming Dynasty appointees were well-established traders in Sumatran and Javanese ports.¹⁷

Islam was known in Indonesia as early as the eighth century, but 500 years passed before Muslim centers took root among foreign traders in Sumatra’s port cities. Islamic beliefs and practices spread east in fits and starts during the following centuries.^{18, 19} In the 15th century, a Sumatran prince and Muslim convert established the sultanate of Melaka (Malacca) on the southern Malay Peninsula. Melaka became the region’s richest and most powerful and trade center, favoring business with other Muslim sultanates.²⁰ Indonesia’s “Nine Saints” (*wali sanga*) of Islam began their good works on Java during this time.²¹ In the 16th century, the sultanate of Demak expanded its claims over what remained of the Hindu-Buddhist Majapahit kingdom.²² By the end of the century, Hindu nobility had retreated to the island of Bali, and Islam had become dominant throughout most of the archipelago.



*Dutch victory in Java War
Courtesy of Wikimedia*

European Colonization

The Portuguese arrived in 1509 and seized Melaka two years later, hoping to control the spice trade. Although they established trading bases on the islands of Ternate, Ambon, Sulawesi, Flores, Timor, and Solor, they never achieved the monopoly over the spice trade they sought. More successful were the Catholic missionaries, led by the Spaniard Saint Francis Xavier, co-founder of the Jesuit order. Large Christian populations still exist on most of the islands visited by the Portuguese missionaries.²³ (In some cases the Catholic natives converted to Protestantism after the Dutch arrived.) Spain vied with Portugal for territory and trade through the mid-1500s, and later withdrew north to colonize the Philippines.

The Dutch reached Banten in west Java in 1596.²⁴ Their United East India Company, Verenigde Oostindische Compagnie (VOC), soon found itself in competition with the

Portuguese, the Spanish, and the English East India Company, as well as with local Muslim trading kingdoms. In 1619, the sultanate of Banten and British forces both besieged the VOC's fortified trade post in Jayakarta.²⁵ The siege was ultimately broken by VOC reinforcements arriving from Maluku.²⁶ During the following centuries, the Dutch expanded and consolidated their presence in Indonesia while Britain went on to colonize Malaysia and eastern New Guinea. The bankruptcy and nationalization of the VOC from 1799, combined with the Dutch defeat of Prince Diponegoro in the Java War of 1825–30, spurred the development of the Dutch Cultivation System (or Culture System).^{27, 28} The Culture System regulated Indonesian agriculture to create profits for the colonial government.^{29, 30} Local farmers were forced to grow cash crops that the government bought at low prices and exported for much higher sale prices. After decades of exploitation, the Dutch implemented the Ethical Policy, a patchwork of social reform programs to improve the educational, health, and economic status of the indigenous population.³¹ Though most programs were not effective, schools that were set up to train Indonesian civil servants and doctors eventually produced an educated elite who became the leaders of nationalist movements within the archipelago.³²

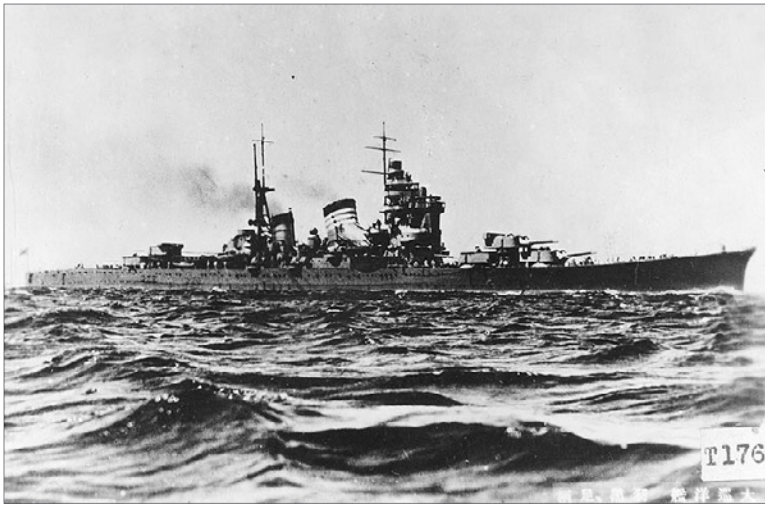


1921 Sarekat Islam meeting
© Tropenmuseum / wikipedia.org

The Rise of Nationalism

Resistance to colonization was not limited to Java. Groups on the “outer islands” had long fought each other and Javanese kingdoms for self-rule, and the Dutch had to force many of these groups into unwilling membership in the colonial empire.³³ In the early 20th century, a new kind of organized challenge to colonization appeared. *Sarekat Islam* (SI) began as a Javanese traders’ union but soon spread to the other islands, becoming a general protest movement against the Dutch, the Chinese, and the local administrative upper class.^{34, 35} The *Indonesian Communist Party* (PKI) was one of the major radical groups that sprang from the nationalist movement. The PKI and the SI came to wage public battle against each other as much as organizing worker boycotts and strikes. The government acted quickly to punish strikers and their leaders. By 1927, the SI had faded into inactivity and the PKI was in disarray after a series of poorly planned rebellions.^{36, 37} Urban anti-colonialists then steered away from extreme political, religious, and economic philosophies (such as the movements of world Communism and Pan-Islamism), focusing instead on the goal of an independent Indonesia.³⁸ Among these new nationalist groups was the *Partai Nasional Indonesia* (PNI), led by a young engineer named Sukarno. As the PNI

expanded its ranks, Sukarno and other PNI leaders were exiled off Java in 1933–34.³⁹ Within 10 years, they would return under the auspices of a new Indonesian overlord: Japan.



Japanese cruiser in Java Sea
© U.S. Navy

World War II

In February 1942, the Japanese Navy defeated a hastily put together fleet of Dutch, British, American, and Australian warships in the Battle of the Java Sea.⁴⁰ Less than two weeks later, Dutch officials in Java surrendered to the Japanese, beginning the Japanese occupation of the archipelago. Indonesians first saw Japan as a liberator. Sukarno and other nationalist exiles returned to Java and agreed to cooperate with the Japanese in exchange for concessions that they hoped would lead to Indonesian independence. The war needs of the Japanese—Indonesia’s strategic naval locations and oil, rubber, and other

natural resources—resulted in their increasingly harsh rule on the islands. Sukarno found himself supporting the Japanese mobilization of Javanese *romusha* (“volunteer” laborers) to support the Japanese war effort throughout Southeast Asia.^{41, 42}

In September 1944, the Japanese announced that the entire Indonesian archipelago would become independent, but no date was set. Nearly a year later, on 15 August 1945, the Japanese surrendered unconditionally. Two days later, Sukarno read the following short proclamation to a small crowd outside his home in Jakarta:

We the people of Indonesia hereby declare the independence of Indonesia. Matters concerning the transfer of power, etc., will be carried out in a conscientious manner and as speedily as possible.⁴³

Independence

After the end of World War II, the “speedy” transfer of power took five years to achieve, a period marked by armed struggle. Allied forces, mostly British Indian troops, arrived in Java to disarm and repatriate the Japanese, as well as to free Dutch internees in the islands. The Allies found themselves in a volatile situation, caught between their mission to evacuate the Dutch and the fierce anti-Dutch sentiments of the local populations. Indonesian republican forces lost an early bloody battle at Surabaya, where their resistance became a symbol of the Indonesian fight against the reinstatement of colonial rule.⁴⁴ After negotiations between the Dutch and the republic resulted in a failed treaty, the Dutch launched “police actions” in 1947 and 1948, turning world opinion against

them. Under UN pressure, they formally transferred sovereignty to Indonesia on 27 December 1949.⁴⁵ The next day, Sukarno moved from Yogyakarta, the revolutionary capital, to Jakarta to take up the presidency.⁴⁶

Sukarno and Suharto: Democracy Interrupted

Sukarno's Guided Democracy

In 1950, Indonesia's third, provisional constitution "called for a prime ministerial, multiparty, parliamentary democracy and free elections."⁴⁷ The first national elections in 1955 yielded a fractured government with many parties, making it difficult to establish stable coalitions. The role of Islam became a point of major disagreement, with Sukarno vowing to keep the country secular, and Muslim groups wanting Indonesia to be governed according to Islamic law.⁴⁸ Other politicized divisions were *santri* (orthodox) vs. *abangan* (syncretic, "Indonesian-style") Muslims, Communists vs. anti-Communists, and Javanese vs. non-Javanese.^{49, 50} The failure to legislate a new constitution, combined with unsuccessful rebellions on Sumatra, Sulawesi, West Java, and other islands, prompted President Sukarno to impose the authoritarian control of his "guided democracy" from 1959–1965.

Sukarno became more closely aligned with the PKI.⁵¹ His foreign policy became increasingly anti-Western, and confrontational with regions tied to the ex-colonial powers. One region was West New Guinea, the last Dutch-held outpost in

the Indonesian archipelago. After a failed attempt by the Indonesian military to secure the region, it was handed over to the United Nations on an interim basis. In 1963, West Irian (as it was called in Indonesia) was transferred to Indonesian control, subject to a future "act of free choice" by its population to determine whether they would remain part of Indonesia or become independent. In a second regional confrontation that year, Indonesia threatened the planned creation of the Federation of Malaysia from Malaya and the British crown colonies of Singapore, Sarawak, and Sabah (the latter two on the northern coast of Borneo). Sukarno later withdrew Indonesia from the United Nations



Sukarno
Courtesy of Wikimedia

over the Malaysia issue. As the government increased ties with Communist China and severed links with the capitalist world (International Monetary Fund, Interpol, World Bank), the PKI seemed poised to assume control of the government with Sukarno's blessing.⁵² But a failed coup on 1 October 1965, followed by a counterattack led by Army Strategic Reserve head Suharto, began the end of the Sukarno era and the PKI.⁵³



Suharto
Courtesy of Wikimedia

Suharto's New Order

Major-General Suharto had commanded the 1962 campaign to “liberate” West Irian.⁵⁴ One of the most senior military officials to survive the assassinations of 1965, he answered the attempted coup with a purge of PKI members and suspected sympathizers. In the following months, mass violence throughout the country saw as many as 500,000 killed. By 1967 Sukarno had turned over key military and political powers to Suharto, who was named acting president in March of that year. Suharto remained president for the next 30 years.^{55, 56}

Suharto's New Order aimed to provide stability through economic development, with overt military enforcement. It succeeded by many measures: the gross domestic product (GDP) per capita and average life expectancy increased, while poverty rates declined. Yet widespread corruption “ate corrosively at the New Order from the inside,” and regional economic disparities widened as industrialization was targeted to Java's large potential workforce.⁵⁷ After the Asian economic crisis in 1997, Suharto was forced to resign. Suharto's hand-picked successor, B. J. Habibie, assumed the presidency in 1998.

Outer Island Independence Movements

Indonesia's national credo (“One country. One people. One language.”) reflects an obsession over national unity that characterized both the Sukarno and Suharto eras. During the Suharto years, the government fought long-standing separatist movements in Timor, Aceh, and Papua. In the uncertainty after Suharto's departure, more regions voiced a desire to separate from the nation, in Riau, Maluku, Sulawesi, and Kalimantan.⁵⁸ Some demands for self-governance were met by government

decentralization programs that began in 2001.⁵⁹ Others escalated into violence, most notably in Timor.

East Timor

East Timor was one of the last outposts of the Portuguese overseas empire. A 1974 revolution in Portugal ushered in a new liberal democratic government that was keen to get out of the colonial business. In 1975, shortly after the two largest political parties in East Timor initiated a civil war, Indonesia invaded, fearing the emergence of a leftist state next door to its west Timor province of Nusa Tenggara Timur.⁶⁰ A year later, Indonesia declared East Timor its 27th province. But the province did not pacify easily, and Indonesia suppressed resistance movements in East Timor for more than 20 years. Only in 1999, after Suharto was out of power, did Indonesia agree to allow the East Timorese to decide if they wished to be independent. The majority voted for independence. Violence against the separatists preceded and followed the vote, but did not prevent the emergence of the independent nation of Timor-Leste in 2002.⁶¹



*Free Aceh Movement 1999
Courtesy of Wikimedia*

Aceh

Aceh Province in northern Sumatra is rich in oil and natural gas reserves. Sumatra has a different culture than the rest of the country. Aceh is also the oldest and most conservative Muslim area within Indonesia. Aceh has long been fiercely independent, and fought both the colonial Dutch and the early Indonesian republic. In the 1970s, the Free Aceh Movement (*Gerakan Aceh Merdeka*, GAM) began a decades-long guerrilla movement. In the wake of the 2004 devastating earthquake and tsunami in the region, a peace deal was finally negotiated. The government reduced security forces in the region, and the GAM officially dissolved its military wing. Democratic elections since 2006 have put several former separatists into local political office.^{62, 63}

Papua

Irian Jaya was formally folded into Indonesia after a 1969 plebiscite of local leaders approved incorporation. Although the plebiscite results were later certified by the United Nations, there have been charges that the unanimous vote was carried out under conditions of heavy coercion.⁶⁴ The *Organasi Papua Merdeka* (OPM; Free Papua Organization) has staged a long-running resistance movement, resulting in periodic outbreaks of violence. Increased autonomy has been granted Papua in recent years, but

the region's extensive mineral wealth makes independence a highly undesirable option for the Indonesian government.^{65, 66} Government security forces killed two resistance leaders in separate incidents in 2012.^{67, 68}



*Megawati Sukarnoputri
Courtesy of Wikimedia*

Democracy Re-established

In June 1999, Indonesia held its first free elections in over 40 years. The Indonesian Democratic Party for Struggle (PDI-P), led by Megawati Sukarnoputri (Sukarno's daughter), was the top vote-getter, but could not muster a coalition. Instead, Abdurrahman Wahid of the Islamic Nahdatul Ulama party became the country's new president. Wahid's failing health, and continuing corruption within the government, led to his impeachment in 2001, and Megawati Sukarnoputri became Indonesia's third president in as many years.⁶⁹ Sukarnoputri faced the same intractable problems of corruption, unemployment, and an underperforming economy as her predecessors. Changes to the constitution allowed direct presidential elections in 2004.⁷⁰ In a two-candidate runoff, Sukarnoputri was easily defeated by Susilo Bambang Yudhoyono, a former Minister for Security and Internal Affairs in the Wahid and Sukarnoputri administrations. He was reelected in a first-round vote in 2009.⁷¹

Recent Events

Indonesia's National Disaster Management Agency announced that, in 2010, the country experienced 644 natural disasters that took the lives of more than 1,711 people. The actual number of injured and displaced was significantly higher. To increase the efficiency of disaster response, the government established the National Board for Disaster Mitigation. Early warning systems for tsunamis have been installed in some coastal communities.⁷²

Terrorism has been another area of increasing concern. In 2002, two bombs exploded in a nightclub area of Bali and killed more than 200 people, including at least 114 foreign nationals. A pan-Asian Muslim extremist group was thought to be responsible.⁷³ Three militants were subsequently executed for their role in the attacks.⁷⁴ A resort area



Sumatra after tsunami
© U.S. Navy

in Bali was attacked in 2005, killing at least 26 and wounding more. President Susilo Bambang Yudhoyono blamed terrorists for the attacks and warned that more attacks were possible.^{75,76} In 2009, two hotels in Jakarta were bombed. Again, an Islamic group was suspected. Recent attacks in Java have included assassinations, letter bombs, suicide bombers, and bombs.⁷⁷

Religious tensions throughout the nation are worsening. In 2011, two churches in Java were set ablaze by a group of angry Muslims. Three Muslims were killed by a mob in West Java. In June, a radical cleric was sentenced to 15 years in prison for backing an Islamist training camp. In 2012, an Islamist militant was sentenced to prison

for parcel bomb attacks targeting police and Muslim leaders.⁷⁸ In 2012, 264 violent attacks on religious minorities were reported. Islamist gangs frequently attack Christian churches as well as “deviant” Islamic sects. Since 2005, 430 Christian churches have been forced to close their doors.⁷⁹

The growth of religious extremism, particularly in Aceh province, threatens secular rights, fuels religious and ethnic tensions, and pushes the limits of provincial autonomy while challenging national unity.^{80,81} These, along with serious economic issues, present major challenges to the nation’s newly elected president, former Jakarta governor, Joko Widodo who himself represents a shift in Indonesian politics. He is the first leader to be unassociated with the old ruling class.⁸²

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Overview: Chapter 2 Assessment

1. King Sukarno tried but failed to guide Indonesia from monarchy to democracy.

FALSE

President Sukarno (not king) led a nationalist movement to end colonial rule. As independent Indonesia's first president, he called his increasingly authoritarian rule "guided democracy."

2. Islam came to the Indonesian islands with the warfare of proselytizing Muslim conquerors.

FALSE

Brought by traders, Islam became the dominant religion of several port cities in the Indonesian archipelago, and spread peacefully.

3. The Cultivation System imposed after the Java War forced Indonesian farmers to grow cash crops for the profit of the Dutch colonial government.

TRUE

After decades of exploitation, the Dutch Ethical Policy mandated social reform programs to improve the educational, health, and economic status of the indigenous population.

4. The Indonesian Communist Party (PKI) was started by operatives of the early Russian Communist Party.

FALSE

The PKI sprang from nationalist Islamic labor unions. Weakened by government counterattacks in the 1920s, it regained influence under Sukarno, and then was banned by Suharto.

5. The Japanese occupied Indonesia during World War II for its oil.

TRUE

The oil fields of Sumatra were a valuable resource for the Japanese.



Riots in 1998
Courtesy of Wikimedia

Chapter 3: Economy

Introduction

Indonesia's economy has yet to live up to the nation's ranking among the world's largest and most populous countries.¹ The nation possesses valuable natural resources and a huge potential labor force. But many resources have been heavily exploited for short-term gain, and the educational system is not yet producing enough high-skilled workers.^{2,3} Early leaders had difficulty moving the independent nation away from nepotism and greed.^{4,5,6} Economic inequality has been stubbornly steady.⁷ Fortunately, the 2008 global recession did not produce the mass riots and regime change that followed the Asian financial crisis of 1997–98.^{8,9}

Indonesia's economic relations with other countries include both protectionism and openness. As the notion of Indonesian political independence became intertwined with economic nationalism and freedom from Western capitalism, the government

subsidized *pribumi* (native Indonesian) businesses, nationalized Dutch business enterprises, and limited foreign investment. It also co-founded the Association of Southeast Asian Nations (ASEAN) to promote a regional free-trade area, and has borrowed heavily from foreign sources to finance development projects and government debt. When oil prices declined in the 1980s and economic growth slowed, Indonesian manufacturing moved toward the export of non-oil goods.¹⁰



Rice fields in Lombok
© Eternal Vagabond / flickr.com

Agriculture

Indonesian agriculture is dominated by rice farming. About 30% of the land is arable, and the richest agricultural soils are on Java, Sumatra, and Sulawesi, where andesitic volcanoes (which produce less acidic lava and ash) are found.^{11, 12} Other major food crops are staples such as cassava and maize, fruit (especially bananas), sweet potatoes, and vegetables. The growing agribusiness includes chicken and pig-raising, fishing, and forestry.¹³ Agriculture contributed about 25% to Indonesia's gross domestic product (GDP) until the early 1990s, then declined to about 14% in

2013.¹⁴ It employs about 39% of the Indonesian workforce.¹⁵

Indonesia is a huge domestic market for agricultural goods. Only China and India, each with populations in excess of one billion, grow more rice and harvest more ocean plants and animals.^{16, 17} The Green Revolution in the 1970s and 1980s, in which high-yield varieties of rice and the increased use of pesticides, fertilizers, and irrigation helped to triple rice production, allowed Indonesia to become mostly self-sufficient in the staple crop. Poor harvests have necessitated importation in some years. The government regulates rice prices as a matter of national security.^{18, 19} The domestic market also consumes the bulk of the catch of Indonesian fishers.²⁰

Indonesia has long been a significant agricultural exporter. Europe colonized Indonesia for the cash crops nutmeg, mace, and pepper. The Dutch Cultivation System promoted a plantation economy in the 19th century, exporting sugar, coffee, tobacco, indigo, and tea.²¹ In the 20th century, rubber, coconut (copra), and palm oil were added (while sugar became an import).^{22, 23, 24} Today, cash crops grow on smallholder farms as well as large, privately-owned and government-owned plantations.²⁵ Indonesia is one of the world's largest exporters of tropical timber.^{26, 27, 28}



Gold mining in Lake Sentarum
© CIFOR / flickr.ocm

Industry

Indonesia's industrial sector can be traced to 17th-century sugar factories and 19th-century oil wells and tin mines.^{29, 30} It currently accounts for almost half of GDP and employs more than one-tenth of the labor force.³¹ In the 1970s and 1980s, the government promoted import substitution—the replacement of foreign imports with locally produced goods—first in consumer goods (e.g., cigarettes) and then in heavy industries (e.g., cement and steel).³² In the 1990s, manufacturing goods for export became a focus, to diversify the economy away from declining revenues in oil and gas. The biggest growth took place in

the production of low-skill, labor-intensive goods (e.g., textiles and garments) and in resource-intensive items (e.g., wood products). At the same time, lower-wage countries such as India and Vietnam increased competition in labor-intensive goods, and deforestation threatened the growth of the wood products industry.³³

Today's largest industries include oil, gas, and mineral extraction and processing; food, beverage, and tobacco processing; vehicle and electrical appliance assembly; and the production of chemical fertilizer and rubber goods.^{34, 35} Many of these industries are state-owned enterprises, although some have been partly or wholly privatized since 1998.^{36, 37} Small and medium-sized enterprises produce consumer goods like clothing and furniture, as well as products for export including processed palm oil, metals, rubber goods, and electronics.³⁸ Most industrial activity in Indonesia takes place in densely populated Java. Industrial employment on other islands tends to be tied to local resources (e.g., wood, fish, or oil and gas).³⁹

Energy

With extensive deposits in oil, gas, and coal, Indonesia is one of the most energy resource-rich countries in East Asia. Its growing population and economy make it a large energy consumer as well, now exceeding its ability to produce oil. Biomass (e.g., wood and agricultural wastes), hydroelectric, and geothermal are additional energy sources for Indonesians. The country is far from meeting the needs of its people: in 2009, only two-thirds of the population had electricity. Poor infrastructure and complicated business regulations make it difficult for Indonesia to capture the investment needed to continue developing energy resources.^{40, 41} Oil and gas export revenues fell from 80% to 20% in the 2000s.⁴²

Oil

Oil was the first energy resource in Indonesia to be exploited. Fields are located in central Sumatra, east Kalimantan, Java and the Java Sea, and near the Natuna archipelago in the South China Sea.^{43,44} Upstream exploration and production operators include Chevron, Exxon, and BP, who are subject to production sharing agreements with the Indonesian energy ministry. The national oil and gas company, Pertamina, monopolized oil production and downstream operations, including refining and retailing, until a 2001 law moved the company's regulatory and administrative functions to a new entity. Now known as PT Pertamina (Persero), the government-controlled company is scheduled to privatize in the future but still remained wholly state-owned.⁴⁵

Recent years have seen a decline in oil production as the mature oil fields begin to deplete. Indonesia left the Organization of the Petroleum Exporting Countries (OPEC) in 2009 after production fell below 1,000,000 bbl/d. Indonesia has not yet succeeded in closing deals with foreign investors for new or improved refineries.⁴⁶



Gas
© A Bear Named Bryan / flickr.com

Natural Gas and Coal

Indonesia's large proven natural gas reserves lie mostly offshore, near the Natuna archipelago, East Kalimantan, and Sumatra. Indonesia's gas production still exceeds consumption, and the country is a major exporter. The government is trying to shift domestic energy use from oil to gas. Gas that is not used domestically is exported as liquefied natural gas (LNG) to Japan, South Korea, and Taiwan.⁴⁷

As Indonesia's coal production has steadily increased and its coal consumption has remained flat, the country has become the world's second-largest exporter of coal, largely to China, Japan, and Taiwan. Roughly two-thirds of Indonesia's coal reserves are in Sumatra. Most of the coal is the low-grade lignite and sub-bituminous coal variety used almost exclusively for power generation in steam plants.⁴⁸ A price drop in coal in 2012 forced many smaller mining operations out of business in the Sumatran province of Jambi.⁴⁹



Mining copper and gold in Papua
© Simon Pearson

Mineral Resources

Indonesia is nearly as rich in mineral deposits as it is in energy resources. Most of Indonesia's mineral production is exported, either as raw ore or after smelting and refining. The most lucrative of these exports is copper, most of which is mined from the huge open-pit Grasberg mine in the mountains of central Papua. Grasberg is operated by the American company Freeport-McMoRan and sits atop the world's largest single copper and gold reserve.^{50, 51, 52} Exploratory gold drilling is ongoing at Toku Tindung on Sulawesi.^{53, 54}

Indonesia leads the world in tin exports, despite recent government crackdowns on illegal mining.

The primary tin-mining areas are the islands of Bangka and Belitung and nearby offshore regions in the Strait of Malacca. Nickel is mined in Southeast and Southwest Sumatra, and on Halmahera and nearby small islands in North Maluku.^{55, 56}



Rubber plantation in Sumatra
© santi_andrini / flickr.com

Trade

Seafaring trade shaped much of Indonesia's history. Today, trade represents some 25% of GDP.⁵⁷ The country recorded a trade surplus for many years, largely because of oil and gas exports. But in 2012 and 2013, Indonesia carried a negative trade balance. In 2014, the trade balance has fluctuated and in July the nation carried a negative balance of around USD 305 million.⁵⁸ Top exports are coal, gas, and oil; rubber, and plywood; palm and coconut oil; copper; electronic goods and equipment; and apparel.^{59, 60, 61} Leading buyers of Indonesian exports are China, Japan, the United States, and India.⁶² Indonesia's major imports are machinery and transport equipment (from

computers to construction equipment), refined oil products, parts for electrical goods, iron, and steel. Major suppliers are China, Japan, the United States, and Singapore.^{63, 64, 65} Most of Indonesia's imports are raw materials and intermediate products used in its industries, such as cotton for textiles and garments, iron and steel for construction, cyclic and acyclic hydrocarbons for the chemical industry, and the various parts used by automotive assembly plants.^{66, 67}

Indonesia is a founding member of the Association of Southeast Asian Nations

(ASEAN), which was established in 1967 and is headquartered in Jakarta.⁶⁸ A long-term goal of ASEAN is to establish a Southeast Asian economic community similar to the European Union (EU), “with free movement of goods, services, investment, skilled labor, and freer flow of capital.”⁶⁹ Nevertheless, Suharto’s government protected domestic industries with trade barriers since the mid-1970s. Indonesia is involved in numerous trade disputes before the World Trade Organization (WTO).^{70, 71} Since economic decentralization in 2001, local governments continue to impose tariffs, despite the national government’s work to align foreign trade with ASEAN and WTO standards.⁷²



Low-cost carriers
© Edwin S / flickr.com

Transportation

As an island nation, Indonesia depends greatly on sea and air transportation. Indonesia’s Ministry of Communications administers the hundreds of ports and harbors. Four state-owned corporations (PT Pelabuhan Indonesia, or Pelindo) in each section of the country run the major commercial ports, which carry 14 million inter-island passengers and move 300 million tons of domestic freight each year.^{73, 74} Airlines proliferated after Suharto’s fall.⁷⁵ In 2013, 4 new carriers and 130 new routes are expected to continue the expansion of service to many formerly isolated areas.⁷⁶ The Ministry of Transportation oversees 2 state corporations that manage Indonesia’s 25 major airports, which claimed well over 100 million passengers in 2010.⁷⁷ Airports and seaports are over capacity, according to the Minister of Tourism.⁷⁸

Road and rail also serve the larger islands and account for 70% of freight and 80% of passengers transported annually. Traffic-congested Jakarta is ringed by toll roads, which are intended to provide funds for infrastructure maintenance and development.⁷⁹ Railways carry passengers in Java and (more profitable) freight on Sumatra.⁸⁰ Inter-island bridges are extending road and rail networks. The 5.4-km (3.4-mi) Suramadu Bridge from the East Java city of Surabaya to the island of Madura opened in 2009. A similar Indonesian-Chinese consortium has begun a feasibility study for a 30-km (18.6-mi) road and rail bridge across the Sunda Strait between Java and Sumatra. However, the project will likely be delayed from its projected start in 2014 due to uncertainty over the feasibility study.^{81, 82, 83}



Beach in Bali
© Tina Wang

Tourism

The 21st Century has been hard on Indonesian tourism. Terrorist bombings targeted tourist venues in Bali and Java. Earthquakes, tsunamis, and volcanic eruptions destroyed resorts and threatened ancient sites. Avian flu made its first appearance in Java, and continues to mutate into deadlier strains.^{84, 85} Yet the tourism sector has rebounded in recent years. Indonesia's tourist sector grew faster than that of any of the other G20 nations in 2013. Data projections suggest that

tourism could soon account for up to 8.4% of the nation's economy. Nearly 9% of the Indonesian labor force jobs were related, either directly or indirectly to tourism.^{86, 87}

In 2013, 8.8 million international visitors entered Indonesia.⁸⁸ Most are from its neighbors Singapore, Malaysia, and Australia. East Asian populations are growing, especially from China but there are also increasing numbers of Middle-Eastern Muslim tourists visiting the nation.^{89, 90, 91} The island of Bali, which attracts the majority of wealthy Western visitors, claims to generate some 50% of tourism revenue and is a focus of the government's current long-term development plan.^{92, 93, 94} A common ASEAN visa should boost short- and medium-range tourism. Improved IT structure and security should also boost domestic air travel as consumers get used to online booking and payment with low-cost carriers.⁹⁵

Banking and Finance

In 1953, Bank Indonesia (BI) replaced the colonial Dutch Java Bank as the young nation's central bank. Today BI prints the Indonesian rupiah (IDR), conducts monetary policy to manage inflation and foreign exchange values, and regulates the country's 120+ commercial banks.^{96, 97} (The IDR traded in August 2014 at around 11,669 IDR:1 USD.⁹⁸) Indonesian banking history includes 100 years of microfinance institutions, which offer loans, savings, and insurance services to small-scale businesses and rural villagers.⁹⁹ Today, BI regulates over 1,800 rural credit banks.¹⁰⁰ A state-owned pawn company is another loan source for low-income people.¹⁰¹ *Shari'a*-compliant banking is a small but growing share of the Indonesian banking sector. Much of the growth has come since 2003, when the Indonesia Ulema Council issued a *fatwa* declaring bank interest to be an illegal profit.¹⁰² In 2012, Islamic banks posted a 4% market share and an annual growth rate of 40%.¹⁰³

The banking industry was a major casualty of Indonesia's 1997–98 economic collapse. Even before the crisis struck, many banks were carrying a high percentage of bad debt as a result of risky loans made under a system of limited oversight. BI was forced to



Indonesian rupiah
© eltpics / flickr.com

close or take over more than 60 banks and assume their limited assets and extensive liabilities.¹⁰⁴

The government invested in selected banks through recapitalization bonds, and mandatory and voluntary mergers bolstered the solvency of others. Today, Indonesia has about 122 commercial banks, including 4 state-owned banks that dominate the market.¹⁰⁵ To recoup some of the bailout costs, the government later sold its stakes in private banks to private foreign investors.¹⁰⁶ Banking regulation reforms further led some small banks to sell out to foreign

investors rather than merge.¹⁰⁷ Foreign participation now occurs in about one-third of the country's banks, and finances about one-quarter of lending.¹⁰⁸ Major structural issues, however, remain including the improvement of market competition to lower interest rates, improving services, and making domestic banks more competitive.¹⁰⁹ In spite of these issues, the outlook for the bank system is stable in the short to medium term.¹¹⁰

The Indonesian stock market has gone through several changes since the 1970s, including the privatization, consolidation, and automation of exchange operations.^{111, 112} The stock market reached an all-time high in May 2013 and was the highest performing in Asia in 2014. All signs suggest that the market looks set to continue its momentum.^{113, 114} A few large banks along with mining, tobacco, and energy enterprises dominate market share among the companies currently listed on the Indonesia Stock Exchange.^{115, 116} Although domestic investors do the majority of trading, foreigners own the majority of stocks.¹¹⁷

Standard of Living

From the late 1960s to the mid-1990s, the overall standard of living in Indonesia showed a steady increase, as real GDP per capita, healthcare, and education measures showed substantial increases. The upward trend reversed during the financial crisis of 1997–98, and earlier gains are still being recovered. For example, in 1996 the percentage of Indonesians below the government poverty line (expenditure needed for daily intake of 2,100 calories and other basic needs) had risen from 11% to more than 20% over the past three years.^{118, 119} In recent years, that number has dropped to 11%, although international agencies place nearly half of all households near the poverty line.^{120, 121, 122} Urbanization has increased poverty in cities, while unequal distribution of government resources continues to leave rural populations in need. Official figures place rural poverty at 14.4% compared to 8.5% for urbanites.¹²³ Overall, the country lags behind

most others in its region and economic class, and well below average on international scales.¹²⁴

Healthcare in Indonesia remains underfunded. Annual government spending on healthcare has only recently reached 3% of GDP.¹²⁵ The country has low rates of doctors and improved sanitation facilities, and high rates of mortality below age five (especially among the rural poor), of tobacco use (among men), and of communicable diseases (avian flu to AIDS).^{126, 127}

Education funding has been a recent government priority, reaching 3.6% of annual GDP.¹²⁸ Indonesia now reports approximately 94% literacy.¹²⁹ However, that figure is nearly 100% among people between ages of 15-24 years old.¹³⁰ But less than half of students complete secondary school, producing a poorly trained workforce that is vulnerable to unemployment.¹³¹ Weak support for higher education concerns economic analysts looking for potential research and development to boost industry.¹³²



Female factory workers
© Alan C. / flickr.com

Employment

For many years, Indonesia's workforce has grown rapidly, fueled by population growth and women entering the workforce.¹³³ Agricultural employment dropped below 50% by the early 1990s, and today, employment in service-providing industry (largely trade and hospitality) exceeds 50%.^{134, 135, 136} Unemployment hit industrial workers hard during the financial crisis, and millions returned from the cities to informal employment in rural areas.¹³⁷ In 2014, official unemployment rates fell to 6%.¹³⁸ Between 50 and 60% of those with jobs work in the informal sector, concentrated in agriculture and services industry.^{139, 140, 141, 142} Wages for casual labor average about 40% of regular full-time salaries, which are

more responsive to minimum wage legislation.^{143, 144} Women's workforce participation remains low, with lower earnings and higher job insecurity than men.^{145, 146}

Indonesian labor cooperatives gave rise to pre-independence political parties, and took over Dutch agricultural estates after independence. In this century, the activism of labor organizations is growing. In October 2012, a general strike closed thousands of factories as union members protested the use of contract workers, who get no benefits.¹⁴⁷ The government published a decree limiting the use of contract labor the following month.¹⁴⁸



Indonesia Stock Exchange
© nSeika / flickr.com

Public vs. Private Sector

Indonesia's practices of economic nationalism and patronage politics contributed to its large and inefficient public sector. Nationalized industries are reputed to be inefficient and underproductive. Indonesia's Corruption Eradication Commission (KPK) reported that about 30% of public procurement expenditures go toward bribes and other corrupt practices.¹⁴⁹ The government bureaucracy employs roughly 4 million workers.¹⁵⁰ Underqualified and underpaid civil servants regularly supplement their incomes with outside activities, often on government time.¹⁵¹ Government decentralization transformed almost half of government workers from federal to local employees, and transferred as much as 75% of spending authority from national to local officials.¹⁵³ This economic democratization increased corruption in the short term. It remains to be seen whether the better governance and increased accountability of a more mature political democracy will reduce corruption.¹⁵⁴

The government seeks private investors, both domestic and foreign, to support new industries and development projects. But the public bureaucracy has developed a "complex regulatory environment," widely known by the acronym KKN ("Corruption, Collusion, and Nepotism"), that discourages investment and holds back economic growth.^{155, 156} Nevertheless, Indonesia reported record levels of foreign direct investment in 2012, particularly in base chemicals, mining, and transportation-telecommunications.¹⁵⁷ (New government restrictions on foreign ownership of

local mines and the export of raw resources may soon slow the pace of investments).¹⁵⁸



Jakarta financial district
© Prayudi Setiadharm

Outlook

Indonesia's economy has performed well in recent years by macroeconomic standards, weathering the 2008–09 global downturn better than many of its neighbors. Analysts expect Indonesia to rise in rank among the world's largest economies and join the emerging giants of BRIC (Brazil, Russia, India, and China).¹⁵⁹ Growth forecasts are generally positive and project that GDP will increase between 5% - 6% in 2015.^{160, 161} Much of the growth will depend on domestic consumption which appears likely to remain strong. Foreign trade is also expected to grow and contribute significantly to GDP. Inflation is expected to remain in check at around 4%. However, several challenges remain on the horizon, and the increasing price of imported oil could stall growth and limit positive trade balances. Improvements in infrastructure must be made if the country is to realize its economic potential.^{162, 163}

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Overview: Chapter 3 Assessment

1. Industry has replaced agriculture as the economic sector that employs most Indonesians.

FALSE

The service sector, including trade, hospitality, finance, and social services, employs nearly half the workforce. Industry employs only around 10%, and agriculture about 39%.

2. Most of Indonesia's mineral resources are concentrated on the island of Java.

FALSE

Copper and gold are mined in Papua. Tin comes from islands off Sumatra, and nickel from Sumatra and the Maluku. Sulawesi may have extractable gold.

3. In recent years, the contribution of the agriculture sector to Indonesia's gross domestic product (GDP) has increased.

FALSE

Agriculture has fallen from 25% to 14% of GDP. But nearly two-fifths of the population continues to work in farming, fishing, and forestry.

4. Indonesia left the Organization of the Petroleum Exporting Countries (OPEC) in 2009 because of political friction with Kuwait, Saudi Arabia and Iran.

FALSE

Indonesia left the OPEC because of its declining oil production. It has invited Kuwait, Saudi Arabia and Iran to invest in Indonesian refineries.

5. Indonesia is a member of the Association of Southeast Asian Nations (ASEAN).

TRUE

Indonesia is a member and co-founder of the ASEAN, which was established in 1967 and is headquartered in Jakarta. A long-term goal of ASEAN is to establish a Southeast Asian economic community similar to the European Union (EU).



Diversity
© U.S. Embassy Jakarta

Chapter 4: Society

Introduction

“Unity in Diversity” is a line of poetry from the ancient Majapahit Empire that became Indonesia’s national motto in 1945.¹ It encapsulates a major ongoing task of Indonesian statehood: to create a society and shared social purpose that is acceptable to hundreds of groups that are culturally distinct and often at odds. Before Indonesia united as a nation, diverse local communities had developed unwritten rules, collectively known as *adat*, to govern social, political, ritual, and religious behavior. A group’s *adat* distinguishes it from other groups. *Adat* is often associated with specific cultural performances or objects, and it occasionally achieves government recognition as a kind of localized common law.²

Despite differences among Indonesia’s many cultures, some similarities have emerged. Governmental attempts at social engineering include the designation of Bahasa Indonesia as the official national language, and the declaration of *Pancasila*, which are

the five philosophical principles of the Indonesian state: monotheism, humanitarianism, nationalism, consultative democracy, and social justice.^{3,4} *Pancasila* classes are taught in schools to halt a perceived deterioration of Indonesian moral character and civil behavior.^{5,6} Opponents claim that the classes will not stop the problem of discrimination against minority groups but increase it.

Indonesian society is generally communal and hierarchical. Meeting the obligations of family and community is more important than satisfying individual desires. The basic principles which guide life include the concepts of mutual assistance or “gotong royong”, consensus or “mufakat” and consultations or “musyawarah”.⁷ In cities, *gotong royong* might be carried out through a neighborhood cleanup, whereas in villages it might be getting together to construct a house.⁸ In a consultative process known as *musyawarah mufakat*, meetings may go on for days until a dispute is settled to the satisfaction of all.⁹ ¹⁰ Direct and open disagreements between people are rare, and politeness is valued and expected.^{11,12} A strong sense of hierarchy suffuses social relationships. Great respect is paid to elders.¹³ Social status is reinforced through deferential forms of behavior and address, through patronage networks, and through a paternalistic assumption of welfare for those of a lower rank.¹⁴ The concepts of *malu* (social shame or losing face), *gengsi* (doing things for the sake of appearances), *asal bapak senang* (keep the boss happy), and *memojokan* (having no way to save face in a situation) shape social interactions every day.¹⁵



Javanese children
© Kent Clark

Ethnic Groups and Languages

There are some 300 ethnic groups and 700 languages and dialects within the Indonesian archipelago. According to the government, the Javanese make up the largest ethnic group at more than 40% of the population, followed by the Sundanese (16%), Malay (4%), Batak (4%), and Madurese (3%). Among the remaining population, some ethnic groups number in the millions (e.g., the Acehnese of Sumatra), but others only a few thousand (e.g., the Penan of Borneo).^{16,17} Most ethnic groups and linguistic dialects are associated with a single island or an island group. Exceptions include the ethnic

Javanese and Madurese, many of whom emigrated from their crowded home islands in government-sponsored migration programs. A notable linguistic exception is Bahasa Indonesia, the Malay-based, historical lingua franca that became the new republic's official language in 1945.^{18,19} Some 20 to 30 million Indonesians speak it as a first language, while as many as 180 million learn it as a second language. Written in a

modified Latin script, it is “indisputably the language of government, schools, national print and electronic media, and interethnic communication.”^{20, 21}



Bull racing in Madura
© Cdc / wikimedia.org

Java and Madura

Indonesia’s most populous island is also home to its largest ethnic groups. The 85 million Javanese occupy most of Central and East Java and, more recently, areas of Papua, Kalimantan, and Sumatra. Animist and Hindu traditions color Javanese Muslim practices.²² Ancient court traditions resonate in the complex Javanese language, which uses different styles of speech to mark differences in status among speakers.^{23, 24} Javanese have historically held the most powerful government positions. Today, most are farmers in rural Java.^{25, 26} The 30 million or more Sundanese live in West Java.²⁷ Although they are sometimes ethnically grouped with the Javanese, they speak

a distinct language and adhere more strictly to Muslim practices.²⁸ On the northwest coast, the Bantenese make up nearly half the population of Banten Province, the site of early Dutch control. One of the few major ethnic groups in Indonesia lacking its own language, the Bantenese speaks dialects of Javanese or Sundanese.²⁹ In Jakarta, the government protects the cultural traditions of the *Orang Betawi* (“people of Batavia”), who are descendants of the area’s 19th-century colonial melting pot. The Betawi speak a Creole version of Malay that many young Jakartans are adopting as fashionable slang.³⁰

Off Java’s east coast lies Madura, island home of the Madurese. These primarily Muslim people are traditionally cattle herders, famous for their folk sport of bull racing.³¹

³² Their language is closer to Malay-Sumatran than to Javanese or Sundanese.³³

Madurese immigrants are now the majority population in East Java, and have settled in Kalimantan and Sumatra as part of the government’s migration program.

Sumatra

The four most populous ethnic groups on Sumatra are the Malay, Batak, Minangkabau, and Acehnese. The Malay dominates the eastern coast of Sumatra, as well as large sections of Borneo and the Malay Peninsula.³⁴ Their ancestors were the founders of the Buddhist kingdom of Srivijaya, although most are Muslim today.³⁵ The 4 million Malays on Sumatra speak dialects that are quite similar to Bahasa Indonesia, the national language.³⁶ The Bataks, who number about 6 million in all, comprise several related groups that live inland around Danau Toba, Indonesia’s largest lake.³⁷ Descended from Malay tribes who migrated from the Asian mainland in Neolithic times, the Bataks

were known as fierce warriors and ritual cannibals until German Lutheran missionaries began to convert them in the 1800s.³⁸ Batak languages have an indigenous alphabet that now exists mostly in museums.³⁹ To the south of the Bataks, on the west coast, live about 8 million Minangkabau, a rare example of a matrilineal Muslim culture in which mothers (not fathers) determine kinship descent lines and property inheritance rights.⁴⁰ Some linguists believe that the language of the Minangkabau is the ancestor of contemporary Malay.⁴¹ The resource-rich north coast is home to some 2 million Acehnese, a conservative Muslim people who recently gained political autonomy from the national government. Banda Aceh is remembered as a site devastated by the 2004 tsunami.⁴² The Acehnese language is closely related to the Cham languages of Vietnam and Cambodia.



Balinese Hindu ceremony
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Bali and Nusa Tenggara

Bali has become Indonesia's foremost tourist area largely because of the distinctive Balinese culture, a unique blend of Hindi and Indonesian traditions and elements. Historically, Balinese society was perhaps Indonesia's most hierarchical and patriarchal. Similar to Javanese, the Balinese language encodes levels of deference and politeness inherited from ancient court practices. In ambiguous situations, Balinese speakers may switch to Bahasa Indonesia, to avoid giving offense through the improper use of Balinese.⁴³ The largest ethnic group of nearby Nusa Tenggara is the Sasaks of Lombok island. The Muslim Sasaks are nearly 90% of the population of Lombok, but the minority Balinese of western Lombok control most of the island's business.⁴⁴

Kalimantan and Sulawesi

Kalimantan is home to more than 200 ethnic groups, including coastal Malays and indigenous inland populations collectively known as Dayaks.⁴⁵ The largest of the coastal Malay groups are the Muslim Banjarese, descendants of the southeastern sultanate of Banjarmasin. Dayak groups are traditionally subsistence farmers, though some have moved to cities. They practice Christianity alongside Kaharingan shamanism and ancestor worship.⁴⁶ In 2001, some Dayaks evoked their headhunting ancestors in clashes with migrant Madurese.⁴⁷

Sulawesi's southwestern peninsula is the home port for the island's largest ethnic groups, the seafaring Makassarese and Bugis. Their closely related languages share the distinctive Lontara script derived from an ancient Indian alphabet.⁴⁸ At the tip of Sulawesi's northeastern peninsula live the Minahasans. Converted to Christianity (and

trained for colonial administration) by 19th-century Dutch, this ethnic group rebelled up until 1961 against the early modern Indonesian state.⁴⁹



Papuan traditional weapons
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Papua and the Malukus

Papuans, who have more in common with the aboriginal peoples of Australia and Melanesia, are relatively distinct from their Indonesian countrymen.⁵⁰ Hundreds of groups that speak as many languages inhabit the sparsely populated interior. Many of the Maluku Islands off Papua's northwest coast share linguistic and cultural traits with Papua. Migration may soon make Papuans an ethnic minority in their homeland.⁵¹

Ethnic Chinese

Several million ethnic Chinese live in Indonesia, mainly in urban areas.^{52, 53} They control as much as 80% of the nation's wealth and have achieved greater levels of success than many other groups.

They have also been the object of much resentment and the victims of prejudice. In the Jakarta riots of 1998, many were murdered by other Indonesians.⁵⁴



Church building
© Doors of Perception! / flickr.com

Religion

The constitution declares Indonesia to be a state “based upon the belief in the One and Only God,” and guarantees Indonesians the freedom to hold and express religious beliefs.⁵⁵ Hinduism, Buddhism, and Confucianism found ways to accommodate monotheism and are now officially recognized religions, as are Islam, Catholicism, and Protestantism.^{56, 57} Atheism was associated with communism during the purges of the 1960s, so declaring a religious affiliation on a national identity card became politically expedient.

Indonesians who do not profess an official religion find it difficult to obtain government records (e.g., marriage and birth certificates) and services.^{58, 59}

Indonesia's early inhabitants appeased the powers of nature and honored ancestral spirits. Volcano worship continues in rites and ceremonies throughout the islands,

as does spirit possession.^{60, 61, 62} Though Hindu-Buddhist empires once ruled much of Java and Sumatra, Bali is now the only island where Hinduism is a majority religion. Buddhism remains active in areas with Chinese Indonesian communities. Before Confucianism was officially recognized, many Chinese identified themselves as Buddhist. Islam eventually spread over much of Indonesia, while Christianity gained converts first in Catholic Portuguese colonial territories, and later where Protestant missionaries traveled. Indonesia's 2010 census reported 87% of the population to be Muslim, 7% Protestant, 3% Roman Catholic, and 1.5% Hindu. Among the remaining fraction of the population are followers of Buddhism, Confucianism, traditional indigenous religions, and other Christian denominations.⁶³



Indonesian Muslims
© portable soul / flickr.com

Islam

With the world's largest number of Muslims, Indonesia has many varieties of Islam. Most Indonesians follow Sunni Islam, the world's largest sect.⁶⁴ In the past century, a few Sunni Muslims have promoted an ultraorthodox, intolerant version of Islam known as Salafism.⁶⁵ From 1 to 3 million Indonesians are Shi'a, a sect that split from the Muslim *umma* (community) in the seventh century. In a disagreement over succession, Shi'a Muslims followed the bloodline of Muhammad, while the remaining community chose successive caliphs (leaders) based upon their abilities.⁶⁶ Sufis, who are Islamic mystics that follow a path to divine enlightenment, have also shaped

Indonesian Muslim practices. Sufism often elevates ancestors or wise men to sainthood, and has been influential in places where it aligns with local beliefs. Many members of the Ahmadiyya sect consider their founder a prophet following Muhammad, an idea heretical to most other Muslims.⁶⁷

Scholars have also classified Indonesian Islamic practices by their alignment with different socioeconomic worldviews.^{68, 69} Rural farmers and villagers are described as *abangan*, or "nominal" Muslims. The most common *abangan* ritual is the *slametan*, a community feast that includes readings from the Koran, and *adat* traditions, such as ancestor worship and food offerings to appease evil spirits.⁷⁰ Urbanites of a historically merchant class are described as *santri* or *putihan* Muslims. They follow orthodox Islamic practices (e.g., praying five times daily, fasting during Ramadan, pilgrimage to Mecca) to the exclusion of *adat*. Another analytic distinction separates traditionalist and modernist Muslims. Traditionalists are more likely to have attended rural *pesantren* (Islamic boarding schools), where Islamic teachings are often strongly influenced by Sufi mysticism. Modernists reject mystical Islam, but are more open to the teaching of

nonreligious topics in schools. They have established city madrasa (Islamic day schools) that embrace modern teaching methodology.^{71, 72, 73}



Women harvesting rice
© Rainforest Action Network

Gender Issues

Gender roles and relationships vary among Indonesia's diverse cultural groups. Some observers see tolerant Indonesian attitudes about gender and egalitarian behavior between men and women, particularly in comparison to surrounding Asian and Australasian societies. Historians note that Indonesia did not absorb the worst excesses of female subordination from India, China, or Islam.⁷⁴ Anthropologists report bilateral balance in the family structure of many groups, where *mengasuh* (nurturing) is a gender-neutral term (unlike "mothering"), and daughters and

sons are equally valued.^{75, 76} The national language, Bahasa Indonesia, is grammatically gender neutral: for example, *dia* means "he" and "she."⁷⁷ Some traditional forms of hairstyle and dress do not emphasize sex differences. Alternative genders such as *calalai* (masculine women) and *calabai* (feminine men) or *waria* (male transvestites) have an established history in the archipelago.^{78, 79, 80}

Other observers note Indonesian beliefs that characterize men and women as fundamentally different and naturally unequal. Masculine reason contrasts with feminine passion. Male sexual prowess is controlled with manly restraint, while women are "lacking in restraint when it comes to eating, drinking, extravagant consumption, gambling, and sex," making them "relatively uncultured, closer to nature."^{81, 82} Patrilineal groups, which reckon kinship through males, tend to devalue their women. In Bali, because daughters are expected to marry outside the kin group, they are "throwaway" children, not worth much family investment.⁸³ Suharto's New Order government promoted a state *Ibuism* (maternalism) that made men the heads of household and family, and women the child bearers and rearers.^{84, 85} More recently, Islamic groups are promoting a similar subordinate role for women. The national Ministry for the Role of Women has since acknowledged women's secondary role in the public work space.⁸⁶

Gender issues of recent concern include men's violence against women, particularly in the wake of events such as war or long-term unemployment.^{87, 88, 89} Some analysts see a related "militarization" of masculinity that is eroding such traditional manly virtues as restraint, as well as a "masculinization" of society that is eroding tolerance for gender minorities.^{90, 91} Recent ant pornography laws have been labeled "*shari'a* by stealth," and have raised concerns about the potential restriction of women by radically conservative Islamists.⁹²



Sate
© Ronald Tan

Cuisine

Basic Indonesian foodstuffs have been cultivated locally for as far back as history can trace. Rice is the main grain in most of Indonesia, and the base ingredient of virtually every meal. Sago palm flour, cassava, and sweet potato anchor the diets of culturally distinct Maluku and Papua.⁹³ Fish, meat, and vegetables are eaten in small portions and are flavorings for the main staple. Spicing tends to be hot, and *sambal* (chili pepper sauce) is a key condiment for many dishes. A popular sweet soy sauce called *kecap manis* gave its name (if not its

flavor) to American ketchup.⁹⁴

Indonesian cuisine reflects the nation's history as a nexus of world trade and colonial ambitions. The Chinese brought soy products (including tofu), noodles, and stir frying. From Arabia came kebabs, believed to be the inspiration for *sate* (satay, or skewered meat). Portuguese colonies in Africa and Brazil provided peanuts and sweet potatoes, while India was the source for curry sauce, numerous spices, onions, and garlic. Chili peppers, green beans, tomatoes, and maize (corn) were introduced to Indonesia via Spanish *entrepôts* in the Philippines that traded food products from the Americas.⁹⁵

Many regional cuisines have gained wider popularity. Betawi *gado gado* is a vegetable salad with peanut sauce, accompanied by tofu or boiled egg.⁹⁶ Padang, the informal capital of Sumatra's Minangkabau region, is famous for its spicy dishes exemplified by *rendang*, a meat dish (either beef or buffalo) stewed in coconut milk.⁹⁷ Most regions have their own take on *nasi goreng* (fried rice) and *sate* (marinated grilled meat kebabs). Dessert is usually fresh fruit, or something sweetened with palm sugar and coconut.⁹⁸ Popular drinks are tea (sweetened black or ginger), coffee (ground and boiled with sugar), and icy fruit drinks (including avocado blended with chocolate sauce). Indonesians make wine from rice and palm sap, and brew beer.⁹⁹

Traditional Dress

Throughout Indonesia, a diversity of styles of dress reflect cultural, religious, and ethnic identities. Western-style, factory-made clothing has become typical day wear in urban areas, while traditional clothing is worn at home in the evenings.¹⁰⁰ In this mostly Muslim country, even city outfits tend toward modesty: women avoid sleeveless blouses and short skirts, and men do not wear shorts unless they are common laborers.¹⁰¹ A growing number of Muslim women cover their heads with traditional Indonesian *kudung* scarves, or with more severe *jilbabs*.^{102, 103}

The most commonly worn item of traditional dress is a *sarung* (sarong). Often made



Woman in Sarong
© Dylan Alling

from batik or *ikat* cloth, the *sarung* cloth is sewn into a tube. The wearer steps into it, pulls it up, and then folds it tight around the waist. On Java and Bali, men and women wear *sarungs*, with those worn by men often sporting a plaid pattern. On Sumatra and the islands of Nusa Tenggara and beyond, only women wear *sarungs*. These narrower, longer *sarungs* can be pulled up to the underarms and worn as dresses. Men in the outer islands may wear an *ikat* cloth called *selimut* that wraps around the lower body to the knees. Closely related to a *sarung* is a *kain* (cloth), a length of material that can be used as clothing, a backpack, or a baby sling. Women sometimes add a matching *selendang* (shawl) draped over a shoulder. When women wear a *kain* or *sarung* as a skirt, they now top it with a form-fitting embroidered blouse called a *kebaya*, or a longer, looser *baju* worn as a tunic over the *sarung*. Some cultural critics note that the “tradition” of tightly wrapped sarungs that accentuate a woman’s shape and shorten her step is a relatively recent development (like the breast-covering *kebaya*).¹⁰⁴

Not all Indonesians sport Western dress or wear garments crafted from Indonesian-made textiles. Some remote ethnic groups, such as the Dani of Papua, traditionally wear minimal clothing. Many men wear only a *koteka* (penis gourd), and women wear traditional grass skirts. As contact with the outside world has grown, such groups are increasingly wearing Western-style clothing.¹⁰⁵

Arts

Performing Arts

Indonesia is world-renowned for its distinctive music, dance, and storytelling. Traditional *gamelan* orchestras with their gongs, chimes, and metallophones (tuned metal bars struck by a mallet), are indigenous to Bali and Java. No two *gamelans* are tonally alike because each instrument is tuned to the *gamelan* for which it is being used rather than to an external tuning pitch.^{106, 107, 108} *Gamelans* often provide the musical accompaniment to live performances, such as the *wayang* shadow puppet dramas. The *dalang* (puppet master) manipulates his flat, two-dimensional puppets behind a backlit

screen, producing a shadow effect.¹⁰⁹ The puppets act out stories from Hindu epics, most often the *Ramayana* (the story of Prince Rama) and the *Mahabharata* (an account of a great war in northern India around the 13th or 14th century B.C.E.).¹¹⁰ A typical *wayang* performance takes place at night and may last until dawn.^{111, 112} *Wayang* earned UNESCO recognition in 2003 as a Masterpiece of Intangible Heritage of Humanity and has spread beyond Indonesia.¹¹³ Dancers also perform to *gamelan* music, wearing extraordinary masks (*topeng*) that depict characters from Indonesian religion and folklore, such as *Barong* (a dragon-like creature) and *Rangda* (*Barong*'s adversary, a ferocious-looking witch with bulging eyes).¹¹⁴ In the *hudoq* (mask) dance of the Dayak tribespeople in Kalimantan, masks depict rice-eating pests and dreadful beasts that scare away evil spirits to herald the beginning of rice-planting season and celebrate the previous harvest.^{115, 116} The carved masks and painted puppets of these performances have become art objects for international collectors.



Batik
© Stephen Kennedy

Tactile Arts

Batik is a 1,000-year-old Indonesian art form of fabric design. It uses dye-resistant wax to imprint patterns on cloth. The labor-intensive process turned fine batik cloth into a marker of aristocratic status for centuries. Today, the ancient court cities of Yogyakarta and Surakarta (Sol) are Java's batik centers. Another type of fabric artistry is *ikat*, an intricate form of tie-dyeing in which the colored dyes are added before the cloth threads are woven. The islands of eastern Nusa Tenggara, including Flores, Sumba, Savu, and Timor, are most associated with this popular textile craft. Songket, a silk with golden or silver-toned threads, is popular in Muslim areas as well as Bali.¹¹⁷

Beyond masks and puppets, Indonesia's wood carvers give functional items (such as houses, canoes, furniture, and weapons) artistic beauty and spiritual protection. Ritual items include the life-sized mortuary statues of Toraja funerals and the lofty poles representing ancestral totems on Kalimantan and Papua.¹¹⁸ Metalworkers can trace their craft to the ancient Dongson culture. Today the most common metal items are weapons: the Javanese *kris* and the Kalimantan *parang*.¹¹⁹



Indonesia soccer fans
© Ariff Ahmad Tajuddin

Sports and Recreation

Indonesia has traditional sports as well as performance arts that require athleticism and stamina. *Sepak takraw* is a game similar to the Western game “hacky sack.” Players use only their feet and heads to keep a hollow rattan ball from touching the ground. A competitive form of *sepak takraw*, now played in the Southeast Asia Games, involves two teams of three players that kick or head the ball over a net.^{120, 121} *Pencak silat*, a martial art with elements of dance, is sometimes performed to music. Practices of tribal warfare—fighting with whips, rattan sticks and cowhide shields, or spears thrown from horseback—survive

in regional festivals and ceremonies.^{122, 123} Cockfighting remains a popular spectator sport, although it is banned by the Indonesian government.¹²⁴

Football (soccer) is probably Indonesia’s biggest spectator and participatory sport. The nation’s professional teams are competitive at the regional level, but plagued by recent corruption scandals.¹²⁵ Two other sports, table tennis and badminton (*bulutangkis*), are popular. Dian David Michael Jacobs won Indonesia’s first ever Paralympics medal in 2012: a bronze in table tennis.¹²⁶ Chinese Indonesian Rudy Hartono, who won seven consecutive All-England badminton championships in the 1960s and 1970s, is one of Indonesia’s greatest sports heroes.¹²⁷ Indonesia’s world-class badminton players have won several Olympic gold medals.¹²⁸ But during the 2012 Olympics, an Indonesian women’s pair was disqualified for deliberately playing poorly in an attempt to manipulate a new round-robin competitive system.¹²⁹

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Overview: Chapter 4 Assessment

1. Pancasila is the official national language of Indonesia.

FALSE

Pancasila encompasses Indonesia's state philosophy: monotheism, humanitarianism, nationalism, consultative democracy, and social justice. Bahasa Indonesia, a form of Malay, is the national language.

2. The Hindus of Bali are the country's largest ethnic and religious group.

FALSE

About 40% of Indonesians are Javanese. Most speak the status-marking Javanese language and are abangan (nominal) Muslims.

3. Indonesia's constitution guarantees citizens the freedom to hold and express religious beliefs.

TRUE

The government officially recognizes Islam, Hinduism, Buddhism, Catholicism, Protestantism, and Confucianism as monotheistic religions. Atheism is not tolerated, and indigenous religions receive little national support.

4. Indonesia's majority Muslim population is largely Sunni Salafist, a radically conservative Islamic sect.

FALSE

Indonesia's Sunni population includes relatively few Salafists. Other Muslim groups are Shi'a, Sufi, and Ahmadiyya. Indonesian Muslims are abangan (nominal) more often than santri (orthodox).

5. Because Indonesians value consensus and politeness and try to avoid losing face, competitive sport is not popular.

FALSE

Team sports such as soccer, table tennis, and badminton are popular. The traditional sport sepak takraw (similar to hacky sack) has evolved a competitive version that is played regionally.



Obama and Yudhoyono
© U.S. federal government

Chapter 5: Security

Introduction

Indonesia faces numerous security challenges. Indonesia's unique archipelago geography, which comprises thousands of islands across a wide swath of ocean, makes it a challenge to control piracy, smuggling, illegal migration, and human trafficking. Geography has fostered a multicultural history filled with ethnic, religious, and separatist conflicts. Conflicts along Indonesia's land borders with Malaysia, Timor-Leste, and Papua New Guinea periodically escalate to violence. The two biggest military campaigns against secessionist insurgencies were at opposite ends of the archipelago, in Aceh and Papua. Urban rioting and rural feuding continue to challenge domestic security forces, while the general public remains suspicious of a military and police that seem to commit abuses with impunity. Indonesian Islamic militants have moved into international terrorism, so Indonesia must participate in a coordinated international response. In the nation's recent past, economic crises triggered a regime change that

was followed by violence, and the economic situation remains an unpredictable threat. Finally, nature requires Indonesian security forces to be prepared for disaster management.¹

Following independence, the nation chose to follow the path of nonalignment in foreign affairs. But those intentions often clashed with reality, and Indonesia has often allied itself with the United States and other Western-oriented nations. The country is a member of the Association of Southeast Asian Nations (ASEAN) but also intends to take a larger role in world affairs. The country is actively seeking to build stronger relations with Australia, Timor-Leste, and Melanesia along with China, Japan, and South Korea. At the same time, it is strengthening its ties not only with the United States and the European Union but also with Russia and India. It is a member of numerous international organizations including the Organization of Islamic Conference (OIC), the Asia-Pacific Economic Cooperation (APEC), and the G20.²

United States–Indonesia Relations

Formal diplomatic relations between the two nations date from the end of Indonesia's battle for independence in 1949.³ Relations have been primarily based on political and security concerns.⁴ Economically, the United States is a major trade partner for Indonesia, exporting aircraft, machinery, soybeans, and cotton, and importing rubber products, fish and shellfish, finished textile goods, and oil.^{5, 6, 7} Politically, post-Sukarno Indonesia was considered a U.S. ally in resisting the regional spread of communism. After the Cold War, U.S. assistance to Indonesia was suspended several times, in response to violent incidents in Timor-Leste, and to the murder of two U.S. schoolteachers in Papua.⁸ Following the terrorist attacks on 9/11, relations between the two nations quickly warmed as the United States became more concerned about dismantling the al-Qaeda terrorist network.⁹

Since the Bali bombings of 2002, Indonesian and U.S. security forces have worked together in fighting terrorism.¹⁰ The United States helped Indonesia with surveillance radar stations along the Malacca and Makassar straits and is providing operational and disaster response training for Indonesian security personnel.^{11, 12} In 2010, the two countries signed a defense framework agreement.¹³ With Indonesian backing, the United States joined the East Asia Summit, perhaps the most important of the Pacific region's multinational organizations, in 2011.^{14, 15} The United States Agency for International Development (USAID) has also been a major donor to Indonesia in recent years, funding programs for the improvement of basic education, resolution of conflict (including support for the Aceh peace process), strengthening of democratic and governmental institutions, and promotion of economic growth.¹⁶ The United States has assisted with humanitarian relief efforts to the island nation, particularly following the tsunami of December 2004.¹⁷

Some observers attribute improved bilateral relations to the elections of Indonesian President Susilo Bambang Yudhoyono in 2004 and U.S. President Barack Obama in 2008.¹⁸ President Obama lived in Indonesia with his stepfather from 1967 to 1971, and many Indonesians welcomed him “home” during his visits in 2010 and 2011.^{19, 20, 21}

Although the United States has some concerns about human rights violations, it remains firmly committed to strengthening its Indonesian partnership.²² Rising nationalism within Indonesia and increasing religious tensions are other prickly issues that could complicate future relations.²³



*ASEAN annual meeting
© Chuck Hagel*

Relations with Neighboring Countries

Shared oceans, seas, and islands make Indonesia a neighbor to every Southeast Asian country except landlocked Laos, as well as to the Australasian nations of Papua New Guinea and Australia. Land and/or maritime boundaries remain to be settled with Timor-Leste, Malaysia, Singapore, and the Micronesian island of Palau.^{24, 25, 26} Although most analysts see little serious external military threat to Indonesia, the independent nation has sent forces into several neighboring areas, including Malaysia, Brunei, Timor, and New Guinea. A variety of local border tensions periodically escalate to violence

onshore and off. Neighborly cooperation is required to address the security problems of piracy, international crime, and (increasingly) terrorism, as Islamic extremists seek to impose shari'a states across Southeast Asia, in Indonesia, Singapore, Malaysia, Brunei, southern Thailand, and the southern Philippines.²⁷ Additional transborder problems that have security ramifications include environmental issues and the regional flow of people.²⁸

In 1967, Indonesia co-founded the Association of Southeast Asian Nations (ASEAN) to promote regional development and stability.²⁹ By 2012, the ASEAN member nations of Malaysia, Singapore, and Thailand collectively were Indonesia's largest trading partner and accounted for nearly 25% of Indonesia's trade.³⁰ ASEAN endorsed several subregional “growth triangles” in the 1990s intended to enhance economic development across borders.³¹ But the more common trade pattern among ASEAN neighbors is competition for the larger Asian and world markets. The organization declared its region a nuclear-free zone in the Bangkok Treaty of 1995, and it continues to seek signatures of treaty compliance from the nuclear-weapons states of China, France, Russia, Britain, and the United States.³² Indonesia ratified the Comprehensive Nuclear

Test Ban Treaty in 2012, hoping to lead other ASEAN members by example.^{33, 34}



*Indonesia-Malaysia relations
Courtesy of Wikimedia*

Malaysia

The relationship between Indonesia and Malaysia is arguably the most important relationship in the region and, although occasionally contentious, it is one to which both sides remain committed.^{35, 36, 37, 38} Indonesia and Malaysia's "special relationship" is based in shared history, ethnicity, language, religion, and culture.³⁹ But economic relations between the two have become increasingly important. In 2012, bilateral trade reached USD 16 billion. Cross-border investments are in the hundreds of millions of dollars and will most likely increase.⁴⁰ Nevertheless, the Indonesian belief that Malaysia has tried to claim songs and dances, as well as other cultural and art forms, harms the relationship.⁴¹ Maritime disputes

periodically escalate into confrontation over fishing or oil rights, particularly in the Celebes Sea, where both countries have awarded contracts for the Ambalat block to international oil firms.^{42, 43, 44}

Geographic proximity has led Indonesia and Malaysia to share other problems. The annual fires set by poor farmers to clear forestland in Kalimantan and Sumatra produce extensive smoke clouds that carry to the Malay Peninsula, straining neighborly relations.⁴⁵ Despite a long history of labor exchange, Malaysia officially frowns on (too many) Indonesian migrant workers, many of whom are illegal.^{46, 47} Yet the "sale" of undocumented Indonesian maids in Malaysia continues.^{48, 49} Conversely, refugees and asylum seekers from other Muslim countries flow through Malaysia to become problematic for Indonesia.⁵⁰ Piracy in the Malacca Strait was on the rise again in 2011–2012 but decreased somewhat between July 2013 to July 2014.^{51, 52}

Papua New Guinea (PNG)

The island of Papua New Guinea (PNG) is home to hundreds of ethnically and linguistically distinct peoples, many of whom never acknowledged the rule of colonial powers. While Indonesia took western New Guinea from Dutch rule in 1963, Australia gave the former British and German colonies of eastern New Guinea independence as the nation of PNG in 1975.⁵³ From 1986 to 2000, the governments of PNG and Indonesia negotiated a number of treaties to maintain peace, establish the status of security forces, establish border arrangements, and promote trade. But Indonesia has not supported PNG's request for full membership in ASEAN. Trade between the two countries is small but growing with the balance of trade favoring PNG.^{54, 55} PNG

depends more on Australia than Indonesia for help to control smuggling, trafficking, and illegal entry along its long, porous border.⁵⁶

Many in PNG are sympathetic to the desire for autonomy of indigenous peoples in Indonesia's western New Guinea provinces. Indonesian attempts to limit "cross-border sanctuary" for members of the Free Papua Movement (*Organisasi Papua Merdeka*, or OPM) and other secessionists are mixed.^{57, 58} Thousands of refugees from Indonesian West Papua continue to live in PNG, often in poor conditions.^{59, 60, 61}

Relations took a turn for the better in 2013 when the PNG leader visited Indonesia. The two governments signed memoranda of understanding on issues related to the extradition of criminals, border security, energy, tourism, and sports. Both acknowledged the importance of increasing trade relations. Indonesia noted that it would be willing to sell weapons and defense equipment to PNG.⁶² Tensions flared in early 2014, however, after Indonesia alleged that a PNG military patrol seized 10 Indonesian fishermen, robbed them, and forced them to swim ashore as the PNG troops set the fishing boat ablaze. Five of the Indonesians drowned.⁶³



Trading in Growth Triangle
© Klaus Ottes

Singapore

The tiny island nation of Singapore lies just beyond the tip of the Malay Peninsula, at the southern end of the Malacca Strait. Singapore has a mixed population comprised of Chinese, Malay, and Indian peoples. Relations between Indonesia and Singapore suffer periodically as a result of perceived prejudices against Malays in Singapore and against Chinese in Indonesia.^{64, 65} Singapore now operates Southeast Asia's largest port. Singapore coordinates with Indonesia and Malaysia to patrol the Malacca Strait for piracy and crime, while contesting Indonesian and Malaysian economic claims to those waters.⁶⁷

Indonesia and Singapore are economically interdependent. Singapore's strategy with Indonesia centers on economic support. Because Singapore lacks natural resources, Indonesia supplies materials and labor to Singapore's industries, and provides Singapore with a nearby export market. Singapore imports nearly all its natural gas from Indonesia, while a significant amount of Indonesia's refined oil imports come from Singapore's refineries.^{68, 69, 70} But Indonesia is wary of Singapore's regional power. Indonesia attempted to bypass the port of Singapore in its shipping business during the 1980s.⁷¹ The Indonesia-Malaysia-Singapore Growth Triangle, which was started in the 1990s to foster integrated economic development, soon found Indonesia and Malaysia

competing with Singapore instead.⁷² In 2007, the Indonesian legislature (DPR) canceled a signed defense cooperation agreement with Singapore.⁷³ One natural resource—sand—has become controversial. Indonesia (and Malaysia) banned sea sand exports in 2007, but Indonesian islands continue to disappear (and Singapore continues to grow).^{74, 75, 76} In spite of these challenges, relations early in 2014 were generally good and improving.⁷⁷



Free East Timor demonstration
© Chris Johnson

Timor-Leste (East Timor)

Asia's newest country has a difficult past with Indonesia. Following the departure of the Portuguese colonial administration in 1975, Indonesia invaded and annexed the newly created Timor-Leste. For the next 24 years, the nation was ruled by Indonesia. During those years of Indonesian rule, between 100,000 and 200,000 people (10–20% of the population) were alleged to have been murdered by Indonesian military and police forces. Human rights violations were widespread.⁷⁸ In 1999, when a majority of the population voted for independence, pro-Indonesian Timorese militias (organized and supported by the Indonesian military) killed

1,400, created 300,000 refugees, and destroyed most of the infrastructure.^{79, 80} After two years of transitional administration by the United Nations, Timor-Leste became independent in 2002. In 2005, the two countries signed a border agreement and created a bilateral Commission of Truth and Friendship to investigate the violence that took place after the plebiscite in 1999.⁸¹ The commission presented a final report to the leaders of both countries in 2008, but government follow-up has disappointed many. East Timorese who opposed independence continue to live in West Timor (which is still part of Indonesia) and have refused repatriation.^{82, 83, 84}

Full diplomatic relations between the two countries are now established. Economically, Timor-Leste relies on Indonesian imports, and hopes to enter ASEAN with Indonesian support.^{85, 86} In 2006, protests by former members of Timor-Leste's armed forces led to rioting in Dili, the nation's capital, prompting a return of international peacekeepers from the UN and Australia. Strong border policing has been difficult to establish and has forced much of the trade between the two countries to be carried out as smuggling activity.^{87, 88} Drug distribution networks operate in the area and efforts to control drug smuggling have not met with success.⁸⁹ Illegal border crossings are common and border checkpoints lack proper infrastructure.⁹⁰ Relations warmed in 2011 when the Indonesian supported Timor-Leste's application for membership in ASEAN.⁹¹ Virtually

all of Timor-Leste's foodstuffs come from Indonesia. Indonesia is investing significant sums into infrastructure development in Timor-Leste. A border dispute between the two is ongoing.^{92, 93}



Jakarta police
© Denis / flickr.com

Police

The Indonesian National Police (INP), or *Polisi Negara Republik Indonesia* (Polri), were for many years a part of the armed forces. In 1999, they became a separate security branch, reporting directly to the president. The majority of the 281,000-volunteer force is uniformed police, whose duties include crime prevention, property protection, and traffic patrol. Approximately 13,000 women serve as officers in counterterrorism and antiriot positions as well as social services units. (Banten Province received the first woman police chief in 2007.)^{94, 95, 96} Some 14,000 uniformed special police focus on terrorism. Plainclothes police investigate crimes

and handle forensics. The Sea and Air Police patrol for smuggling and illegal fishing and provide disaster relief.⁹⁷

Perhaps most famous among Polri's special units is *Densus 88 AT* (Detachment 88), the 400-member antiterrorist specialty squadron funded and trained by the United States and Australia. Established in 2003, the unit has apprehended (and often killed) hundreds of alleged terrorists since 2005.^{98, 99, 100} Most infamous may be Polri's Mobile Brigade (*Brimob*). First established to disarm Japanese soldiers after World War II, the brigade fought throughout the Indonesian Revolution and in later conflicts in Malaysia, Timor, Aceh, and Papua. It grew rapidly after Suharto's resignation, from 7,500 members in 1998 to 34,000 in 2005. Because of its paramilitary organization and poor training, members of the brigade have often displayed undisciplined, abusive action against foes.^{101, 102}

Reform has been on the agenda since Polri's 1999 separation from the military.¹⁰³ In the wake of Indonesia's governmental decentralization that began in 2001, the police have become more responsible to regional authorities.¹⁰⁴ Reliable community policing has proved difficult. In a local setting, individuals often join the police for power and money. They receive inadequate training and lack incentives "to build rapport with the communities they are supposed to serve."¹⁰⁵ The result has been increasing community attacks on police stations and personnel.^{106, 107, 108}



Indonesian soldiers training
© AFN-Pacific Hawaii News Bureau Hawaii

Military

With a history of training from Dutch and Japanese organizations, and a nationalistic fervor born from years of fighting for independence, the Indonesian military has dominated the political scene since 1949.¹⁰⁹ The doctrine of *dwifungsi* (dual function) placed active-duty officers in national parliamentary seats and regional leadership positions. The military also controlled numerous business enterprises to supplement meager government defense budgets.¹¹⁰ Maintaining political neutrality, the military allowed the “constitutional transfer of leadership” from Suharto to Vice President

Habibie in 1999.¹¹¹ Subsequent exposure of military misbehavior, including human rights violations, corruption, and extortion, shamed the organization. During the same period, mass violence spread across the country. Some observers suspected the military of exacerbating local conflicts, while others saw a need for strengthened military control.^{112, 113}

Active-duty personnel are constitutionally barred from legislative office, and military policy forbids uniformed members to vote.^{114, 115} Some military-owned businesses have been transferred to civilian control, and the government has promised funds for a “Minimum Essential Force.”¹¹⁶ New laws have assigned most internal security matters to a separate police force, while the military mission has refocused on external defense activities such as counterterrorism and counterinsurgency.

Although all Indonesian citizens are constitutionally obliged to defend their country beginning at age 18, volunteer conscripts serving 2-year stints presently fill the ranks. (A proposal to start a reserve draft is under government consideration.)^{117, 118} The TNI recently revealed that nearly two-thirds of its equipment was obsolete. Corruption has historically plagued Indonesia’s procurement process, as have arms embargoes in response to the military’s heavy-handedness in Timor. A diverse group of arms suppliers has resulted, including Russia (helicopters and fighters), China (missiles), Brazil (aircraft), South Korea (jets and submarines), and Germany (tanks).¹¹⁹ In 2012, an Israeli company reportedly offered military systems for sale to Indonesia.¹²⁰

International military cooperation extends beyond regional concerns. An international peacekeeping mission center is under construction near Jakarta, and nearly 2,000 Indonesians are serving in UN peacekeeping operations in Lebanon and across Africa.^{121, 122, 123} Indonesia conducts joint military exercises with the United States, Australia, and China.^{124, 125, 126, 127}

Army (Tentara Nasional Indonesia-Angkatan Darat, TNI-AD)

The current armed forces, *Tentara Nasional Indonesia* (TNI), are dominated by an army of 251,000–300,000 active-duty personnel.^{128, 129} Between 140,000 and 150,000 troops are part of the army territorial units organized under 13 regions (Kodams), which are further subdivided into provincial (Korem) and district (Kodim) commands. This structure results in a widely dispersed military.¹³⁰

The TNI-AD operates a dozen regional commands (Kodams), a 40,000-strong strategic reserve command (Kostrad), and 5,000 Special Forces (Kopassus). The strategic Reserve is deployed to any regional trouble spot, particularly in the west, central, and eastern parts of the nation. It has two infantry divisions: one in Cilodong, West Java, and another in Malang, East Java.^{131, 132} It maintains a high level of readiness and is capable of rapid deployment both nationally and internationally.

Morale among the troops is generally high among the officer corps. Enlisted personnel often complain about low salaries and substandard living conditions. Some take on second jobs to make ends meet. Strong discipline in the ranks leads to unquestioning obedience.¹³³

Air Force (Tentara Nasional Indonesia-Angkatan Udara, TNI-AU)

The TNI-AU is a 30,000-strong force designed to combat invasions, especially from the north. It provides logistical support for transport between the islands in times of disaster or humanitarian need. There are plans to upgrade the airbase at Ranai on Riau Island to enable landings by Su-27 and Su-30 aircraft. A squadron of Sukhoi fighter aircraft will be permanently deployed on the Natuna Islands in the future. The air force has never faced hostile conventional forces and readiness is low. Poor maintenance of aircraft and shortages due to embargoes that ended in 2005 have negatively impacted rapid response capabilities. Combat forces are concentrated in Pekenbaru, Sumatra; Suspadio, West Kalimantan; and Hasanuddin, South Sulawesi. A new airbase is being built in Tarakan, East Kalimantan.¹³⁴ Morale among the troops is low, fueled by low salaries that force a large percentage of airmen to seek second jobs. Funding shortages have constrained flight hours, leading to reduced morale among pilots. The TNI-AU has approximately 380 total aircraft of which 29 are fighters and 56 are fixed-wing attack planes.¹³⁵

Indonesian Navy (Tentara Nasional Indonesia-Angkatan Laut, TNI-AL)

The navy of 65,000 includes roughly 20,000 marines and 1,000 aviators, while the air force numbers approximately 30,000.¹³⁶ Many of the TNI-AL's 197 vessels are aging and nonoperational or unseaworthy. Among its vessels, the navy has 84 coastal defense craft, 26 corvettes, 2 submarines, and 6 frigates.¹³⁷ The main tactical commands are located in Surabaya and Jakarta. Low funding and an aging fleet have compromised the navy's state of readiness. Its main mission, in conjunction with the air force, is to intercept invading forces and protect the nation's exclusive economic zones (EEZs).¹³⁸

The marine corps is a component of the navy and is divided into two brigades, each under the command of a general. They are headquartered in Jakarta. The marines enjoy much popular support in the country and have sometimes been used to defuse student protests; the use of other military units would most likely have escalated the violence. Although morale in the corps is higher than in other branches of the military, low pay and substandard housing have brought dissatisfaction. The marine corps enjoys the greatest popularity among the citizenry because of its reputation of being friendlier to the people.¹³⁹



Poverty
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Issues Affecting Stability

Poverty

In the aftermath of the global recession of 2008–09, high rates of poverty, rising unemployment (especially among youth), low wages, and persistent income inequities threaten to destabilize the Indonesian government. Economic decentralization was supposed to redistribute a greater share of Indonesia’s wealth to local sources, but citizens of resource-rich areas (such as the New Guinea provinces) continue to rank among the nation’s poorest. As one analyst commented, “Extremists had a far more difficult time making inroads in Indonesia when the economy was

booming.”¹⁴⁰ Nearly 51% of the population lives on USD 2 per day or less and levels of inequality are increasing. The greatest number of poor live on the heavily populated Java island, but the greatest concentrations of poverty are in eastern Indonesia.¹⁴¹

Land Conflicts

Indigenous peoples and small farmers in many parts of Indonesia claim their lands are taken illegally by international companies or government developments.^{142, 143} Loggers, miners, and fishers ignore the legal designation of protected areas, and police fail to enforce the protective laws, sometimes working instead for the lawbreakers.^{144, 145, 146}

People displaced by outbreaks of sectarian violence or by government security sweeps often find that they cannot reclaim the lands they fled. The number of land conflicts has grown rapidly in the past few years to nearly 5,500. The majority of these conflicts are between local landowners and palm oil companies, which are taking over private and community lands.^{147, 148}



*Anti-Chinese riots in 1998
Courtesy of Wikimedia*

Communal Violence

Religious intolerance appears to be on the rise throughout the nation.^{149, 150} Religious violence has ranged from church burnings in Java to beheadings in Kalimantan.^{151, 152} Radical Islamists have stepped up their attacks against Christians and “deviant” Muslim groups.^{153, 154} The rise of shari’a law or shari’a-inspired law threatens the secular nature of the country and is the source of many interethnic and religious clashes.

Many clashes have occurred in the east, where Christians make up a higher percentage of the population. Several fatal bombings and the beheadings of three Christian schoolgirls were polarizing events in 2005. Religion-tinged violence continues in all these areas.^{155, 156, 157} Recently, non-Sunni Muslims (Ahmadiyya and Shi’a) have become targets of mob and extremist violence.¹⁵⁸ Muslims in Aceh have used their regional autonomy to justify mob attacks on churches.¹⁵⁹

Ethnic violence has targeted historical minorities and, more recently, people who participated in the government’s transmigration program to relieve overpopulation on Java, Madura, and Bali. The last major outbreak of anti-Chinese rioting in 1997–98 caused as many as 110,000 Chinese Indonesians to leave the country (and to take about USD 20 billion with them).^{160, 161} Although many have returned, memories of that time haunt Indonesia’s Chinese community.¹⁶² Migrants to the outer islands have suffered similar persecution. In the years after Suharto’s fall, Dayak groups of Kalimantan attacked Madurese settlers, killing thousands and displacing tens of thousands.^{163,}

¹⁶⁴ New Guinea natives often attack Javanese immigrants, and Sumatrans turned on a Balinese migrant community in Lampung in 2012.^{165, 166}



*Anti-Riot Police
© prazz / flickr.com*

Secessionist Movements

Now that Timor-Leste has become an independent nation and Aceh has achieved special autonomy, Papua is the site of the primary remaining secessionist movement. While many native New Guineans have adopted an Indonesian national identity, others continue to resent the exploitation of their island’s resources, as well as the growing number of immigrants from other Indonesian islands.^{167, 168} The Free Papua Movement or OPM is too disorganized to move beyond low-level insurgency, but other student and political groups

are mounting large demonstrations and garnering international support. Indonesian security forces respond with equal severity to armed separatists and nonviolent protests. In 2011, more than 10,000 central highlanders fled their homes during government security sweeps.¹⁶⁹ In 2012, clashes between police and pro-independence demonstrators grew in number and intensity.^{170, 171} In 2013, separatists killed eight soldiers.¹⁷²



Marriott Hotel bombing
© Keith Miller

Terrorist Groups

Terrorism in contemporary Indonesia can be traced to *Darul Islam* (House or Domain of Islam), a militant Islamic group that operated a secessionist movement in West Java from the 1940s to the 1960s.^{173, 174} The group later aligned with separate secessionist movements in South Sulawesi and Aceh.^{175, 176} Homegrown terrorist groups with a domestic focus continue to plague Indonesia.¹⁷⁷ *Laskar Jihad* (Warriors of Jihad, Jihad Militia) operated in the early 2000s as an Islamic fundamentalist paramilitary force to oppose Christian persecution of Muslims in Maluku.¹⁷⁸

Members also involved themselves in separatist conflicts in Sulawesi, Aceh, and West Papua.^{179, 180}

Laskar Pembela Islam (Islamic Defenders Forces)

is the armed wing of *Front Pembela Islam* (FPI) (Islamic Defenders Front), a Salafist Sunni Muslim organization dedicated to imposing shari'a law on Indonesian Muslims. The group condones violent tactics to rid Indonesia of heterodox Islam and Christianity, alcohol, drugs, prostitution, pornography, and gambling.¹⁸¹ Numerous other groups have adopted terrorist tactics to further their local ethnic, religious, political, or economic agendas.

Darul Islam inspired the development of *Jemaah Islamiyah* (JI) (Islamic Community). The original leaders of JI, Abu Bakar Bashir and Abdullah Sungkar, founded a *pesantren* (Islamic boarding school) near the city of Surakarta in 1972. (The school became infamous as the alma mater of many terrorists involved in later bombings.)¹⁸² By the mid-1980s, government crackdowns pushed JI leaders out of Indonesia into other Southeast Asian countries and as far as Afghanistan. Contacts with international jihadists facilitated an alliance between JI and al-Qaeda.¹⁸³ JI has grown into a transnational organization, with a stated goal to create a Southeast Asian Islamic state.¹⁸⁴ The group has been held responsible for many high-profile bombings in Bali and Java from 2000 to 2009.¹⁸⁵ It has been linked to terrorist groups in Malaysia and the Philippines, and was caught participating in an al-Qaeda-linked terrorist training camp in Aceh in 2010.^{186, 187}

Splinter groups from JI now threaten Indonesia and Southeast Asia.^{188, 189} *Jemaah Anshorut Tauhid* (JAT) members attacked a Sulawesi police post in 2011, and “declared their readiness to fight jihad for the Rohingya” of Myanmar in 2012.^{190, 191} In 2012 a new group, Harakah Sunni for the Indonesian Society (HASMI), allegedly planned to attack the U.S. Embassy in Jakarta but was thwarted by the special force Detachment 88.¹⁹²

Water Security

Although the nation is surrounded by water and receives abundant rainfall, water security remains a significant challenge for Indonesia. Only about half of the population has access to potable water. The urban areas are particularly hard-hit. For those who can afford it, the purchase of safe water is an alternative. For most people, however, reliance on polluted water sources is the only choice. Poor infrastructure in rural areas fuels a shortage of safe water supplies and increases health risks due to waterborne diseases. Rapid urbanization is straining already short water supplies.^{193, 194}

As industries continue to grow, they will require a greater share of the nation’s water, further complicating security. Approximately 80% of all of the nation’s water supplies are diverted to agricultural use. Damaged pipes and leaking irrigation systems reduce yields of important food crops such as rice and exacerbate food insecurity in a nation in which nearly half the population is already malnourished.¹⁹⁵

Much of the nation’s rainfall results in run-off wastewater that is increasing sediment buildup. In Java, Sumatra, and Kalimantan, 14% of drainage basins are already in critical condition. Overtaxed aquifers are becoming increasingly saline and polluted. Many people have turned to digging illegal wells, further threatening available water resources.¹⁹⁶



International cooperation
© *Cooperation Afloat Readiness and Training*

Outlook

On the Maplecroft Political Risk Index, Indonesia ranks “high.”¹⁹⁷ Increasing poverty and resulting labor unrest are an increasing concern. Demonstrations over low wages have turned violent in some parts of Java and Batam islands. As more workers continue to push for a greater share of Indonesia’s new prosperity, tensions could rise.^{198, 199} Rising religious intolerance could erupt in even greater violence and fuel existing ethnic tensions. In 2014 Indonesians elected Joko Widodo as their new president. Widodo represents a departure from previous regimes and is the first person not to be associated with the old guard or the military. He is popular among the poor but lacks support among the establishment. He lacks personal connections and speaks out against cronyism and corruption in government. It remains to be seen whether he can bring his style to the presidency and create an effective government.^{200, 201, 202}

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Overview: Chapter 5 Assessment

1. The main threat to Indonesia's security involves its many belligerent neighbors.

FALSE

External militaries are a minor threat to Indonesia. Internal discord has triggered many security threats.

2. In 1999, the Indonesian National Police (INP) were separated from the armed forces.

TRUE

For several years the INP, or Polri, had been part of the armed forces. But in 1999 the organization became a separate security branch, reporting directly to the president.

3. Indonesia, Malaysia, and Singapore have competing economic claims in the piracy magnet of the Celebes Sea.

FALSE

Indonesia and Malaysia claim the oil-rich Ambalat block in the Celebes Sea. Indonesia, Malaysia, and Singapore cooperate to patrol the Malacca Strait for piracy. Singapore contests Indonesian and Malaysian economic claims to the strait.

4. Migrants to various islands in the archipelago are subject to local persecution and outbreaks of communal violence.

TRUE

In the years after Suharto's fall, Dayak groups of Kalimantan attacked Madurese settlers. New Guinea natives often attack Javanese immigrants, and Sumatrans turned on a Balinese migrant community in Lampung in 2012.

5. Indonesia and Timor-Leste have an ongoing border dispute.

TRUE

The two nations have not yet resolved disputed sections of the border.

Final Assessment

1. Piracy is a recent problem in Indonesia, resulting from the discovery of offshore oil in the 20th century.
2. The Ring of Fire is Indonesia's national epic, which tells how the gods made a golden ring from island volcanoes to unite the country.
3. Surabaya is a major trade center.
4. Indonesia's four large islands of Sumatra, Java, Borneo, and Sulawesi are historically known as the Spice Islands.
5. Indonesia's biodiversity-rich environment poses serious health threats.
6. Buddhism and Hinduism fused in early Indonesian history.
7. The independent nation of Indonesia did not hold its first democratic elections until 2004.
8. In recent years, international terrorism has joined separatist violence as a government security concern.
9. After Suharto left office in 1998, many regions of Indonesia voiced their desires to secede from the nation.
10. Full national independence was granted to Indonesia by its Japanese occupiers at the end of World War II.
11. Once the Sukarno regime ended, the standard of living in Indonesia improved.
12. Most of Indonesia's industrial activity requires local natural resources.
13. KKN, Indonesia's version of the Ku Klux Klan, discriminates against a Chinese-Indonesian minority that dominates business and trade.
14. Because bank interest is an illegal profit according to Sharia law, most Indonesians do not use financial services.
15. Indonesia's economy relies on the export of energy resources including oil, gas, and

coal.

16. The Acehnese of northern Sumatra are known for their strong Muslim beliefs.
17. The Minangkabau of Sumatra are organized into strict patrilineal clans.
18. An Indonesian citizen's religious affiliation is registered with the state.
19. Indonesians view reason and restraint as masculine traits.
20. Community consensus in deciding upon rules and settling disputes is an intrinsic aspect of Indonesian culture.
21. Since independence in 1949, the Indonesian military has focused on countering international terrorism.
22. Post-Sukarno Indonesia was considered a U.S. ally in resisting the regional spread of communism.
23. Indonesia and Malaysia, despite a shared cultural heritage, have a relationship that is at times contentious.
24. Sumatra's Aceh region is the last remaining region in Indonesia that faces a significant secessionist movement.
25. Since its independence in 2002, Timor-Leste has halted diplomatic relations with Indonesia.

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