

## CULTURE, POLITICS, AND ECONOMY IN THE POLITICAL HISTORY OF THE NEW ORDER

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What these gentlemen all lack is dialectics. They always see only here cause, there effect. That this is a hollow abstraction, that such metaphysical polar opposites exist in the real world only during crises, while the whole vast process goes on in the form of interaction--though of very unequal forces, the economic movement being by far the strongest, most primordial, most decisive--that here everything is relative and nothing absolute--this they never begin to see. As far as they are concerned, Hegel never existed.<sup>1</sup>

The object of this study is twofold. First, to provide a critique of those interpretations of the political history of Indonesia's New Order which rest upon a cultural analysis of power and conflict. Second, to develop an analysis of the political history of the New Order based upon a theoretical construct which locates culture and politics within a total system of interacting historical relationships between culture, politics, and the forms and relations of production.

### *The Tradition of Cultural Politics*

Culture has long been a prominent explanatory device for Western analysts of Indonesian politics, in part because orientalist approaches have strongly influenced Western studies of non-Western societies. More important, however, in recent analyses has been Max Weber's analysis of social structure and political behavior in terms of systems of meaning and consciousness constructed by individuals.

Clifford Geertz has been perhaps the most important exponent of theories of cultural politics as they relate to Indonesia. In the Weberian tradition, he has argued that streams of consciousness or systems of meaning grouped into *aliran* (vertical structures of identity and organization) are the primary factors in generating social identity and action in postcolonial Indonesia. Two of these *aliran* are specifically Javanese: the *priyayi* tradition, an ideology of the court and literati oriented to Hindu-Buddhist and Javanese mystical world-views, and the *abangan*, a more popular syncretic ideology of the peasantry heavily influenced by Javanese animism. The third *aliran* is that of the *santri*, a pious Islamic world-view shared by elements in both Javanese and Outer Island society.<sup>2</sup>

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1. Friedrich Engels, Letter to Conrad Schmidt, October 27, 1890 (in *Werke*, Vol. 37, p. 494), translated in *Marx and Engels: Basic Writings on Politics and Philosophy*, ed. Lewis S. Feuer (Garden City, N.Y.: Doubleday Anchor Books, 1959), p. 407.

2. Clifford Geertz, *The Religion of Java* (Chicago: University of Chicago Press, 1960).

At various times Geertz has imbued these cultural aliran with social and political characteristics. He has associated the priyayi with the Javanese court literati, the officials of the modern state bureaucracy, and the PNI (Partai Nasional Indonesia); the abangan with the peasant masses and the PKI (Partai Komunis Indonesia); and the santri with the indigenous merchants and landowners and the Masjumi and Nahdatul Ulama. It has never been clear whether Geertz implies an interaction between, or a conjuncture of, culture and class, since he has never attempted a systematic theoretical explanation of the relationship between the ideological, social, and political aspects of aliran. Geertz's works are essentially empirical observations of social life in small Javanese towns and there are serious contradictions once the analysis is lifted beyond this level.<sup>3</sup>

Another significant influence on recent analyses of the New Order has been that of Parsonian structural-functionalism, which places "roles," "norms," "values," and "legitimacy" at the center of social and political analysis. This methodology was embraced by the "modernization" and "comparative politics" schools in North America in the 1950s and 1960s and focused attention upon cultural pattern variables as the indicators and underpinnings of tradition and modernity in political systems.<sup>4</sup> A crucial influence of this school has been the development of the concept of a cultural category of secular modernizers--urban intellectuals and officials attached to Western liberal and "rational" ideological systems.<sup>5</sup>

The political struggle between forces representing these cultural world views has become one of the central objects of analysis for Western political scientists. The dominance of cultural rather than class factors has explained the tendency for analysts to see political forces organized in vertical groupings which cut across class lines. The political triumph of forces constituting the Javanese cultural tradition has explained what appeared to be an illogical development in political history: the persistence of patrimonial political forms.<sup>6</sup>

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3. Several scholars have analyzed Javanese communities using the aliran model. See Clifford Geertz, *The Social History of an Indonesian Town* (Cambridge, Mass.: MIT Press, 1965); Robert R. Jay, *Religion and Politics in Rural Central Java* (New Haven: Yale University Southeast Asia Studies, 1963); Lance Castles, *Religion, Politics and Economic Behavior in Java: The Kudus Cigarette Industry* (New Haven: Yale University Southeast Asia Studies, 1967).

4. Parsons posits a tradition/modernity dichotomy in which cultural pattern variables are the distinguishing feature. Traditional patterns of ascription, particularism, diffusion, patrimonialism, and authoritarianism are juxtaposed to modern cultural traditions of secularism, universalism, rationalism, and achievement orientation. Talcott Parsons, *The Social System* (Glencoe: The Free Press, 1951). This approach is applied most specifically to political change in *Comparative Politics: A Developmental Approach*, ed. Gabriel A. Almond and G. Bingham Powell, Jr. (Boston: Little Brown, 1966). Andre Gunder Frank has pointed out the contradictions in such a categorization in his "Sociology of Development and Underdevelopment of Sociology," *Catalyst*, 3 (1967), pp. 20-73, but to my mind the greatest inadequacy of this approach is its failure to explain change. It constitutes little more than an exercise in comparative statistics.

5. An interesting work on the "modernizing elite" and the approach of political science to this group in Indonesia is: R. William Liddle, "Modernizing Indonesian Politics" in *Political Participation in Modern Indonesia*, ed. R. William Liddle (New Haven: Yale University Southeast Asia Studies, 1973), pp. 177-206.

6. The intention of this section of the paper is to provide a general analysis of the

Over the past three decades political scientists have had as a central concern the struggle between the Javanese, the santri, and the secular cultural traditions. Throughout the 1950s and part of the 1960s these forces were seen to be locked in confrontation over the development of economic and political forms. Many Western political scientists had accepted the premise that liberal democracy and bourgeois capitalism would be reproduced in the Third World; thus the failure of the liberal democratic experiment and its replacement in the late 1950s by the populist authoritarianism of Sukarno's Guided Democracy and the statist capitalism of Guided Economy were perplexing developments.

The immediate reaction to these developments was to ask what went wrong. In his *Decline of Constitutional Democracy in Indonesia*, Herbert Feith saw the problem in terms of the political defeat of problem-solvers or pragmatists (i.e., the secular modernizers) by solidarity-makers, who subordinated the goals of economic rationality (bourgeois capitalism) and political democracy to those of securing national integration and political order through the institution of authoritarian rule and the manipulation of political symbols.<sup>7</sup>

In the 1960s modernization theorists tended to abandon liberal democracy and bourgeois capitalism as criteria for political and economic "modernization" in favor of the criteria of political order and economic efficiency.<sup>8</sup> Authoritarian military regimes were now recognized as one of the few structures (apart from mass-based revolutionary movements) able to impose order and stability, to generate economic growth, and produce rational, secular leadership and management, and they thus took on a new aura of respectability.<sup>9</sup>

Suharto's New Order was initially welcomed by some Western political scientists and economists because, although no less authoritarian than Guided Democracy, it promised a shift from populist authority based upon traditional political structures and symbols to a secular national authority able to come to grips with the enormous problems confronting Indonesia. Considerable enthusiasm was generated when U.S.-

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central theoretical thrust of political science as it was applied to Indonesia in the period up to 1965. Quite clearly, many political scientists did mention economic and social factors in their analyses. My point, however, is that social and economic change has not been systematically incorporated into a theoretical framework for political analysis, and in cases where politics is not treated as an autonomous level with a self-generating dynamic, it is generally explained in cultural terms.

7. Ithaca: Cornell University Press, 1962. See also Feith's piece on Guided Democracy, "Indonesia's Political Symbols and Their Wielders" in *Southeast Asia: The Politics of National Integration*, ed. John T. McAlister (New York: Random House, 1973), pp. 499-516.

8. The work of Samuel P. Huntington is most important here. See his *Political Order in Changing Societies* (New Haven: Yale University Press, 1968); "Political Development and Political Decay," *World Politics*, 17, 3 (1965), pp. 386-430; "The Change to Change," *Comparative Politics*, 3 (1971). For analyses of the transformation of modernization theory, see Donagh O'Brien, "Modernization, Order and the Erosion of a Democratic Ideal," *Journal of Development Studies*, 8, 4 (1972), and D. C. Tipps, "Modernization Theory and the Comparative Study of Societies," *Comparative Studies in Society and History*, 15, 2 (1973), pp. 199-226.

9. Probably the most representative collection of works using this approach is John J. Johnson, ed., *The Role of the Military in Underdeveloped Countries* (Princeton: Princeton University Press, 1962).

trained economists, appointed by General Suharto to administer economic planning, were able quickly to overcome the devastating inflation of the last Sukarno years.<sup>10</sup>

But the New Order posed new problems for Western observers. Although there has been impressive economic growth, it is doubtful how effectively this growth constitutes the basis of a self-sustaining and self-generating Indonesian economy. At the same time, far from providing channels for political participation by the major social groups, the New Order has chosen to repress and exclude them.<sup>11</sup> A small "elite" has been seen as concentrating economic wealth and political power and, as a consequence, generating social tensions and obstructing both economic development and political order. In explaining the New Order, Western analysts have sometimes sought answers in the persistence and political dominance of Javanese perceptions of power, authority, and social relationships and the continued suppression of modernizing and secular elements. Much research has focused on the massive corruption and administrative incompetence of a politico-bureaucratic apparatus constructed upon personalized, hierarchical, and authoritarian political relationships; the refusal of the ruling groups to share either power or wealth; and their incapacity to provide the political, fiscal, and administrative infrastructure for a "modern" society.<sup>12</sup>

I intend now to examine and criticize the political science (cultural politics) analysis of the New Order. This can best be done by focusing upon three works which have attempted to construct general theoretical analyses of the structure of power and the nature of conflict under the New Order: Donald Emmerson's *Indonesia's Elite: Political Culture and Cultural Politics*;<sup>13</sup> R. W. Liddle's "Models of Indonesian Politics,"<sup>14</sup> and Karl Jackson's "Bureaucratic Polity: A Theoretical Framework for the Analysis of Power and Communications in Indonesia" and "The Political Implications of Structure and Culture in Indonesia."<sup>15</sup>

#### *Emmerson, Liddle, and Jackson*

For Emmerson, the central problem of the New Order is ultimately rooted in the cultural division of Indonesian society among santri, abangan, and, implicitly,

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10. See John M. Allison, "Indonesia: Year of the Pragmatists," *Asian Survey*, 9, 2 (1969), pp. 130-37; Guy J. Pauker, "Indonesia: The Age of Reason?" *Asian Survey*, 8, 2 (1968), pp. 133-47.

11. Donald Emmerson has written an interesting article on the tendency for the New Order to repress and exclude, criticizing this tendency not so much on the grounds of its antidemocratic nature but rather, in terms of the Huntington thesis, that its very success in closing off channels of participation renders it politically unable, in the long run, to maintain order and stability. Donald K. Emmerson, "The Bureaucracy in Political Context: Weakness in Strength," in *Political Power and Communication in Indonesia*, ed. Karl D. Jackson and Lucian W. Pye (Berkeley: University of California Press, 1978), pp. 82-136.

12. Even those who strongly support the economic policies of the New Order are clearly worried by the way incompetence and corruption undermine the attainment of policy goals. Implicitly, they see the solution lying in regularization of the state and bureaucratic apparatus. This theme is evident in the writings of Heinz Arndt in the *Bulletin of Indonesian Economic Studies* [henceforth *BIES*]. For example, see his "Survey of Recent Developments," *BIES*, 14, 1 (1978), pp. 26-28.

13. Ithaca: Cornell University Press, 1976.

14. Paper presented to Department of Politics Seminar, Monash University, 1977.

15. In *Political Power and Communications*, ed. Jackson and Pye, pp. 3-42.

secular modernizers. His central thesis is that the New Order is unable to reconcile the competing abangan and santri cultural forces. The military rulers of contemporary Indonesia, who represent the abangan/priyayi tradition, have not attempted to integrate the santri but, rather, have tried to contain opposition by depoliticization, by focusing attention on economic development, by excluding cultural issues from public debate, and by merging, co-opting, and manipulating political institutions so that they lose their cultural distinctiveness.<sup>16</sup> By choosing to repress and exclude, rather than develop institutions to incorporate, politico-cultural groups, the New Order has adopted a strategy which will produce political tensions, anomic behavior, and severe legitimacy crises.

In Emerson's view, the impediments to political order and modernization are cultural in nature because the priyayi/abangan perspective is hostile to the devolution of authority and political reconciliation, as it is tied to a hierarchical, authoritarian system of personal loyalties and relationships. This system also hinders effective administration, since officials tend to be preoccupied with developing loyalties rather than solving problems.

Yet there are difficulties in the devolution of power. Because parliament has been excluded from wielding real power, and therefore denied real responsibility, it remains frustrated, constituting neither a constructive nor a unifying force.

. . . how can one recommend empowering a Parliament that includes a set of cultural minorities and political outgroups many of whose outlooks are relatively untrusting, anomic, intolerant, unempathic, centralist, and conflictual . . . as compared to the outlooks of the politically dominant, culturally mainstream bureaucratic elite--an institution, in short, whose very representativeness spells potential disruption?<sup>17</sup>

How can these problems be solved? Emerson argues for changes in the political structures designed to devolve power gradually, and increase responsibility so that the frustration and irrational behavior produced by permanent exclusion would be reduced. He also advocates a concentration of energies upon problem solving rather than cultural/political conflict. We may infer from this that the answer really lies in the emergence of a secular, rational, modernizing elite whose very cultural identity would equip them to integrate, socialize, and manage.

Emmerson is aware of class as a factor and points to the conflicts generated, at least in part, by economic issues (such as the 1974 riots). Nevertheless, he tends to regard class cleavage as embryonic, constituting a potential rather than actual dimension of political conflict; i.e., it will emerge only if the New Order fails to give outgroups institutional access to decision making. His solution emphasizes changes in the structure of institutions rather than in economic strategy; it does not take into consideration the essential contradictions of economic interest between the generals and the masses.<sup>18</sup>

The conflict between traditional Javanese cultural-political perspectives and those of the secular modern tradition also lies at the heart of Liddle's analysis. He rejects the notion that in the New Order state major decisions are made by technocrats (secular modernizers) on a scientific basis in the interests of the long-term social and economic goals of building a more egalitarian society and a more liberalized political structure. But he rejects this image (conjured up by Western supporters and by many New Order generals themselves), not because of any contra-

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16. Emerson, *Indonesia's Elite*, p. 247.

17. Ibid., p. 250.

18. Ibid., pp. 250-51.

diction between the economic or political strategies of the New Order, or between the interests of the generals, the foreign and Chinese bourgeoisie, and the Indonesian people, but because of the managerial and administrative incompetence and the inappropriate cultural perspectives of the generals and bureaucrats. He talks of:

. . . corruption or lack of steadfast commitment to social purpose on the part of the top military leadership, ill-chosen policies from the technocrats, any of the thousand weaknesses to which the bureaucracies are subject.<sup>19</sup>

Liddle constructs an alternative model of Indonesian politics which, he claims, recognizes the uniquely Javanese character of the New Order. In essence, he argues that the present regime, with President Suharto at its apex, is based upon personalized networks of patrons, clients, and supporters. The New Order views the world through a traditional Javanese cultural lens which renders it unable to take the action necessary to fulfill the modernizing goals of national autonomy, economic growth, and bureaucratic rationalization.

Like Emerson, Liddle is well aware of the class dimensions of politics but sees these influences as too weak to break across vertical patron-client cleavages.<sup>20</sup> Although he acknowledges that Mortimer's model of the New Order as a "comprador authoritarian" regime offers valuable insights, he rejects it on the grounds that there is little to suggest that social revolution is imminent. This is puzzling, since Marxist analyses of peripheral social formations rest not upon the imminence of revolution but upon the analysis of class relations. In fact, Mortimer stated:

For Indonesia, a developmental course appropriate to its situation would demand a political and social revolution of which for the foreseeable future there is no prospect.<sup>21</sup>

Yet Liddle does foresee the possibility of challenge to the New Order's patrimonial state from a new generation of army officers whose vision of Indonesia's future would be secular and populist.

Social justice may be a principal theme, or a kind of nationalism that requires military strength against a hostile (Communist, Western or both) world, or a nationalism that emphasizes the building of heavy industry under state auspices.<sup>22</sup>

Despite the fact that Liddle recognizes that the emergence of such perspectives is related to "the broader circumstances of the economy (domestic and international), social structure, and culture,"<sup>23</sup> he does not pursue an analysis of the interaction of these factors. This failure springs from the essential weakness of the modernization theorists' and political scientists' outlook: namely, their lack of theoretical tools to extend political analysis beyond the narrowly political, except to point to the influence of the changing cultural perspectives of political leaders.

Jackson's approach to the question is much more heavily and directly influenced by modernization theory, particularly by the works of Riggs and Huntington. He

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19. Liddle, "Models of Indonesian Politics," p. 5.

20. See R. W. Liddle, *Cultural and Class Politics in New Order Indonesia*, Research Notes and Discussion Series No. 2 (Singapore: Institute of Southeast Asian Studies, 1977).

21. Rex Mortimer, "Indonesia: Growth or Development?" in *Showcase State*, ed. Rex Mortimer (Sydney: Angus & Robertson, 1973), p. 66.

22. Liddle, *Cultural and Class Politics*, p. 26.

23. Ibid., p. 23.

essentially applies Riggs' analysis of the Thai "bureaucratic polity" to the Indonesian situation, arguing that the bureaucratic state is insulated from the influence of outside social forces and primarily serves the interests of those within it. In Indonesia, the bureaucratic polity is so successful in excluding some social forces and coopting the leaders of others within patron-client networks that it needs only occasionally to defer to the demands of Muslims and foreign capital.<sup>24</sup> Like Riggs, Jackson argues that the bureaucratic polity is a form of bureaucratic authority unsuited to generating "modernization," because it is unable to conceive of the national or public good. Politics thus tends to be a series of squabbles over the spoils of office.

According to Jackson, power and conflict in Indonesia are primarily shaped by the patron-client system. This system is not defined by *aliran* as Emerson argues; it is simply a structure within which patronage is dispensed and support mobilized. But why the patron-client form? Although Jackson briefly mentions that the poverty of the masses prevents any form of social challenge, this assertion is neither pursued nor explained. Instead, he emphasizes the political and the cultural. He argues that the political determines the form of its own existence, and thus that political leaders decide what form the political structure will take:

Elite and counterelite choices are critical in determining whether continued socioeconomic change leads to (a) development of a competitive democratic system based on mass political parties and a participant citizenry, (b) movement toward a single-party, ideologically based mobilization regime, or (c) continuation of a bureaucratic polity.<sup>25</sup>

On what basis do "elites" make their specific choices? Here Jackson gives primacy to cultural factors, including the psychological need for dependence, and a passivity which produces an attachment to hierarchical, personalized leader-follower groups (*bapakism*), an obsession with form rather than substance, and the implications of the Javanese view of the nature of power.<sup>26</sup>

More specifically, in Indonesia every man is perceived as having his station and its duties. Social justice is interpreted as carrying out the responsibilities of *justly unequal* roles. Because of God-given high status and wealth the patron must lead, educate, and care for the material and spiritual needs of a large group of clients. Great satisfaction and psychological security are derived from the act of giving deference and respect to persons of higher rank in the social hierarchy and from receiving deference from those below. Within the system, social injustice and corruption are felt only if a patron fails to redistribute his bounty among his clients or if the patron in adapting to market pressures abandons the diffuse responsibilities of a *bapak* towards his *anak buah*.<sup>27</sup>

### *The Critique of Cultural Politics*

The "cultural politics" approach to the analysis of power and conflict in New Order Indonesia rests upon two major propositions:

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24. Jackson, "Bureaucratic Polity," p. 3.

25. Ibid., p. 21.

26. Jackson, "Political Implications," pp. 34-42.

27. Ibid., pp. 35-36.

- a) that the nature of the New Order regime can be explained essentially in terms of the persistence of Javanese cultural perspectives which shape the political behavior of officeholders;
- b) that the identity and structure of political groups and the nature of political conflict is defined by the patrimonial nature of political relationships, i.e., by vertical, personalized patron-client structures.

These propositions are inadequate in two respects: they fail to comprehend the dynamics of politics; and, more important in terms of New Order Indonesia, they fail to provide a means for explaining why power and conflict exist there in their present form.

Obsession with the cultural and behavioral works to focus the analysis upon the style of a regime rather than its substance, and it ignores the very real socio-economic dimension of the New Order. The New Order regime quite clearly constitutes one fraction of a complex alliance embracing foreign and Chinese bourgeoisie; the urban technocrat/administrative/managerial class (the so-called middle class); and the politico-bureaucrats.<sup>28</sup> This regime serves to integrate the alliance in two ways. First, it provides the general political, legal, and economic infrastructure for the existence of the particular form of capitalism in which the interests of the alliance are embedded. It achieves this goal by general development strategy, capital investment laws, credit, wage, labor, fiscal, and monetary policies, as well as state investment in infrastructure.<sup>29</sup> The second means of integration is through extensive private political and economic alliances between specific politico-bureaucratic factions and foreign or Chinese business groups. Again, the politico-bureaucrats provide the political infrastructure for these alliances in the form of protection, contracts, licenses, concessions, and public policy.<sup>30</sup>

This dimension of the New Order regime has been largely neglected by political scientists, because it is not an inherent component of the theoretical constructs within which they work. Yet it helps elucidate a fundamental aspect of power not

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28. There are several writers who have analyzed the New Order regime as one primarily shaped by domestic class structures and the form of Indonesia's integration into a global capitalist order. See Mortimer, "Indonesia: Growth or Development?"; Herbert Feith, "Political Control, Class Formation and Legitimacy in Suharto's Indonesia," *Kabar Seberang*, 2 (1977); Herbert Feith, "Repressive-Developmentalist Regimes in Asia: Old Strength, New Vulnerabilities," Presented at the Conference on Indonesian Class Formation, Monash University, August 1979; Richard Robison, "Towards a Class Analysis of the Indonesian Military Bureaucratic State," *Indonesia*, 25 (April 1978), pp. 17-40.

29. Here we must take account of the proposition that the social character of a regime is not defined by the class origin of those who occupy the state apparatus but by the nature of state policy. For example, a bourgeois state is not necessarily a state where the offices of power are occupied by the bourgeoisie or even a state where bourgeois political parties wield ultimate political authority. Primarily it is a state which provides the economic conditions for capital accumulation and political protection for the bourgeoisie in the process of class-conflict. This concept will be developed later in the paper. Consequently, we should be looking at the foreign and domestic capital investment laws, policy emphasis upon import-substitution industrialization and export-promotion industrialization, credit policies, and foreign exchange policy if we are to understand the socioeconomic character of the New Order state.

30. Robison, "Towards a Class Analysis."



explained by patron-client models. It is true that the generals have a patrimonial, tribute-gathering style which constitutes the basis for a certain tension between them and the technocrats and middle classes. However, although they may be in conflict over the question of the proper use of state power, they remain in general agreement over the desirable form of the social and economic order and over the broad thrust of policy necessary to maintain and reproduce this order. To this extent, as David Levine has argued, the abangan/priyayi bureaucrats are in the same camp (albeit in uneasy alliance) with the secular modernizing technocrats.<sup>31</sup>

From this starting point we can detect a whole range of issues where the state has clearly been involved politically in struggles of a social and economic nature. An important issue in Indonesia politics since the 1950s has been the struggle involving the indigenous petty bourgeoisie of merchants, commodity producers, and small capitalist producers, the Chinese bourgeoisie, the foreign bourgeoisie, and the state.<sup>32</sup> The central question here has been whether the state would protect and subsidize the indigenous petty bourgeoisie and bourgeoisie or pour its public and private energies into integration with foreign or Chinese capital. The struggle has been manifested in the rise and fall of the Benteng program, the introduction of PP10 (Penetapan Presiden 10--Presidential Decision #10)/1959 restricting Chinese commercial entry into rural areas, and, more recently, in conflicts over credit policy and the scandals of military/Chinese business alliances.<sup>33</sup>

Similarly, the question of land has embroiled the state in rural class conflict since the 1950s. Although Mortimer, Wertheim, and others<sup>34</sup> have clearly indicated the importance of cultural-political structures in rural conflict, less attention has been paid to the deepening struggle between rural classes over questions of land and labor. The state apparatus and the military and civil officials who occupied offices of authority were drawn into the conflict over landownership and land reform both in the period of *aksi sefihak* [unilateral action] from 1963 to 1965 and during the massacres of PKI supporters in 1965-66.<sup>35</sup> In effect (I am not arguing that this was consciously intended), the state allied with the rural landowners to bring about a counterrevolution--ensuring that the process of concentration of landholdings and capitalization of farming would not be obstructed by reformist movements.

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31. David Levine, "History and Social Structure in the Study of Contemporary Indonesia," *Indonesia*, 7 (April 1969), pp. 5-19.

32. See John O. Sutter, *Indonesianisasi: Politics in a Changing Economy, 1940-1955*, 4 vols., Southeast Asia Program Data Paper (Ithaca: Cornell University, 1959); Ralph Anspach, "Indonesia," in *Underdevelopment and Economic Nationalism in Southeast Asia*, ed. F. H. Golay et al. (Ithaca: Cornell University Press, 1969), pp. 111-201; Lance Castles, "Socialism and Private Business: The Latest Phase," *BIES*, 1 (1965), pp. 13-45; Hans O. Schmitt, "Post-Colonial Politics: A Suggested Interpretation of the Indonesian Experience, 1950-1958," *Australian Journal of Politics and History*, 9, 2 (November 1963), pp. 176-83.

33. Richard Robison, "Capitalism, and the Bureaucratic State in Indonesia: 1965-1975" (Ph.D. dissertation, Sydney University, 1977), ch. 9.

34. W. F. Wertheim, "From Aliran to Class Struggle in the Countryside of Java," *Pacific Viewpoint*, 10 (1969), pp. 1-17; Rex Mortimer, "Traditional Modes and Communist Movements," in *Peasant Rebellion and Communist Revolution in Asia*, ed. John W. Lewis (Stanford: Stanford University Press, 1974), pp. 99-123.

35. Rex Mortimer, *The Indonesian Communist Party and Land Reform*, Monash Papers on Southeast Asia, No. 1, 1972.

Since 1965 the concentration of landholdings and the move to wage labor have deepened class divisions, weakening old client-patron structures.<sup>36</sup> These developments have been assisted by the government's Bimas (Bimbingan Masal Swa Sembada Bahanan Makanan--Mass Guidance for Self-Sufficiency in Food) program and by the system of Inpres (Instruksi Presiden--Presidential Instruction) credits. Moreover, it would appear that state officials themselves, from village heads and army sergeants to bupati and high officials, are becoming prominent figures in the developing *kulak* class.

Finally, the state has constantly been involved in the struggle between foreign capital and nationalist sections of the petty bourgeoisie and middle classes, which formed an important element in the rise and fall of Guided Democracy and Guided Economy. In the last decade the debate over the role of foreign capital has been vigorous and often bitter,<sup>37</sup> with the New Order government being forced to move at times to placate critics by imposing controls upon foreign capital.<sup>38</sup> Nevertheless, the New Order must be seen as providing the conditions in Indonesia for the development of a capitalist structure in which ownership and control of the productive forces is largely vested in foreign or Chinese hands. To this extent it is thrown into political opposition to national economic forces, both bourgeois and socialist.

The failure of political scientists to analyze systematically these facets of power and conflict under the New Order flows partly from a very narrow conception of what constitutes politics. Their focus has tended to be upon the pursuit and the maintenance of power, and the role of such organizations as Kopkamtib (Komando Pemulihan Keamanan dan Ketertiban--Command for the Restoration of Security and Order), Bakin (Badan Intelijen Negara--State Intelligence Body), Golkar (Golongan Karya--Functional Groups), Hankam (Departemen Pertahanan--Department of Defense and Security) and the Presidency in this process. Consequently, the state (polity) is seen as isolated from social forces merely because no social force exercises formal control of the state by means of a political party. Power appears to be generated from within rather than without the state apparatus. The state has wide autonomy of action, limited only by the capacity of political leaders and elites to build effective political organizations to exclude and repress, or coopt and integrate.

The state, however, is not exclusively concerned with its own political survival. It is also concerned with the reproduction of a specific social and economic order and, therefore, has a social and economic dimension. We must then look not only at struggles for power (which are all too often factional struggles of no fundamental consequence for any but the individuals involved), but at the question of policy. It is true that foreign and Chinese business or rural landlords have no formal control over the institutions of power. Nevertheless in the New Order state their general interests as classes coincide with the interests of the politico-bureaucrats.

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36. Jim Hinkson, "Rural Development and Class Contradiction on Java," *Journal of Contemporary Asia* [henceforth *JCA*], 5, 3 (1975), pp. 327-36; F. Husken, "Landlords, Sharecroppers and Agricultural Labourers: Changing Labour Relations in Rural Java," *ibid.*, 9, 2 (1979).

37. Robison, "Capitalism, and the Bureaucratic State," ch. 8.

38. For example, most foreign corporations are now excluded from certain sectors of production and are required to take indigenous joint-venture partners, while production-sharing agreements between the state and foreign resource and energy ventures gain for Indonesia a substantial share of profits by world standards.

They are further strengthened by the fact that the New Order is limited in its capacity to interfere with the logic underlying the process of social and economic transformation at work in Indonesia.<sup>39</sup>

I have so far suggested that there is a socioeconomic dimension to power and conflict in New Order Indonesia which has been excluded from systematic analysis by political scientists. But serious questions also arise with regard to the value of Javanese political culture as an explanatory device. Some political scientists have been strongly influenced by perceived parallels between the structures of precolonial Javanese political authority and those of Sukarno's Guided Democracy and Suharto's New Order. The recurrence of these patrimonial forms has been attributed by some scholars to the persistence of traditional Javanese perspectives on power, which focus on individual possession of power as a concrete entity. Political activity then centers on individuals who hold power, and political structures cluster in vertical, personalized networks which compete for the patronage of these power-holders.<sup>40</sup>

Anderson provides an attractive explanation of the Indonesian style of corruption in terms of Javanese perceptions of the relationship between wealth and power.

Millionaires (entrepreneurial or landed) usually cannot buy themselves administrative positions of power and prestige. . . . Corruption on a large scale usually takes the form of the allotting of the "surplus" of certain key sectors of the economy to favored officials or cliques of officials, whether civilian or military. Rice-collection, tin mining, oil production and distribution, and tax collection are only some examples of the areas in which officially supervised venality occurs.<sup>41</sup>

I am not disputing the existence of Javanese political perspectives and their influence on the style of political behavior. However, there are two grounds on which an analysis focusing exclusively on this aspect is inadequate. First, there are other political cultures which may have an equally important influence on the political behavior of the New Order. Second, there is a need to explain why the Javanese political culture has survived and what are the factors which govern the historical process of transformation or petrification of ideologies and cultures in general.

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39. The question of the relative autonomy of the state has been central to a debate on the postcolonial state relating largely to the South Asian and African experience. Once again the debate is one between determinists who view the state as the instrument of the ruling class and structuralists who tend to see the state as being relatively autonomous of direct control by social forces but ultimately subject to the limits imposed by the logic of the accumulation process and reflecting the class struggle in society at large. See Hamza Alavi, "The State in Post-Colonial Societies," *New Left Review*, 74 (1972); W. Zeimann and M. Lanzendorfer, "The State in Peripheral Societies," *The Socialist Register* (1977). The collection of articles in H. Goulbourne, ed., *Politics and the State in the Third World* (London: MacMillan, 1979), are most useful in looking at this debate.

40. Benedict R. O'G. Anderson, "The Idea of Power in Javanese Culture," in *Culture and Politics in Indonesia*, ed. Claire Holt et al. (Ithaca: Cornell University Press, 1972), pp. 1-70; Ann Ruth Willner, "The Neotraditional Accommodation to Political Independence: The Case of Indonesia," in *Southeast Asia*, ed. McAlister, pp. 517-41.

41. Anderson, "Idea of Power," p. 49.

A second ideological view dominant amongst the politico-bureaucrats and officials of the New Order is that the role of the political leader and administrator is as the bringer of "development." In this view, the claim to power is legitimized and the exclusion of social forces from participation in the political process justified, on the grounds that the state possesses the scientific means for determining and implementing the common good. The technocrats are ideologically important to the New Order because they constitute this scientific legitimizing factor. As Ward<sup>42</sup> has pointed out, such a perspective derives from North American social science, in particular the "end of ideology" thesis. This is not simply the ideology of the technocrats (the secular modernizers) as opposed to that of the generals (priyayi/abangan patrimonialism), for there is a growing integration between these groups, and, in fact, what is probably the most comprehensive exposition of this approach has been provided by General Ali Murtopo, a central figure in the military group surrounding Suharto.<sup>43</sup>

Finally, we must remember that states similar to that of the New Order exist throughout the Third World, states in which public power is privately appropriated, where the state holds monopoly control over key areas of economic activity, where military and civil bureaucracies monopolize power and wealth, and where popular forces are excluded. As these states are not built upon a Javanese cultural foundation, we must either conclude that Javanese culture is fundamentally similar to those of other precapitalist (traditional) ideological systems or that ideology is only one of several factors conditioning the form of the political system. It is possible that the common existence of military-bureaucratic regimes in the Third World may be fundamentally linked with the common forms of articulation between precapitalist and capitalist modes of production and the particular form in which capitalism has penetrated the Third World.

These considerations lead to the question of political change. Emerson, Liddle, and Jackson all clearly indicate their belief that the form of the political is determined by the choices of elites and that their decisions are based upon their cultural perceptions. As they make no systematic and theoretical investigation of the specific relationships between culture (ideology), politics, and the forces and relations of production, we must conclude either that they do not consider the economic level to be important or that they do not possess the theoretical framework for making such an analysis.

We may conclude from the absence of any systematic statement on relationships between the cultural and the material that any ideological system and hence any political system may exist within any socioeconomic structure. It is obviously absurd to suggest that there is no logical reason why tribal or feudal political or ideological forms cannot remain dominant within advanced industrial capitalist societies, and I do not imagine Emerson, Liddle, or Jackson would make such a claim. There are quite clearly certain requirements of compatibility between culture, politics, and the economy, and it is these relationships which must be identified and spelled out if we are to explain the logic and dynamic of political change.

In summary, these approaches provide no theoretical framework to explain relationships between culture, politics, and the economy, and no historical perspective for understanding the complex and specific development of these relationships.

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42. Ken Ward, "Indonesia's Modernisation: Ideology and Practice," in *Showcase State*, ed. Mortimer, pp. 67-82.

43. Ali Moertopo, *The Acceleration and Modernization of 25 Years Development* (Jakarta: Yayasan Proklamasi CSIS, 1973).

### *Relating Politics, Culture, Class, and Economy*

The nature of the relationship between the political, the cultural, and the forms and relations of production has been at the center of debate among Marxist theorists over the past two decades. The starting point for this debate has been Marx's Preface to "Contribution to the Critique of Political Economy," where he clearly refuted the idealist Hegelian approach:

In the social production which men carry on they enter into definite relations that are indispensable and independent of their will; these relations of production correspond to a definite stage of development of their material powers of production. The sum total of these relations of production constitutes the economic structure of society--the real foundation on which rise legal and political superstructures and to which correspond definite forms of social consciousness. The mode of production in material life determines the general character of the social, political, and spiritual processes of life. It is not the consciousness of men that determines their existence, but, on the contrary, their social existence determines their consciousness.<sup>44</sup>

Despite the fact that Marx never argued in terms of a determining factor, much social and political analysis set within a Marxist framework has tended to argue that the specific nature of the forces and relations of production determines the specific form of the political and cultural superstructure. Further, that the superstructure has no autonomous existence and is the instrument of the dominant class. The political order functions to secure the interests of the dominant class and to secure the social order in which it is embedded. The ideological order reflects the worldview of the ruling class, justifies their dominance, and imposes acceptance of the status quo upon the exploited classes.

Such an approach denies politics and ideology any meaningful historical role. In reaction to such economic determinism the French structuralists<sup>45</sup> have posited an explanation of the relationships which gives a relative autonomy to each level but reserves the decisive role for the economic in the "last instance." Politics and ideology are articulated within specific structures--mode of production and social formation--which become the framework for analysis. The concept of mode of production is generally used to denote the relationship of a particular set of forces and relations of production, while a social formation is:

. . . an articulated structure of economic, political and ideological levels dominated by a specific mode of production. The economic level is held to play the role of "determination in the last instance" in that it determines the character of and the relations between each of the levels. Nevertheless the political and ideological levels are "relatively autonomous": they exercise a reciprocal effect on the economy and in certain cases they may occupy the place of dominance in the social formation.<sup>46</sup>

In effect, the structuralists are proposing that ideology and politics have an autonomy within the bounds of a logic imposed upon the structure of the social

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44. "Excerpt from A Contribution to the Critique of Political Economy," in *Marx and Engels*, ed. Feuer, p. 43.

45. Louis Althusser and Etienne Balibar, *Reading Capital* (London: New Left Books, 1970).

46. Anthony Cutler, Barry Hindess, Paul Hirst, and A. Hussain, *Marx's 'Capital' and Capitalism Today*, 2 vols. (London: Routledge, 1977), 1, p. 313.

formation as a whole by the dominant mode of production. They function to provide the general conditions of existence for the dominant mode of production and the accumulation process. Joel Kahn has taken this general approach in his analysis of ideology and social structure in Indonesia.<sup>47</sup>

. . . it is through "empirical reality" that economic and political structures operate on thought systems. If thought systems are directly related to observable interactions, and if these interactions are generated by social structure, then it is in the generation of the raw material of ideology--social appearances--that social structure affects the perception of social reality. The relationship between social structure and ideology, when perceived in this way, becomes a negative one, in the sense that the systemic requirements are that ideology does not contradict appearance. At the same time there need be no reflective process at all, since interactions and other appearances are not themselves direct reflections of underlying social structure.<sup>48</sup>

Arguing that the structuralists have not avoided a reductionist or determinist position, Hindess, Hirst, and their colleagues propose an analysis which dispenses with the concepts of mode of production by denying that the forces of production impose any specific structure upon social relations of production or upon the political or ideological levels.

The social formation is not a totality governed by an organising principle, determination in the last instance, structural causality or whatever. It should be conceived as consisting of a definite set of relations of production together with the economic, political and cultural forms in which their conditions of existence are secured. But there is no necessity for those conditions to be secured and no necessary structure of the social formation in which those relations and forms must be combined.<sup>49</sup>

Therefore the levels of culture, politics, and economics are autonomous, each with its own internal logic. Neither the forces nor relations of production are able to create the specific form of the other levels. Their conjuncture into a system in which each autonomous level provides the conditions for the existence of the other, and produces integrated social formations, appears to rely upon coincidence, because Hindess provides no theoretical mechanism by which we can understand interaction between the levels.

Obviously this is not the appropriate place to provide a critique of this debate. Nevertheless the debate itself does raise the major theoretical issues and questions that have to be confronted in any attempt to develop an analysis of the relationship between ideology, politics, and the forces and relations of production in Indonesia.

In general terms I propose that state and society in contemporary Indonesia can best be analyzed by means of a construct that explains change as a process of continuous and mutually conditioning interaction of culture, politics, and economics, where the dominance of any one factor is determined by the specific historical context in which it is situated. While I agree with the structuralists that the logic of the total structure imposes a series of negative restraints upon the form of each of the levels, I would argue that the interrelationship is also a positive one; that there

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47. Joel S. Kahn, "Ideology and Social Structure in Indonesia," *Comparative Studies in Society and History*, 20, 1 (1978), pp. 103-22.

48. *Ibid.*, p. 105.

49. Cutler et al., *Marx's 'Capital'*, p. 222.

is a tendency for a specific set of levels to emerge which mutually condition the form of, and provide the conditions for, each other's existence. To this extent I would propose that the concept of mode of production, embodying a set of mutually conditioning forces and relations of production and political and cultural levels, is a valid and useful one. Modes of production may break apart and new modes form as a result of fundamental changes in any of the levels--i.e., the emergence of a new technology, or of a new class, or of a new political movement. However, to the extent that it is possible to isolate primacy, this can only be done within the context of each concrete historical situation.

Before I move on to analyze the Indonesian case I would like to make it clear that I am not arguing that any one level may determine the specific form of the others. For example, while it is obvious that the feudal state could not coexist with industrial capitalism there is no logical imperative for the political level in an industrial capitalist social formation to take the form of liberal democracy. This particular form has emerged in Western Europe and North America because of a specific and concrete set of historical experiences. We cannot expect liberal democracy necessarily to develop in Southeast Asia simply as a consequence of the intrusion of a capitalist mode of production, because the specific historical circumstances are quite different. The precolonial social formations cannot be equated with European feudalism, the economic and political forms imposed by colonialism were never experienced in Europe, the development of classes in Southeast Asia has not been characterized by the emergence of a dominant national bourgeoisie or a powerful industrial proletariat, and, indeed, the specific form and sequence of the development of the capitalist economy have been quite different. Neither has Southeast Asia experienced any drawn-out political conflict between the gentry and the new urban bourgeoisie. We must therefore expect capitalist Southeast Asia to be characterized by quite different political forms, albeit forms which are compatible with the development of specific capitalist forces and relations of production.

#### *Political Conflict: Patron-Client and Class*

The tendency for political identity and organization in Indonesia, particularly on Java, to take the form of vertical patron-client structures and for conflict to occur between competing networks has been well documented. Both Mortimer and Wertheim have shown how the PKI was forced, to a large extent, to work through these vertical structures, because it found itself limited in its capacity to mobilize political forces on the basis of class. As we have seen, this tendency for politics to take the form of vertical, client-patron networks and allegiances has been explained by some political scientists as the consequence of cultural influences upon political behavior. To a lesser extent, these scholars argue that class politics are not prevalent because class consciousness is low and class lines are not sharply drawn. Indeed, Mortimer explains the relative absence of class politics in rural Java as the result of a rural social order where the boundaries between landlord and peasant are unclear.<sup>50</sup>

These discussions of the nature of Indonesian politics have focused upon rural Java, probably because it is here that a peasant-based revolutionary movement is most likely to emerge and this region provided the PKI's and Sukarno's mass support. Cultural explanations are clearly inadequate for an understanding of the tension between class and patronage politics. The specific relationship between political forms (class or patronage) and the forces and relations of production must also be investigated. I intend to argue the following:

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50. Rex Mortimer, "Class, Social Cleavage and Indonesian Communism," *Indonesia*, 8 (October 1969), pp. 1-20.

1. That client-patron political forms do not indicate an absence of classes, but constitute one form in which classes work out relationships and seek political and economic accommodation.

2. That patron-client politics in rural societies become class politics when either the landowners secure the economic means to escape patronage relationships or when the peasants secure the political means to do so.

3. Patron-client political structures are most compatible with social formations dominated by agricultural production, where tenancy constitutes the basic form of social relations of production and landownership patterns have produced a land-owning class; they tend to disintegrate with the extension of capitalist relations of production.

There are several studies which have attempted to relate the transformation from patronage politics to class politics to broader socioeconomic changes. In his study of social relationships in central Luzon from about 1890 to 1940, Kerkvliet<sup>51</sup> shows how patron-client relationships collapsed as the balance of power tilted in favor of the landlords. In the early years, when land was plentiful and labor in short supply, the landlords established a relationship with tenants which was based upon a fair measure of reciprocity and required them to provide a degree of welfare assistance to the peasants. As population increased and land became scarcer and more valuable, the landlords found that they were able to demand a greater share of the surplus produced by tenants and to dispense with the protection and assistance they had formerly granted. Unable to secure their rights through the old patron-client networks, the peasants turned increasingly to peasant unions to confront the landlords on a class basis. In turn, the landlords increasingly moved to replace tenants with wage labor and to invest in machinery, introducing capitalist relations of production into the countryside. Patron-client relationships had flourished when there was a certain balance between landlord and peasant but these forms were rejected by landlords when it was found that their interests and position could be secured more profitably by class political action.

Alavi<sup>52</sup> treats a similar situation in the Punjab, where noncultivating landlords began to introduce tractors and replace tenants with machinery and wage labor. The norms and values which had previously underlain the reciprocal, patron-client relationships between peasant and landlord were cast aside now that the landlords had access to the technical means to secure a greater surplus. The decision of the landowners was also based upon the knowledge that they possessed the social and economic power to avoid or to change the existing tenancy laws and to evade legal or political repercussions. Landlord obligations ended when labor shortages ended and the possibilities for capitalist farming emerged. In seeking to survive, tenants were faced with the alternatives of continuing to work through the disintegrating patron-client networks or of severing alliances with patrons and building class alliances with other tenants to challenge the landlords on the basis of class interest.

In his analysis of political conflict in rural Java, Wertheim<sup>53</sup> also emphasizes the relationship between changing socioeconomic structures and the growing tension between patronage and class political forms. While he agrees that rural classes have

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51. Benedict J. Kerkvliet, *The Huk Rebellion* (Berkeley: University of California Press, 1977), esp. ch. 1.

52. Hamza Alavi, "Peasant Classes and Primordial Loyalties," *Journal of Peasant Studies*, 1, 1 (1973).

53. Wertheim, "From Aliran to Class Struggle."



not been sharply defined and that political organization has been forced into client-patron networks, he also argues that the spread of capitalism into the countryside in the 1950s and 1960s established a clearer definition of class identity and began to break down the protection previously afforded the poor and destitute by old village communal and patronage institutions. The passing of the 1960 Land Reform laws led peasants to expect land reform, forcing the PKI peasants' union (BTI) to take the lead in the class politics already developing, and forcing the landlords to act in political defense of their class position. The massacres of 1965-66, he argues, can only be fully understood if the class tensions in the Javanese countryside are taken into account. Further, the victory of the military under Suharto constitutes for Wertheim a counterrevolution in the countryside.

Land reforms appear to have been put, by the Suharto regime, into the ice-box. The rich landowners have regained their lands, and the military leaders are practising a sharp repression against those who tend to resurrect agrarian unrest. Non-commissioned officers appear to have been appointed on a large scale as village heads. Whereas the incipient class struggle of the poor peasantry failed, for the time being, it is the large landowners, supported by the rule of the military authorities, who are, thus, openly waging their own brand of class struggle.<sup>54</sup>

Since 1965, disintegrative pressures on patron-client political and social relationships have intensified with the spread of capitalist farming and wage labor. Collier and others have written of the emergence of new relations of production in rural Java, where landowners are dispensing with traditional use of communal village labor, and the obligation to provide such labor with a share of the crop, in favor of contract wage labor. There is also a growth in the economic importance of rice traders who purchase crops in the ground and bring in contract labor for harvesting.<sup>55</sup> Use of wage labor, the increasing availability of rural credit, high-yielding seed varieties, pesticides, and fertilizers are providing landowners with opportunities to become capitalist farmers rather than rent-collecting landlords. Rural society in Java appears quite clearly to be moving in the direction of concentration of landownership and the attendant polarization of landed and landless. Although detailed analysis of the process of capitalist transformation of the Javanese countryside is in its early stages, the process itself is quite clearly taking place. My point is that such a process is of crucial significance for the form of political relationships and the nature of power and conflict in Indonesia.

The emergence of a kulak class can be expected to bring fundamental changes in political relationships within villages and between village and state. Relationships between farmer and wage laborer will become primarily economic and contractual, increasingly divested of political and social ties. Client-patron networks will become more inadequate for securing political and economic accommodation between rural classes and structuring relationships between rural classes and the state. A strong agrarian bourgeoisie with an independent base of social and economic power in the ownership of capital will find their interests poorly served by existing networks of patronage, because their interests as a class can only be secured by public policy and public investment rather than personal favors from individual local officials. For example, their survival will require the provision of economic infrastructure (communications, transport systems, electricity, and public works),

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54. Ibid., p. 15.

55. William L. Collier et al., "Tebasan System, High Yielding Varieties and Rural Change," *Prisma*, 1, 1 (May 1975), pp. 17-31.

political infrastructures (regularization of property laws and control of the landless), and policy on marketing, pricing, credit, and subsidy.

Quite clearly the emergence of a class of rural capitalist accumulators will have important consequences for the state. First, it will mean increasing pressure, from a domestic class whose power base is outside the state apparatus, to follow specific economic and social policies. Second, it will mean increasing conflict over the marketing and distribution system which at present is controlled by the state procurement agency Bulog and the Chinese merchant bourgeoisie and petty bourgeoisie. The alliance of patrimonial bureaucrat and Chinese middleman is built largely upon various state monopolies and controls on distribution, marketing, and pricing. We may logically expect an agrarian bourgeoisie not merely to compete with the Chinese for access to monopoly positions within the existing networks of patronage but to challenge the very basis of the patrimonial state: its political control of trade.

The whole question of patron-client and class political structures is related to the question of power under the New Order. As we have seen earlier, the New Order has been characterized as a regime which generates power from within the apparatus of the state, is isolated from social forces, is repressive and exclusive, and is patrimonial in style. However, rather than looking almost exclusively to cultural and behavioral explanations I propose that a more accurate explanation of the form of such a regime can be derived from a specific historical analysis which incorporates analysis of relationships between the political and the forces and relations of production.

*Social Relations of Production, Economic Structure, and Political Forms*

One characteristic of political power in postcolonial Indonesia has been that offices of authority within the political parties and the civil and military bureaucracies have generally been monopolized by relatively small groups. Consequently, much political analysis has focused upon the palace politics of Jakarta and the increasingly authoritarian and centralized style of rule. Another feature of power in Indonesia has been its patrimonial style. Bureaucratic office is commonly appropriated by a center of political power, and the authority vested in that office used to secure the political survival and personal wealth of a political faction or individual. As we have seen, this has been compared to the style of bureaucratic authority which existed in precolonial Javanese agrarian kingdoms where the ruling class were holders of appanage benefices, rather than being hereditary landowning aristocrats. This situation is, however, conditioned by a very specific historical development of forms and relations of production, and we cannot fully understand the structure of power, or the dynamics of the factors which shape it, without taking into account these economic and social influences.

From its precolonial and colonial experience Indonesia inherited a class structure which was conducive to the concentration of power within a state apparatus dominated by civil and military officials, and wherein other social forces had limited capacity to secure control of the state apparatus. The following summary indicates the major features of the class structure inherited from the colonial period.

1. There is considerable conjecture concerning the extent of private ownership of land in precolonial Java, the degree to which precolonial Javanese agricultural society was grounded upon a feudal rather than Asiatic mode of production,<sup>56</sup> and

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56. The literature on the Asiatic mode of production is substantial. Samir Amin

the impact of Dutch colonialism upon landownership patterns.<sup>57</sup> While it is clear that the commercialization of agriculture in the colonial period did increase private land ownership and create a class of small-holder producers of sugar, coffee, rubber, and other crops (especially in Sumatra, Sulawesi, and Kalimantan), the land-owning classes in Indonesia never occupied the position of political power and influence they did in early postcolonial states in Latin America, the Philippines, Pakistan, and South Vietnam. Instead of large indigenous-owned farms, haciendas, or estates, Dutch-owned estates or, to a lesser extent, indigenous or Chinese-owned small-holdings were the predominant centers for the commercial production of crops in the Dutch Indies. Consequently, when independence was secured, the landowning class did not constitute a major social base for political power.

2. The economy of colonial Indonesia took three forms: a subsistence agricultural sector, a petty commodity production sector, and a capitalist sector which took the form of enclave commodity production and export of crops such as rubber, sugar, and coffee, and, increasingly, of oil and minerals. This form of capitalism was dominated by Dutch trading-houses and merchant banks, which controlled production on plantations and in the mines, as well as the international trade in commodities. It gave rise, in turn, to small-holder production of commercial crops and to domestic trade in commercial crops. The intermediary sector of domestic trade fell largely into the hands of the local Chinese.<sup>58</sup> With the coming of independence neither the Dutch bourgeoisie nor the Chinese bourgeoisie and petty bourgeoisie were able to constitute themselves as a ruling class in its full sense because both were excluded from formal participation in public political activity. They remained economically dominant, but they could not actually rule.

3. Participation of indigenous traders and manufacturers in the colonial capitalist economy was limited to a minor role in domestic trade (predominantly in Sumatra and the outer islands) and to petty commodity production of textiles, batik, foodstuffs, and kretek cigarettes on Java. In the early decades of the twentieth century the indigenous petty bourgeoisie [*pengusaha pribumi*] became engaged in a long and unsuccessful struggle with the Chinese merchants, who gradually ex-

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provides an interesting discussion in "Modes of Production and Social Formations," *Ufahamu* (Winter 1974); and in his article, "Social Characteristics of Peripheral Formations: An Outline for an Historical Sociology," *Berkeley Journal of Sociology*, 21 (1976-77), he discusses the concept of a state class in contemporary social formations.

57. For example, Onghokham found in Madiun that the class with traditional use rights of land (*sikep*) was undermined by the system of corvée labor and state plantations established by the Dutch after 1830, and villages returned to a communally oriented form of landholding. On the other hand, in Pasuruan and Probolinggo, Elson found an increase in the number of larger landlords and villagers who relied increasingly on wage labor for income. See: Onghokham, "The Residency of Madiun: Priyayi and Peasant in the Nineteenth Century" (Ph.D. dissertation, Yale University, 1975); R. E. Elson, *The Cultivation System and Agricultural Involution*, Monash University, Centre of Southeast Asian Studies Working Papers, No. 14 (Clayton, Victoria, 1978).

58. An excellent picture of the class structure of late colonial Indonesia is given by George Kahin in the first chapter of his *Nationalism and Revolution in Indonesia* (Ithaca: Cornell University Press, 1952). The best general socioeconomic analysis of colonial Java is Wertheim's *Indonesian Society in Transition* (The Hague: van Hoeve, 1956).

tended their economic control into the production of textiles and batik.<sup>59</sup> Although the pengusaha pribumi have remained a force in postcolonial politics, their social and economic base has been too weak to enable them either to capture the state apparatus or to exert a decisive influence on the formation of state policy.

4. This socioeconomic order and economic structure was politically secured by the Dutch colonial administration, which maintained trading monopolies for the Dutch bourgeoisie, and which provided the legal basis for private ownership of estate lands, the economic infrastructure, and the political and military force to contain challenges. Within this overall colonial bureaucracy there was an extensive indigenous bureaucratic apparatus, which had been severed from its traditional tribute and incorporated as salaried officials into the colonial project of securing the conditions of existence for Dutch enclave commodity export production.

5. During the final two or three decades of Dutch rule an indigenous intelligentsia emerged both within the bureaucracy and among independent professionals such as lawyers, journalists, writers, and teachers. This intelligentsia eventually secured a position of political dominance through its leadership of nationalist political organizations.

6. Because colonial capitalism took the form of enclave commodity production rather than industrial capitalism, the development of an industrial proletariat was limited. The bulk of the urban population were, in fact, not industrial wage laborers but an indeterminate assortment of household servants, day laborers, petty traders, and state employees, such as railway workers. At the same time, the failure of capitalist relations of production to penetrate the countryside to any significant degree meant that rural society had not been transformed into a society of landowners, capitalist farmers, and wage laborers, as we have seen, but remained a confused and overlapping patchwork of landowners, tenants, and small, independent peasant cultivators. Such a social base presented obvious problems for revolutionary political movements.

The first governments of the Indonesian Republic found themselves operating in the context of an enclave export production economy dominated by a Dutch bourgeoisie and a Chinese bourgeoisie and petty bourgeoisie. While there was no inevitability about the form assumed by the postcolonial state, the interaction between political forms and the forms and relations of production is clear. In the years following independence there was considerable debate about the most desirable form which Indonesia's political and economic structures should take, but the direction for the future had already been laid down in the first decade of independence--up to the formal declaration of guided economy by Sukarno. Because of the weakness of domestic classes and the limits upon direct political activity by the dominant Dutch and Chinese bourgeoisie, the state had a relative autonomy for action. The new leaders decided to continue to secure the general conditions of existence for the enclave commodity export economy and the dominance of the Dutch and Chinese bourgeoisie. There were two reasons for this. On the one hand, political leaders and economic planners belonging to the PSI (Partai Sosialis Indonesia), Masjumi, and the right wing of the PNI (Dr. Sumitro, Sjafruddin, and Wilopo) saw a program of very gradual disengagement from the neocolonial economy as necessary because of the inadequate development of a domestic bourgeoisie, whether state or private.<sup>60</sup>

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59. Kahin, *Nationalism and Revolution*; Castles, *Religion, Politics*; Sutter, *Indonesianisasi*; and Robert Van Niel, *The Emergence of the Modern Indonesian Elite* (The Hague: van Hoeve, 1960).

60. The views of the gradualists are summarized in Robison, "Capitalism, and the Bureaucratic State," pp. 48-53.

In effect, they argued that a domestic capacity for accumulation had to be developed before a meaningful national economy could be constructed. The Indonesian social formation had been so deeply integrated into the neocolonial economy and the class structures so specifically related to neocolonialism that extrication was an extremely difficult process, as Sukarno was later to find out. To a significant degree the new leaders were prisoners of an existing logic. Given time, of course, there is no reason why the state should be incapable of generating a national capitalist economy, although the experience of Third World capitalist economies (since Japan's emergence) is that integration with global capitalist structures intensifies.<sup>61</sup>

There were also more concrete reasons for maintenance of the status quo. Those who secured dominance over the state apparatus quickly discovered that they shared interests with the existing economic order. Because the economy was so heavily based upon import and export and upon exploitation of natural resources, the state occupied a strategic economic position by virtue of its control of the allocation of licenses and concessions for imports, for mining, oil drilling, and forestry exploitation. Political parties quickly secured control of bureaucratic offices in economically strategic positions, particularly in the banking system and the departments of trade, customs, and industry. These became the virtual fiefdoms of political parties and factions, as the defining lines between political power and bureaucratic authority became increasingly blurred. Licenses and concessions were commonly sold or allocated in order to secure either revenue or political advantage for particular political factions and individuals, as well as their families and clients. Political parties and their clients also began to form more structured economic and business alliances with foreign and Chinese bourgeoisie. In the 1950s the first business groups representing this alliance of politico-bureaucratic power and bourgeois capital emerged. They operated primarily in the area of import and distribution monopolies, particularly automobiles, and were supplemented by privileged access to state bank credit through party-controlled banks.<sup>62</sup>

The struggle between the state and the *pengusaha pribumi* must be seen in a class and economic context rather than that of a struggle between *abangan* and *santri*. Directing state power and finance towards protection and subsidy of the *pengusaha pribumi* contradicted the philosophy of the gradualist technocrats, because, by normal business criteria, the *pengusaha pribumi* were generally less able effectively to realize capital. Chinese business, with its highly developed networks of distribution was more likely to constitute the basis for a strong local bourgeoisie. Protection and subsidy of the *pengusaha pribumi* also contradicted the vested interests of the politico-bureaucrats because the licenses and concessions which were potential bases for capital accumulation by the *pengusaha pribumi* were also sources of revenue for politico-bureaucrats. This contradiction was well illustrated in the operation of the Benteng scheme from 1950 to 1955. Import licenses were supposed to be reserved for *pengusaha pribumi* importers but were effectively appropriated by politico-bureaucrats and their clients either for sale to, or to be used as the basis of business alliances with, foreign and Chinese business groups.<sup>63</sup>

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61. See James F. Petras, "State Capitalism and the Third World," *JCA*, 6, 4 (1976), pp. 432-43; J. Leal, "The Mexican State, 1915-1973: An Historical Interpretation," *Latin American Perspectives*, 2, 2 (1974); R. Munck, "State, Capital and Crisis in Brazil, 1929-1979," *The Insurgent Sociologist*, 9, 4 (1980). The arguments developed here suggest that industrialization invariably develops into export-oriented manufacture characterized by increasing foreign control over the forces of production with the local bourgeoisie and the national state as minor partners.

62. Robison, "Capitalism, and the Bureaucratic State," pp. 58-62.

63. Sutter, *Indonesianisasi*, pp. 1017-35; Anspach, "Indonesia."

Conflict between the tribute-gathering comprador state and the pengusaha pribumi has continued to be a central feature of Indonesian political history. Schmitt<sup>64</sup> has pointed out the influence of this contradiction upon the struggle between Jakarta and the Outer Islands in the mid- and late-1950s. He argues that the Jakarta politico-bureaucrats became committed to inflationary policies in the mid-1950s, as a means both of increasing revenue and of making more lucrative the commodity import trade to which they had become firmly attached. Inflation and an artificially high foreign exchange rate damaged the economic position of indigenous producer-exporters located mainly in Sumatra and Sulawesi. Conflict between the pengusaha pribumi and the Chinese has continued at a level of considerable intensity, resulting in occasional but short-lived victories for the pengusaha pribumi, which include the introduction of PP 10 in 1959<sup>65</sup> and government moves to exclude Chinese business from eligibility for state bank credit and joint venture partnership with foreign companies following the 1974 disturbances.<sup>66</sup> The Chinese, however, have survived and flourished, for two reasons. First, they are indispensable to the working of the Indonesian economy in its present export-enclave commodity-production form through domination of domestic distribution and credit networks. As a strong and effective business entity, they are seen by the technocrats as a major engine of economic growth. More important, the interests of Chinese business groups are commonly tied to the financial interests of politico-bureaucrat factions, such shared interests being manifested in the large number of business groups which are partnerships between Indonesian political power and Chinese capital, managerial, and organizational resources.<sup>67</sup> Consequently, neither the generals nor the technocrats are enthusiastic about either massive state protection and subsidy of the pengusaha pribumi or effective state action against the Chinese.

If the Sukarno era is to be viewed as the manifestation of a resurgence of traditional political culture this must be placed in the perspective of wider social and economic struggle. The abandonment of parliamentary and liberal democratic forms in favor of centralized authority and state cooption of the apparatus of public participation was no more a resurgence of traditional political culture than it was the quite natural collapse of a political system which had never been more than a shell. The political parties never represented the interests of powerful social forces (with the partial exception of the PKI), and there was no significant source of social and political power other than that generated within the state apparatus in alliance with foreign and Chinese bourgeoisie. Guided Democracy simply did away with the redundant paraphernalia of liberal parliamentary democracy, either encompassing social groups within state-sponsored patronage networks or excluding, ignoring, or repressing them.

Guided Democracy constituted a process of struggle between three conflicting groups: economic nationalists, modern-style appanage-holders, and the economic gradualists or pragmatists. Economic nationalists, including the PNI's left wing and the PKI, attempted, with the general sympathy of Sukarno, to create a national

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64. Schmitt, "Post-Colonial Politics."

65. For a general overview of anti-Chinese conflicts and movements in the post-colonial period, see J. A. C. Mackie, "Anti-Chinese Outbreaks in Indonesia, 1959-68," in *The Chinese in Indonesia*, ed. J. A. C. Mackie (Melbourne: Nelson, 1976), pp. 77-138.

66. Robison, "Capitalism, and the Bureaucratic State," pp. 437-45.

67. Details of business groups which manifest these alliances are to be found in *ibid.*, Appendix B.

economy based upon state capitalist enterprise. Dutch trading-houses and plantations were nationalized and constituted as state companies. The state developed more effective means of controlling foreign exploitation of Indonesia's economic resources through such arrangements as work-contract and production-sharing agreements. Pertamina was the most notable success here. Finally, the state attempted to control imports of commodities which could be produced domestically, and to finance an industrial base in Indonesia. P.T. Krakatau steel was the most ambitious project in this category.<sup>68</sup>

The difficulties of accumulation in one nation are great enough, even with a highly disciplined and regularized state apparatus and party organization, as the experiences of Russia and China have demonstrated. But the Indonesian economic nationalists were forced to work with a state apparatus which was, as I have already argued, both tribute-gathering and comprador in nature. The nationalized state-trading corporations and agricultural estates were seized by the military and, to a lesser extent, by civilian politico-bureaucratic factions. These elements saw economic activity as a process whereby state power was used to extract a share of the surplus, rather than as a process of capital accumulation. As might be expected, the bulk of the state trading corporations and estates were simply plundered by the military and soon disintegrated for lack of investment, proper management, and maintenance.

In broader terms, the attempt to create a national industrial economy failed because neither the state nor the domestic bourgeoisie and petty bourgeoisie had the capacity to provide the base for national accumulation and industrialization. In effect, Guided Economy proved to be a seizure and pillaging of the economic interests of the Dutch, without any fundamental alteration to the commodity-import and enclave commodity-export structure of the colonial economy. The result was a disintegration of the existing economic structures: the collapse of infrastructure; the compounding of foreign debt; the dwindling of commodity imports (notably spare parts); and the acceleration of inflation.

The New Order may be seen as a regime counterrevolutionary vis-à-vis both agrarian reform and economic nationalism. As I have indicated earlier, it halted the process of rural land reform and destroyed the political organization which represented the interests of socially revolutionary groups in the countryside. On the other hand, it provided the political base for capitalist revolution in the rural areas, establishing the political conditions for concentration of landholdings and the spread of capitalist relations of production.

The New Order also represented victory over the political alliance of economic nationalists who had seized power in the late 1950s. Immediately the military secured political control in late 1965 they began moves to renegotiate the foreign debt and to attract foreign capital investment. In effect, this was a recognition that foreign capital was an essential component of the Indonesian economy as it was then structured. Simply removing foreign capital without changing the basic structure of the economy had produced only economic disintegration. Because the generals had no desire to institute revolutionary structural changes in the society and the economy their only choice was to bring back foreign capital, and in this decision they became associated with a group of economists who believed that economic

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68. Unfortunately there is as yet no comprehensive political economy of Guided Economy. Of the existing sources the most useful are: T. K. Tan, ed., *Sukarno's Guided Indonesia* (Brisbane: Jacaranda, 1967), and K. Thomas and J. Panglaykim, *Indonesia--the Effects of Past Policies and President Suharto's Plans for the Future* (Melbourne: CEDA, 1973), ch. 3.

development could be achieved only through economic growth induced by the infusion of foreign capital. The New Order technocrats began the construction of a state policy designed to effect the reintegration of the Indonesian economy into global capitalist structures.<sup>69</sup>

One of the central thrusts of the cultural politics analysis has been to portray the conflict between the generals and the technocrats in terms of a cultural conflict between regularizers (secular modernizers) and patrimonial bureaucrats with a traditional Javanese perspective on appropriate political and economic behavior.<sup>70</sup> This conflict certainly exists, but it contributes little to our understanding of Indonesian politics unless we recognize that it is subordinate to a wider common interest between technocrats and generals, and that the increasing rationalization and regularization of the state apparatus and political relationships are related to fundamental changes taking place in the structure of the economy and the nature of class relationships.

The New Order is a regime operating in a social formation where the dominant economic form is in the process of transformation from enclave export-commodity production to export-promotion industrialization. In the enclave export production social formation, the demands upon the state are minimal. The bulk of the population remain within the agricultural and petty commodity production sector, where the responsibilities of the state are primarily concerned with tax collection and perhaps maintaining buffer stocks of rice. Enclave commodity production requires limited infrastructure, apart from property guarantees and road and rail links from the plantations and mines to the seaports. Production and investment remain in the hands of foreign bourgeoisies and, in the case of Indonesia, Chinese merchants take care of domestic trade.

Within this context, the state sits astride access to trade and exploitation of resources and draws tribute for the granting of access. Pertamina, Timah, Aneka Tambang, and other state instrumentalities are essentially terminals for granting access to oil and minerals and collecting revenues from the concession holders. Therefore, the path to wealth for indigenous Indonesians lies not in investment and accumulation as a bourgeoisie but in gaining control of the strategic apparatus of the state. Since the late 1950s it has been the military which has dominated these strategic terminals and built for itself independent sources of finance.<sup>71</sup>

To a large extent, the state's ability to sit in apparent isolation from domestic social forces is the result of its capacity to derive finance from the foreign bourgeoisie, not only in the form of oil and mineral revenues but in the form of high levels of foreign loans directed through the state by IGGI, IMF, and the World

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69. For contrasting views on the role of the technocrats in the process of economic change see David Ransom, "The Berkeley Mafia," *Ramparts*, 9 (1970), and Bruce Glassburner, "Political Economy and the Soeharto Regime," *BIES*, 14, 3 (1978).

70. Much of the emphasis has been on the way in which cultural perceptions of patrimonial politico-bureaucrats constitute an obstacle to the emergence of industrial capitalism and rational decision making and very little upon the way in which changing economic structures and class relationships influence transformations of cultural perspectives and bureaucratic structures. Even radical critiques fall into this category; see Richard W. Franke, "Limited Good and Cargo Cult in Indonesian Economic Development," *JCA*, 2, 4 (1972), pp. 366-81.

71. Harold Crouch, *The Army and Politics in Indonesia* (Ithaca: Cornell University Press, 1978), ch. 11; Robison, "Capitalism, and the Bureaucratic State," chs. 6 and 7.



Bank.<sup>72</sup> At the same time, the foreign bourgeoisie cannot directly supplant the generals of the New Order and are forced to allow them relative autonomy, which means that the state is able to apply pressure for greater shares of the surplus, both in the form of public revenue for the state and private rake-offs for individual officials and generals.<sup>73</sup> The relative aspect of state autonomy refers to the limits imposed by the generals' need to avoid fundamentally damaging this social and economic order.

Yet there are several contradictions within this articulation of patrimonial bureaucrats and corporate capital. The capital which returned to Indonesia in 1965 was not that of the colonial Dutch trading-houses but that of Japanese and American transnational corporations. It is increasingly being channeled into industrial production, not only in import-substitution manufacture and assembly but in export-promotion industrialization of textiles, metal engineering, plastics, car batteries, electronics, and other manufactures suited to the low labor costs in Indonesia. Sustaining this high-growth industrial capitalism involves the state in an entirely new project. It is now required to provide a much more complex economic infrastructure, including reliable supplies of electricity and water, communications and transport systems, education, health services, and public utilities for the burgeoning urban populations. Complex fiscal policies must be carefully managed to allow for debt servicing and to provide exchange rates conducive to increased export earnings and capital inflow.<sup>74</sup> Complex legal frameworks must be developed for foreign corporate investment and relationships between the state and international finance agencies. At the same time, the state can no longer allow the bulk of the population to be isolated from centralized and regularized structures of control. Wage labor must be brought under rigorous control to prevent strikes and ensure the low wage levels conducive to accumulation. The urban unemployed, rural landless, economic nationalists, and anti-Chinese Muslims all present more fundamental threats, not only because their numbers are growing but because they threaten the increasingly structured and delicate social and economic order essential for the accumulation process. Consequently, the state must maintain a highly structured and regularized apparatus of administration and political control simply because the old patrimonial tribute-gathering state cannot cope with the tasks inherent in the new state project.

The New Order is itself a microcosm of the struggle between the patrimonial forms of the old enclave production and peasant social formation and the new regularized authoritarian form of an industrializing Indonesia. While the generals have shown a willingness to regularize the apparatus of political control (Kopkamtib and

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72. The foreign loan component of the development budget for 1979 was 42.4 percent. Oil exports account for 65 percent of public investments and 13 percent of GNP, exceeding the total development budget. Ho Kwon Ping, "Back to the Drawing Board," *Far Eastern Economic Review*, April 27, 1979.

73. Scandals over payoffs to Indonesian generals by foreign or Chinese businessmen occur quite regularly. The most recent is the case of the late Haji Thahir, a former official of Pertamina who was found to have deposited \$80 million in a private bank account in Singapore. *Kompas*, February 13, 1980; *Asiaweek*, March 28 and August 8, 1980.

74. For example, the complex implications of the 1978 devaluation of the rupiah for the Indonesian economy are treated by Peter McCawley, "The Devaluation and Structural Change in Indonesia," Paper presented to the Australian National University Research School of Pacific Studies Seminar Series, November 16, 1979.

Bakin), the bureaucracy in general and the military in particular,<sup>75</sup> there is a natural reluctance to relinquish patrimonial control of the strategic economic terminals of the state apparatus. The continuing struggle for control of Pertamina between the technocrats and the generals (who wish to operate it under more personalized control) is a major example of this type of conflict.<sup>76</sup>

Aside from the interaction between the forms of the state and of the economic system embodied in developing new state projects, the implications which the spread of capitalist relations of production has for both the class structure of New Order Indonesia and, in turn, for the form of the New Order state deserve our attention.

The first implication is the increasing importance of a new auxiliary class of officials: managers, technocrats, technicians, and professionals. The exclusion of this class from the strategic offices of power, and the absence of any genuinely representative political structures or rule of law have created antagonism between them and the military rulers. Nevertheless, their general attachment to the existing economic order and the relative privilege of their position have made them cautious of courting alliances with the "popular" forces. While the New Order regime has resisted demands for political participation and the rule of law, it has recognized that an educated and skilled "middle class" or intelligentsia is increasingly essential to a society engaged in industrialization. In effect, the political alliance of the urban middle-classes and the military rests upon the maintenance of increasing living standards and employment opportunities for the former. In any case, the divisions which clearly separated the military from the urban intelligentsia in the 1960s are becoming blurred as the military move into civilian administrative positions and into the culture of the urban intelligentsia. This trend of increasing integration suggests that it is likely that political relationships between the military regime and the urban intelligentsia will be characterized less by conflict over representative democracy and rule of law than by incorporation of the civilian intelligentsia into a broader technocratic authoritarian state less exclusively military in its composition, despite continuing reliance on military power for its political survival.<sup>77</sup>

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75. Emmerson, "Bureaucracy in Political Context"; Harold Crouch, "Patrimonialism and Military Rule in Indonesia," *World Politics*, 31, 4 (1979), pp. 571-87.

76. P. McCawley, "Some Consequences of the Pertamina Crisis in Indonesia," *Journal of Southeast Asian Studies*, 9, 1 (1978); H. W. Arndt, "PT Krakatau Steel," *BIES*, 9, 2 (1975), pp. 120-26. The concept of a new form of Third World fascism or repressive technocratic authoritarianism and the relationship of these political forms to increasing industrialization has been central to recent political analyses of Third World social formations. See, for example, Philippe C. Schmitter, "The 'Portugalization' of Brazil," in *Authoritarian Brazil*, ed. Alfred Stepan (New Haven: Yale University Press, 1973), pp. 179-232; Fernando H. Cardoso, "Associated Dependent Development: Theoretical and Practical Implications," in *ibid.*, pp. 142-76; R. Luckham, "Militarism, Class, Force and International Conflict," *Institute of Development Studies Bulletin* [Sussex University], 9, 1 (1977); Herbert Feith, "Repressive-Developmentalist Regimes in Asia: Old Strengths, New Vulnerabilities," Paper presented to Conference on Indonesian Class Formation, Monash University, August 10-13, 1979. The central thesis of these arguments is that the increasingly repressive and authoritarian nature of the regimes is related to the increasing dominance of foreign industrial bourgeoisies and the development of a growth-oriented industrial economy in which the military gain political ascendancy over social classes, especially the national bourgeoisie and the popular classes--peasants and workers. Treatment of this question, however, is conspicuously absent in the analyses of the New Order proposed by North American political science.

77. Power clearly rests with the military and there is no immediate likelihood of any

The most powerful social force generated under the New Order has been an alliance of foreign, Chinese, and indigenous bourgeoisies. These are constituted within business groups taking the form of a complex series of joint venture partnerships in which, as a general pattern, the bulk of the capital is provided by foreign partners, while distribution, subcontracting, and often management is provided by Chinese partners, and political protection by indigenous officials. Such bourgeois alliances range from multimillion-dollar business groups with interests in a wide range of industrial, resource, property, and service industries to smaller joint ventures between local military commanders and local Chinese businessmen involving construction or transport contracts.<sup>78</sup>

The movement of indigenous shareholders into industrial production is important for two reasons. First, indigenous partners are incorporated into the ventures as shareholders. With forestry or trading concessions, the officials who controlled the concession often simply sold it or demanded a share of the proceeds--i.e., a share of the value of lumber existing on the lease. However, industrial production involves a process of expanded capital accumulation in which capital is invested and relative surplus product generated. As a shareholder, the indigenous partner develops a vested interest in profitability and in the provision of the social, economic, and political conditions conducive to profitability. In this way, the official ceases to be a simple tribute-gatherer, even though he may provide licenses and concessions rather than capital and management, and becomes an integral, capital-owning member of the bourgeois alliance.

Second, the development of a broad bourgeois alliance is significant for the tensions and contradictions inherent within the alliance and the pressures these place upon the New Order state. At the same time that the national fraction of the bourgeoisie in Indonesia demands integration with foreign capital, there is conflict over the terms of integration and, in some cases where national business feels it is able to operate without foreign assistance, demands for the exclusion of foreign capital from some sectors.<sup>79</sup> While the alliance of foreign and Chinese bourgeoisies with indigenous officials or business clients is being consolidated at one level, it is being vigorously opposed by the indigenous petty bourgeoisie excluded from the

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shift to effective civilian rule. However, we must distinguish between the political power-holders, i.e., the military commanders, and the state officials. The bulk of the military officers in the state apparatus are not power-holders in that they do not command military power. They are, in effect, officials drawn from the most privileged arm of the state bureaucracy. Increasing the civilian component of state officialdom would offer no fundamental threat to military political dominance.

78. Robison, "Capitalism, and the Bureaucratic State," chs. 6 and 7, and Appendix B.

79. For example, the 1974 riots in Jakarta followed a prolonged critique of state economic policy and foreign economic domination by the urban intelligentsia, *pengusaha pribumi*, and the local Chinese bourgeoisie. See Robison, "Capitalism, and the Bureaucratic State," chs. 8 and 9, for an overview of the critique and government reactions. The line taken by the Centre for Strategic and International Studies (CSIS) clearly reflects the interests of an emerging national bourgeoisie. It calls for government action to strengthen national capital within the framework of nationally integrated economic units and refers to the Singapore, Meiji Japan, and even Guided Economy models as guides for action. See, for example, J. Panglaykim, "Struktur Domestik Dalam Interdependensi Ekonomi Dunia," *Analisa Masalah-Masalah Internasional*, 2, 12 (December 1973), pp. 37-44, and Kwik Kian Gie, "Foreign Capital and Economic Domination," *Indonesian Quarterly*, 3 (April 1975), pp. 39-72.

alliance and consequently in decline.<sup>80</sup> Similarly, opposition to the alliance comes from technocrat and urban intelligentsia elements who object to the irregular and personal appropriation of state power which often underpins these bourgeois alliances and interferes with regularized and predictable economic planning and use of state resources.

The state, therefore, becomes the mediator of the conflicting interests operating within this class alliance, and its economic policies cannot be understood without an appreciation of the structure of the intraclass conflict, and of the role played by the state in general and individual officials in particular in the accumulation process.

### Conclusion

The intention of the latter part of this essay has been to draw attention to the influence of changing economic structures and social relations of production upon the form of the New Order state. The Indonesian social formation must be seen in the context of a revolutionary process: capitalist revolution. Capitalism in Indonesia, which formerly took mainly the form of enclave export-commodity production, is now increasingly characterized by industrialization and the economic ascendancy of an international industrial bourgeoisie. Consequently the state project becomes more complex with the need to provide more sophisticated economic infrastructure and fiscal and monetary policies. The pressures for regularization of the state apparatus are a consequence of the need to provide the general conditions of reproduction for industrial capitalism. We therefore cannot understand the struggle between patrimonial and rational forms as simply struggles between *priyayi* cultural perspectives within the process of material transformation.

At the same time, the capitalist revolution has created new class alliances and conflicts which shape the political process. Despite the fact that no social class is as yet powerful enough to impose direct political control over the New Order state, the state, in effect, provides the general political conditions of existence for a bourgeois alliance dominated by foreign industrial capital. At the same time, the state mediates the complex tensions within this alliance. The two most pressing questions for the future are:

1. Will the expansion of capitalist accumulation generate a domestic and primarily indigenous bourgeoisie, both agrarian/*kulak* and industrial, of sufficient economic and social power to achieve more direct political control over a state hitherto dominated by a political class of military politico-bureaucrats?

2. What effect will the development of capitalism in Indonesia have upon the bulk of the population? At present, concentration of landholdings, increasing population, and the development of capitalist farming is generating large numbers of rural landless and urban unemployed unable to be contained within traditional patron-client networks or absorbed into an industrial workforce. What will be the long-term social and economic impact of this class? Will the long-term development of industrial capitalism in Indonesia generate a large proletariat constituting a major

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80. While the bulk of the indigenous petty bourgeoisie, largely through right-wing Muslim newspapers such as *Nusantara* and *Abadi*, were castigating business alliances between generals and Chinese, this traditional trading and commodity-producing bourgeoisie clearly represents a declining force. It would appear likely that real development of a national bourgeoisie will take place within the framework of the business alliances described. Expressions of the views of businessmen tied into these alliances are to be found in *Seminar Strategi Pembinaan Pengusaha Swasta Nasional 29-31 Mei* (Jakarta: Yayasan Proklamasi, 1975).

source of political and social power contrary to the politico-bureaucratic state and to the bourgeois alliance?

The answer to these questions is tied to the degree to which the form of capitalism is transformed from enclave production to industrial production and the degree to which capitalist social relations of production replace petty commodity and agricultural subsistence production. The thoroughness of the capitalist revolution in Indonesia is in turn dependent upon:

a) The degree to which the global logic of accumulation continues to direct foreign capital into Indonesia because of the attractiveness of low wages and the capacity of the Indonesian state to supplement the attractiveness of low wages with political stability, a disciplined workforce and an adequate economic infrastructure.

b) The degree to which the capitalist state in Indonesia, constituting the general interests of the bourgeoisie in Indonesia, is able to cope with the social and political conflict generated by capitalist industrialization.