

# Indonesia, Republic of



## INTRODUCTION

**Indonesia, Republic of**, island republic of Southeast Asia, constituting most of the Malay Archipelago. Indonesia is the world's fourth most populous country after China, India, and the United States. More than half the people live on Java, where Jakarta, Indonesia's capital and largest city, is located. Although the islands are home to more than 100 ethnic groups, most Indonesians are of mixed Malay origins and practice Islam.

Several of Indonesia's islands hosted powerful trading kingdoms between the 5th and 16th centuries AD. The Dutch took control of the islands in the early 1600s and for three centuries profited from Indonesia's economy, largely at the expense of the local population. Dutch authority over the islands peaked in the early 20th century. But growing Indonesian nationalism led to a declaration of independence in 1945, and the Dutch finally transferred sovereignty in 1949. The country enjoyed tremendous economic growth in the 1980s and much of the 1990s, partly due to Indonesia's abundant natural resources and increases in the manufacturing and services sectors. As a result, Indonesia's middle class grew considerably, but poverty remained widespread. Indonesia plunged into an economic crisis in 1997 that led to significant political changes, including the resignation of President Suharto, who had been in office for more than 30 years. Democratic elections held in 1999 installed a new government.

## LAND AND RESOURCES

Indonesia is located south and east of mainland Asia and north and west of Australia. About half of Indonesia's nearly 13,700 islands are inhabited; all are located in the Indian and Pacific oceans. The islands stretch across 5,100 km (3,200 mi) in the region of the equator, a distance nearly one-eighth of the Earth's circumference. The main islands of Indonesia are Java (Jawa), Sumatra (Sumatera), and Sulawesi (Celebes). The republic shares the island of Borneo with Malaysia and Brunei; Indonesian Borneo makes up about 75 percent of the island and is called Kalimantan. Indonesia also shares the island of New Guinea with Papua New Guinea; Indonesia occupies the western half of the island, known as Papua (formerly Irian Jaya). The smaller islands of Indonesia include Madura, Lombok, Sumbawa, Flores, and Bali. Indonesia administers the western part of Timor Island. Indonesia controlled the eastern part, East Timor, from 1975 until 1999, when the East Timorese voted for independence. The territory was under the administration of the United Nations from 1999 until 2002, when it officially became an independent republic. Unless otherwise indicated, statistical information up to 1999 in this article includes East Timor.

Indonesia is surrounded by the South China Sea, the Celebes Sea, and the Pacific Ocean to the north, and by the Indian Ocean to the south and west. A stretch of mostly open water consisting of the Java, Flores, and Banda seas divides the major islands of Indonesia into two unequal strings: in the south, the long, narrow islands of Sumatra, Java, Timor, and others; and in the north, the islands of Sulawesi, the Moluccas (Spice Islands), and New Guinea. Each of the major northern islands has a central mountain mass, with plains around the coasts. Puncak Jaya (5,030 m/16,503 ft), in the Sudirman Mountains of Papua, is the highest point in the republic. On the southern islands, a chain of volcanic mountains rises to heights of more than 3,600 m (11,800 ft) and extends from Sumatra in the west to Timor in the east. The highest points are Kerinci (3,805 m/12,484 ft) on Sumatra and Semeru (3,676 m/12,060 ft) on Java.

The most extensive lowland areas are in Sumatra, Java, Kalimantan, and Papua. Over centuries, volcanic flows from the many active volcanoes have deposited rich soils on the lowlands, particularly in Java. Java's fertile volcanic soils support a large agricultural population. The rest of Indonesia is more sparsely settled but contains most of the country's mineral wealth, including oil in Kalimantan and Sumatra, timber in Kalimantan, and copper in Papua.

Indonesia's greatest distance from north to south is about 1,900 km (about 1,200 mi) and from east to west about 5,100 km (about 3,200 mi). The country's total area is 1,904,443 sq km (735,310 sq mi).

## Natural Regions

Indonesia's major land regions correspond to its largest islands or groups of islands, which fall into three main geographic regions.

Several of the Greater Sunda Islands, including Java (134,045 sq km/51,755 sq mi), Madura (5,587 sq km/2,157 sq mi), Sumatra (473,605 sq km/182,860 sq mi), and Kalimantan (751,100 sq km/290,000 sq mi), form part of the Sunda Shelf, an extension of the coastal shelves of Malaysia, Thailand, Cambodia, and Vietnam. The area is characterized by shallow seas less than 250 m (820 ft) deep. A land bridge once joined the islands of the Sunda Shelf; consequently, they still have plants and animals in common and are part of the Indo-Malayan zoogeographic region.

New Guinea, which contains Indonesia's province of Papua (421,981 sq km/162,928 sq mi), and the nearby Aru Islands are part of the Sahul Shelf that stretches north from the coast of Australia. Like the seas around islands of the Sunda Shelf, the seas of the Sahul Shelf are shallow. However, the islands of the Sahul were more closely linked to Australia than Asia; consequently, they have animals that are similar to Australian animals and are part of the Austro-Malayan zoogeographic region.

In between and separating the Sunda and Sahul shelves are the islands that make up Nusa Tenggara, along with Maluku and Sulawesi (189,040 sq km/72,989 sq mi). Seas in the area reach depths of 5,000 m (16,400 ft), so that even when sea levels were lower, there was little movement between the Sunda and Sahul shelves across this area. The British naturalist Alfred Russel Wallace drew attention in the mid-19th century to the great contrasts between the Sunda and Sahul, illustrating his case with the differences between the ecologies of the islands of Bali and Lombok. As a result, the border between the Sunda and Sahul came to be known as Wallace's Line. Although the line's precise dimensions are now disputed, there is little dispute about the significant differences between the Sunda and Sahul.

Indonesia has about 400 volcanoes, of which about 130 are active and 70 have erupted in historical times. Most are distributed in a chain along the southern islands: from the tip of northern Sumatra and along its western coast; through Java, Bali, and the eastern islands of Lombok, Sumbawa, and Flores; and into the Banda Sea. Another group clusters around northern Sulawesi and Halmahera Island in the Molucca Sea. The most famous volcanic eruption occurred in 1883 when Krakatau exploded and killed thousands of people on Java and Sumatra. The eruption of Tambora in 1815 was Indonesia's most destructive, killing approximately 10,000 people in the eruption and many thousands more in the resulting famine.

Indonesia is also prone to earthquakes, with epicenters distributed along the same regions as volcanoes. Although many causes contribute to the geological instability of the area, the main cause is the friction between the underlying tectonic plates (see Plate Tectonics). Most of Indonesia sits on the Eurasian Plate. When the Eurasian Plate collides with the Indo-Australian Plate to the south and east or the Philippine and Caroline plates to the northeast, the second plate slides underneath the Eurasian Plate. The pressure causes geological activity on the Earth's surface that often takes the form of earthquakes or volcanoes. Recent destructive earthquakes include a 1992 tremor that struck the island of Flores, killing 2,000, and an earthquake that struck Sumatra in 1994, killing 180.

## Rivers and Lakes

Because of its tropical climate and geography, much of Indonesia's population lives near water, either on the coast or by rivers and lakes. Indonesia has no major rivers that are similar in size or scope to the Mekong or Yangtze in mainland Asia, but it does have many important rivers. Kalimantan has the largest rivers, including the Mahakam in East Kalimantan and the Martapura and Barito in South Kalimantan. Most of these rivers originate in the island's central *massif* (mountain mass) and meander through extensive swamps as they approach the coast. Settlements such as Samarinda and Banjarmasin cluster along the rivers, which serve as communication routes into the interior.

The largest rivers on Sumatra drain from west to east into the Strait of Malacca. In the north, the Asahan River once linked trade between the Batak people who live inland and the Malay people who live along the coast. The Asahan is now dammed, however, and produces hydroelectricity for the industries of North Sumatra. In the south, river ports such as Jambi on the Hari River and Palembang on the Musi River are located upstream, away from the extensive mangrove swamps and marshes of the coast. Passenger ferries and small riverboats provide services along the main rivers.

Papua has more than 30 major rivers draining to the north and south from the Maoke Mountains, which run through the center of the province. One of the most significant is the 400-km (250-mi) Baliem River, which rises in the Jayawijaya Mountains and drains into the Arafura Sea. Many tribal groups, including the Dani and the Asmat, live along the river and its tributaries.

The main rivers of Java include the Tarum and Manuk in the west, the Serang and Serayu in central Java, and the Solo and Brantas in the east. All meander across the broad lowlands of Java, and several are laden with silt due to the extensive farming in their basins.

Lake Toba, the largest of Indonesia's lakes, is situated on Sumatra's Batak Highlands in the Barisan Mountains, about 180 km (about 110 mi) south of Medan. Surrounded by steep mountain cliffs and sandy beaches, Lake Toba covers 1,145 sq km (442 sq mi) and features Samosir Island in its center. The lake is the source of the Asahan River, and as the center of Batak culture it is an important tourist destination.

Lake Tempe, in the center of South Sulawesi province, is another important lake, although it is shrinking in both size and significance. Tempe is thought to be a remnant of an inland sea that once divided the peninsula on which it sits. The lake is now fed by the Walanae River and is an important source of fish and shrimp (called *lawá*), which are used both locally and for export. In order to make Tempe more productive, the government at one time restocked it with fish that do not compete with each other for food. Because of siltation from nearby farms, Tempe is now less than 2 m (6 ft) deep, and large parts dry up in the dry season.

Other significant lakes include Maninjau, Kerinci, and Singkarak in Sumatra; Towuti, Sidenreng, Poso, Tondano, and Matan in Sulawesi; Paniai and Sentani in Papua; Jempang, Melintang, and Semayang on Kalimantan's Markaham River; and Luar, Sentarum, and Siawan on the upper reaches of Kalimantan's Kapuas River.

## Coastline

Due to the large number of islands, Indonesia has about 54,716 km (about 33,999 mi) of coastline, much more than most countries. The country claims all waters surrounding its islands to 12 nautical miles (22 km/14 mi) from the coastline. Indonesia's exclusive economic zone, an area of the ocean in which the country controls fishing and other rights, extends 200 nautical miles (370 km/230 mi) from its shore.

Much of the northeastern coast of Sumatra and the coasts of Kalimantan and Papua are low and swampy with extensive mangrove forests. Along the coastal regions of northern Java, northeastern Sumatra, and southwestern Sulawesi, local villagers have developed ponds in the brackish tidal waters of mangrove forests. The ponds are used for the farming of fish and prawns. When world prawn prices rose in the early 1980s, villagers expanded the ponds into paddy fields lying further inland. They used pumps to mix seawater and irrigation water to help the fish and prawns thrive.

In stark contrast, the coastlines along the southern edges of Sumatra, Java, and some of the smaller islands of eastern Indonesia (such as Bali, Lombok, Sumbawa, and Sumba) are exposed to the swells that roll in from the Indian Ocean. These areas contain some of the world's best surfing beaches, attracting large numbers of tourists. Bali is particularly renowned for its beaches. Tourists are also attracted to the coral reefs and atolls that extend down the southwestern coast of Sulawesi and surround many of the smaller islands of eastern Indonesia.

## Plants and Animals

With 40,000 species of flowering plants, including 3,000 trees and 5,000 orchids, Indonesia has a greater variety of flora than the tropical regions of Africa or the Americas. Indonesia is home to the very large and smelly corpse lily (see Rafflesia). Orchids are also abundant, and Indonesia is home to the largest of all orchids, the tiger orchid. The insect-trapping pitcher plant is found throughout western Indonesia.

Tropical rain forests prevail in the northern lowlands of Indonesia. Tall tropical hardwoods dominate the forests and provide good harvests of timber, resin, vegetable oil, and illipe nuts. Mangrove trees and nipa palm dominate the forests of the southern lowlands. The hill forests consist of oak and chestnut trees and mountain plants.

The animals of Indonesia are separated by Wallace's Line (see Natural Regions above) into the Indo-Malayan and Austro-Malayan zoogeographic regions. The Indo-Malayan region includes Java, Kalimantan, and Sumatra and has species linked to mainland Asia. Orangutans live in the forests of Sumatra and Kalimantan. Wild oxen, also known as banteng, are in Kalimantan and parts of Java such as the Ujung Kulon National Park in western Java. Proboscis monkeys (bekanten) can be found in Kalimantan, and elephants, tapir, and siamangs (black gibbons) inhabit Sumatra.

In the late 1990s about 400 Sumatran tigers, an endangered species, remained in Sumatra. Even in the national parks it is estimated that at least 14 are killed each year, some by poachers, others by villagers because the tigers prey on pigs. The tigers of Java (commonly, the Javan tiger) are believed to be extinct, and on Bali they are long extinct.

The animals of the Austro-Malayan region are linked to Australia. Papua is home to the large, flightless cassowary bird and to many species of colorful birds of paradise.

Maluku, Sulawesi, and the Lesser Sunda Islands lie between the two larger regions and have somewhat distinctive animals drawn from both. Maleo birds are native to Sulawesi. The phalanger, an Australian type of marsupial, is found on Timor. The Komodo dragon, of Komodo and Rinca islands, is the world's largest lizard, growing to 3 m (10 ft) in length.

## Natural Resources

Volcanic ash creates rich soil that is ideal for growing crops, but large areas of Indonesia cannot be cultivated because of swamps, soil erosion, or steep slopes.

Tropical forests cover 55 percent of the land, although this proportion has been shrinking due to deforestation. Trees of the *Dipterocarp* family, such as the meranti, are a valuable forest resource. Also important are ramin, sandalwood, ebony, and teak. Teak in particular is grown in plantation forests. The government has established many national parks to conserve the natural vegetation and native wildlife. Indonesia claims that little or no commercial development is permitted in about half its forests. The more important national parks include Gunung Leuser (in northwestern Sumatra), Kerinci Seblat (in central Sumatra), Bukit Barisan Selatan (in southern Sumatra), Ujung Kulon (in western Java), Tanjung Puting (in central Kalimantan), and Komodo Island (between Sumbawa and Flores).

Indonesia has significant deposits of oil and natural gas, most of which are concentrated along the eastern coast of Sumatra and in and around Kalimantan. Indonesia produces more than 80 percent of Southeast Asia's oil and more than 35 percent of the world's liquefied gas. Tin on Belitung and Bangka islands, bauxite on Bintan Island, copper in Papua, nickel on Sulawesi, and coal on Sumatra are Indonesia's major mineral resources. Small amounts of silver, gold, diamonds, and rubies are also found. Large parts of Indonesia, especially in Kalimantan and Papua, have not been intensively explored for minerals. The seas surrounding Indonesia yield abundant saltwater fish, pearls, shells, and agar (a substance extracted from seaweed).

## Climate

Because of Indonesia's location near the equator and its island geography, the climate along coastal areas is hot and humid year-round. The average daily temperature range of Jakarta is 21° to 33°C

(69° to 92°F) and varies little from winter to summer. Temperatures in upland areas tend to be cooler.

Indonesia has two monsoon seasons: a wet season from November to March and a dry season from June to October. Between monsoons, the weather is more moderate. The northern parts of the country have only slight differences in precipitation during the wet and dry seasons. Average rainfall in the lowlands varies from 1,780 to 3,175 mm (70 to 125 in) per year, and in some mountain regions rainfall reaches 6,100 mm (240 in) per year. The regions with the highest rainfall include the mountainous western coast of Sumatra and the upland areas of western Java, Kalimantan, Sulawesi, and Papua. Humidity is generally high, averaging about 80 percent yearly.

The driest parts of the country, with annual rainfall under 1,000 mm (40 in), are along the coast of the Lesser Sunda Islands and the easternmost end of Java. The erratic seasonal distribution of rain in these areas makes farming difficult.

Indonesia lies beyond the typhoon zone of the western Pacific and the especially powerful storms of the South China Sea. Occasionally a typhoon sweeps through the eastern seas but rarely reaches the Java Sea.

## **Environmental Issues**

The islands of Indonesia have an extremely fragile ecosystem. The coral reefs that fringe the country's many islands are of great importance in preserving marine biodiversity. These reefs are threatened by overfishing, coastal development, marine pollution, and sediment from inland sources. In recent years, political turmoil in Indonesia has hampered efforts to preserve the reefs. Another major environmental concern is deforestation, which is a serious threat to wildlife habitat and causes soil erosion that degrades the health of rivers. From 1990 to 1995 Indonesia lost an estimated 54,220 sq km (20,930 sq mi) of tropical forest. The annual rate of deforestation from 1990 to 2000 was 1.2 percent. Illegal logging dramatically increased in the late 1990s. In 2001 the government of Indonesia banned the sale of timber from endangered hardwood trees, such as ramin trees. However, timber companies have been poorly regulated for many years, and the recent ban will be difficult to enforce.

Rapid urban growth in Indonesia has created a number of environmental problems. New and growing industries have harmed air and water quality, and expanding urban development has encroached on rural areas. The migration of rural people to cities has overtaxed groundwater supplies, and urban watercourses are often polluted with solid wastes.

These and other environmental problems in Indonesia have gained both local and international attention in recent years. A number of environmentally oriented, nongovernmental organizations have formed, including the Network for Forest Conservation in Indonesia (Skephi) and Wahli (Wahana Lingkungan Hidup Indonesia, or Indonesian Environmental Forum), an umbrella group for smaller environmental organizations. The government has made some attempts to address environmental concerns by creating a ministry for the environment in 1978 and by increasing environmental regulations. The 1982 Environmental Management Act makes the government responsible for resource management. The government's Environmental Protection Authority (BAPEDAL) has increased its efforts throughout Indonesia's provinces. Critics of the government, however, argue that many environmental agencies run by the Ministry for the Environment have unclear and overlapping environmental responsibilities. The government has declared six biosphere reserves under a program of the United Nations Educational, Scientific and Cultural Organization

(UNESCO). Indonesia has ratified a number of international environmental agreements on issues such as biodiversity and wetlands preservation.

## THE PEOPLE OF INDONESIA

Indonesia's estimated population in 2004 was 238,452,952, giving it an average population density of 132 persons per sq km (341 per sq mi). In 2004 the population was growing by 1.5 percent a year. This was a drop from the annual rate of 1.8 percent during the 1980s and relatively low by the standards of countries with similar income levels. The slow growth rate is partly attributable to economic growth that encourages smaller families and partly a product of the government's active and successful family planning program.

With an estimated population of 114,733,500 in 1995, Java contains well over half of Indonesia's people. The next most populous islands are Sumatra, with an estimated 40,830,400 people; Sulawesi, with 13,732,500; and Kalimantan, with 10,470,800. The remaining islands have much smaller populations, including 2,895,600 on Bali.

Early in the 20th century the Dutch began a program to shift people from heavily populated Java to the more sparsely settled parts of Sumatra. The Indonesian government began its own transmigration program in 1969, moving families first from Java to Sumatra and later from Java and other islands to Kalimantan, Sulawesi, Maluku, and Papua. At its peak, from 1979 to 1984, 535,474 families were moved. Since then, however, both the program's cost and the shortage of sites for resettlement have caused the number of migrants to drop considerably. The transmigration program was suspended in 2000.

### Principal Cities

In 2002, 43 percent of Indonesia's population lived in urban areas, compared to 22 percent in 1980. During the late 1990s, the urban population was growing at an estimated 3.6 percent per year, more than twice as fast as the rest of the country. Jakarta, the capital and largest city, is the main center of industry and commerce. Jakarta's metropolitan area has a total population of 9.3 million (1997). The city's urban sprawl has extended into the neighboring province of West Java, which has also experienced an increase of population and industry.

Surabaya, the second largest city, is the capital of East Java and an important industrial center and port. The third largest city is Bandung, the capital of West Java and the center of Indonesia's high-technology sector, including the aircraft manufacturing industry. Bandung is also home to the important Bandung Institute of Technology.

Indonesia's other large cities include Medan, the capital of North Sumatra and the center of a growing industrial area based on agriculture and low-cost energy; Palembang, the capital of South Sumatra and an important trade center for oil and other goods; Semarang, the capital of Central Java and a major seaport and commercial center; and Makassar (formerly known as Ujungpandang), the capital of South Sulawesi and a major gateway to eastern Indonesia.

## Ethnic Groups

The Javanese, who live mainly in central and eastern Java, are the largest ethnic group, constituting 45 percent of Indonesia's population. On the western end of Java are the Sundanese, who make up 14 percent of the population and are the second largest group. Other significant ethnic groups include the Madurese, who hail from Madura, off the northeast coast of Java, and make up 8 percent of the population; and the ethnic Malay, who are dispersed throughout several areas, and make up 7 percent of the population. Among the ethnic groups on Sumatra are the Bataks, who cluster around Lake Toba; the Minangkabau, from the western highlands; the Acehnese, from the far north; and the Lampungese, who live in the south. On Sulawesi, the Minahasans live in the north, the Bugis and Makassarese cluster around the coasts in the south, and the Toraja inhabit much of the interior. Kalimantan is populated by more than 200 groups; most of these are tribes of the Dayak ethnic group in the interior or are ethnic Malay living on the coast. The people of Papua are of Melanesian descent, as are some residents from smaller eastern islands. Several million Indonesians of Chinese descent are concentrated in urban areas. Smaller numbers of Indians, Arabs, and Europeans are scattered around the archipelago.

Ethnic tensions simmer in Indonesia. The movement of many Javanese to Papua under the transmigration program has created tensions with native residents there. Many Indonesians have also come into conflict with residents of Chinese origin, who have been historically successful in business ventures and generally enjoy a higher standard of living than Indonesians of Malay descent. Frustration over the actual or perceived wealth of the Chinese has led to riots in towns and cities on Java and other parts of Indonesia, particularly in 1997 and 1998 when the Chinese were blamed for Indonesia's economic problems. Many Chinese Indonesians fled the country at that time.

## Language

About 300 languages and dialects are spoken in Indonesia, but Bahasa Indonesia is the official and most widely spoken tongue. Its common use has helped unify the country since independence in 1949. Bahasa Indonesia is based on Malay, long the market language of coastal towns, and it contains elements of Chinese, Indian, Dutch, and English. In 1972 Indonesia and Malaysia, where the Malay-based Bahasa Malaysia is the official language, agreed on a revised and uniform system for spelling Bahasa Indonesia and Bahasa Malaysia. Today, television programs, major newspapers, schools, and universities all use Bahasa Indonesia.

Other languages are also widely used, and many Indonesians speak two or more languages. These languages, as well as Bahasa Indonesia, belong mainly to the Malayo-Polynesian branch of the Austronesian languages family. They include Javanese, with more than 80 million speakers, and Sundanese, spoken by residents of the western end of Java. Acehnese, Batak, Minangkabau, and Malay are spread throughout Sumatra. Among the languages spoken on Sulawesi are Minahasan, dialects of Torajan, Buginese, and Makassarese. On the eastern islands, Balinese, Sasak (Lombok), and Sumbawan are spoken. The people of Kalimantan speak Malay dialects, Iban, and other dialects. Trans-New Guinea and West Papuan languages are spoken in Papua and in the northern parts of Maluku. English is in growing use as the language of business, while older people who were educated in Dutch schools before independence occasionally use Dutch.

## Religion

Followers of a form of Islam make up 87 percent of the population, making Indonesia the largest Islamic country in the world. Christians represent 9 percent of the population. Most of these belong to the Protestant Church in Indonesia, a merger of several Protestant sects. There are also many other locally organized Protestant groups, such as the Batak Protestant Christian Church, which claims about 2 million members. About 2 percent of the population is Roman Catholic. Buddhists, most of whom are of Chinese descent, account for about 1 percent of the population. Hinduism was once a major influence throughout the region but is now significant only on Bali. Indonesia's constitution guarantees freedom of religion.

## Education

Under colonial rule, education in Indonesia was designed mainly to prepare Dutch children and the children of native elite for administrative tasks. In 1903 a primary school for Indonesian girls opened, and by 1940 a system of schools for native Indonesians existed alongside the elite Dutch system. Following independence in 1949, the new government tried to expand the educational system but was hampered by a lack of funds. In the late 1960s the government began promoting elementary education, which in Indonesia lasts for six years. Since 1990 compulsory education includes elementary schooling and three years of lower secondary schooling. An additional three years of upper secondary schooling are optional.

In the 2000 school year 28.7 million Indonesian children attended elementary schools: About 82 percent of girls and 97 percent of boys reach the fourth grade. Secondary schools are attended by 56 percent of school-age girls and 58 percent of school-age boys. In the mid-1990s some 1.6 million Indonesian students attended vocational institutes. The higher school attendance among boys reflects the values of a largely conservative, rural society, although the gap in schooling between boys and girls has begun to narrow. In 2004 some 85 percent of Indonesian females and 93 percent of males were literate. The economic crisis of the late 1990s caused some children to withdraw temporarily from school because their families could no longer afford school fees.

Indonesia has more than 50 government-operated universities and more than 1,000 private universities. The largest and most important universities are the University of Indonesia, which has campuses in Jakarta and Depok, on the Jakarta-West Java border; Gajah Mada University in Yogyakarta; Padjadjaran University in Bandung; and Hasanuddin University in Makassar. The Bandung Institute of Technology is regarded as one of Indonesia's elite educational institutions. Atma Jaya University in Jakarta and Parahyangan University in Bandung are highly regarded private universities.

## Way of Life

The sprawling Indonesian archipelago is home to many different ways of life, reflecting the region's history. Before independence, the only factor uniting the islands was Dutch colonialism. Although the kingdoms of Sri Vijaya, Majapahit, and Mataram spread their influence widely throughout the islands, none of the native empires ever controlled the whole region. Nor did Buddhism or Hinduism

have a significant impact in the far eastern stretches. As the country has modernized and urbanized, life in the cities has evolved new patterns, adding additional diversity to Indonesian life.

The status of women in Indonesia is varied, and opinions about women's roles are polarized. Most Indonesians concede that women have limited formal opportunities in social institutions, but many claim women exert considerable power within families. The Minangkabau society in western Sumatra is matrilineal—that is, property and lineage are passed down and traced through the mother's family. However, the Minangkabau are an isolated example. In the mid-1990s women comprised less than 10 percent of managers and administrators. Feminism is largely an urban ideology in Indonesia, pursued by younger, educated women.

Men and women who live in cities generally adopt Western dress. Regionally, there are many styles of traditional dress, but most women wear a *sarong* (wraparound skirt or dress) and a *kebaya*, a fitted blouse. When participating in ceremonies, men often wear a batik shirt and a sarong skirt, along with a *songkok*, a black Muslim cap.

The most popular sports in Indonesia are badminton and soccer. Tennis has also gained a growing following. Several forms of martial arts, including forms that use sticks and knives, are popular in Java and Sumatra.

Rice is the staple food of most Indonesian dishes and its preparation varies between regions. The hot, spicy food from the Padang region can be found in specialized Padang restaurants throughout most of Indonesia. Sundanese food is served in West Java, while most places have a local specialty, such as grilled fish and seafood in Makassar. Traditional Indonesian drinks include an alcoholic wine (*tuak*) made from the red sugar of a palm tree. Islam forbids the consumption of alcohol, however, so most Indonesians drink weak black tea with food. In cities, bottled water is popular.

## Social Issues

Indonesian society has experienced a profound shift in the location of wealth. For much of the period since independence in 1949, wealth was concentrated in rural areas, particularly beyond Java. The rural elite prospered through their control of land and through their success as crop exporters. With industrialization in and around the larger cities, however, the wealth has shifted to urban areas of Java and Bali. Wealth is now derived from manufacturing, infrastructure projects, and the services sector.

A skewed pattern of income distribution is a growing problem in Indonesia, with many Indonesians living in poverty, especially in rural areas. In 1996 the wealthiest 10 percent of Indonesians accounted for 30.3 percent of spending, while the poorest 10 percent accounted for 3.6 percent of the country's total spending. Overall inequality is lower in Indonesia than in nearby Thailand, the Philippines, or Malaysia, largely because Indonesia's wealthiest are still a very small proportion of the population.

Indonesia also has large differences in income distribution among its provinces. The provinces with the largest shares of the gross domestic product (GDP) are East Kalimantan, Jakarta, and Riau: East Kalimantan and Riau are rich in natural resources, and Jakarta is successful in industry and services. The poorest provinces are all in eastern Indonesia: East Nusa Tenggara, West Nusa Tenggara, and Southeast Sulawesi. The government has tried to stimulate the economies of these provinces.

Many young villagers continue to leave the rural areas for the city, leaving many villages with concentrations of older people. In the cities, rapid growth has strained services and infrastructure

beyond their limits, and most new migrants, unable to afford adequate housing, drift to ramshackle squatter settlements. Housing for other Indonesians—in cities and in villages—is little better. In 1995 fewer than half of all houses had a toilet, 24 percent had earthen floors, 33 percent had no electricity for lighting, and 83 percent did not have piped drinking water.

## ARTS AND CULTURE

Indonesian culture mixes the traditions of many civilizations and religions, including Hinduism, Buddhism, Islam, Southeast Asian, Polynesian, Chinese, Arabic, and Dutch. Since independence, the arts in Indonesia have been influenced by domestic politics. During the 1950s and 1960s the left-leaning Institute for People's Culture (also known as *Lekra*) was very influential. With the backing of Sukarno, Indonesia's first president, Lekra strongly resisted American cultural influence and favored socialist realism in art. After the 1965 attempt to overthrow Sukarno and the ascension to power of Suharto in 1966, there were widespread killings of many Indonesians, including members of the artistic elite. Many artists went into exile and others, such as the prominent author Pramoedya Ananta Toer, were jailed. The government fostered some of the traditional arts of Indonesia but maintained a close watch on many independent strands of contemporary art. Permits were required before plays could be staged and books were banned with little explanation. As a result, during the Suharto years tensions permeated the arts in modern Indonesia, while Indonesian artists in exile were an aging but active presence. Suharto stepped down in May 1998, and artistic activity has flowered in Indonesia under his more liberal successors.

### Literature

Written literature exists for very few of Indonesia's languages, although oral traditions, including prose and poetry, are very strong. Indian literature is influential, particularly in Old Javanese writings, which date from about AD 1000. Modern Javanese literature dates from the early 1700s and combines native, Indian, and Muslim traditions. Writing in Malay flourished after becoming the official language of the Indonesian people in 1928. Malay writings were closely associated with growing nationalism, and Sumatran writers of the time, such as Muhammad Yamin, were particularly influential. After independence, a group of writers known as the Generation of 1945 (*Angkatan 45*) emerged. They were direct and fierce and were epitomized by the poet Chairil Anwar. In the 1950s and 1960s ideological politics polarized the writing community and Lekra succeeded in pushing writers to adopt the style of socialist realism.

Perhaps the most famous writer of modern Indonesian literature is Pramoedya Ananta Toer. After the failed 1965 coup the government imprisoned Pramoedya because of his Communist links; he was released from jail in 1979 but placed under city arrest in Jakarta. His *Buru Quartet*, composed of *Bumi Manusia* (1980; *This Earth of Mankind*, 1991), *Anak Semua Bangsa* (1980; *Child of All Nations*, 1993), *Jejak Langkah* (1985; *Footsteps*, 1994), and *Rumah Kaca* (1988; *House of Glass*, 1992), tells the story of Indonesian nationalism through the character Minke, a Dutch-educated Javanese. The quartet, which was banned in Indonesia, became well known internationally.

Another internationally acclaimed writer is Romo Mangun. His *Burung-Burung Manyar* (*The Weaverbirds*, 1991) won the Southeast Asia Writers' Award but was frowned on by the government for its critical view of Indonesian history. Mochtar Lubis's *Sendja di Djakarta* (1970; *Twilight in Djakarta*, 1983) tells a story of corruption and decline in Jakarta in the 1960s. Other well-known

writers include Achdiat Karta Mihardja, Umar Kayam, and Budi Darma. Indonesia's best-known poets include Rendra, Subagio Sastrowardjo, Goenawan Mohamad, Sapardi Djoko Damono, and Sutardji Calzoum Bachri.

## Art and Architecture

Indonesian modern art is an adaptation of modern art in other parts of the world, flavored with Indonesian cultural influences. Modern Indonesian art is often traced to the formation, in 1937, of the Union of Indonesian Artists, or Persagi (*Persatuan Ahli Gambar Indonesia*), and to important artists of the time such as Sudjojono. Artists were important in the nationalist movement in the 1930s and 1940s.

Indonesian artists clustered around several institutions such as the Taman Ismail Marzuki Art Center in Jakarta, a center of avant-garde art in the 1970s. The painter Djoko Pekik is known for his hard-edged expressionist paintings of the problems of daily life in Indonesia, particularly for the poor. The New Art Movement (*Gerakan Seni Rupa Baru*) in the 1970s and 1980s emphasized making art relevant to society by examining socioeconomic problems. Practitioners of this art included Hardi, Nanik Mirna, Jim Supangkat, Dedi Eri Supria, Gendut Riyanto, Haris Purnama, and Bonyong Munni Ardhi. Contemporary artists such as Heri Dono, Agus Suwage, Tisna Sanjaya, and Arahmaiani create daring depictions of Indonesia's social issues. Basuki Resobowo paints somber scenes from contemporary Indonesia, often based on themes of struggle and resistance. The more liberal environment in Indonesia since May 1998 has brought a surge of contemporary paintings dealing with these topics, which were forbidden during the Suharto era. Many of Indonesia's contemporary artists, such as Basuki Resobowo, spent long periods in exile during Suharto's rule.

Indonesia has a long and grand architectural tradition. Indian influence is evident in the large Buddhist monument of Borobudur and the Hindu temple of Prambanan, both in central Java. Borobudur is Indonesia's most famous tourist attraction. Built in the 9th century, it is a representation of the Buddhist vision of the cosmos. Prambanan, the largest Hindu temple complex in Java, was built during the 8th and 10th centuries. Arabic and Chinese Muslims have influenced the architectural style of mosques throughout Java.

The government, with international aid, has worked to preserve much of its architectural heritage, including Borobudur. Some sites, however, are threatened by rapid economic development. Meanwhile, many of the new structures in Jakarta, particularly in the city's business center, show the modernist and postmodernist influences of contemporary architecture. Indonesian architect Soejoedi Wirjoatmodjo has played a prominent role in modern designs.

## Music

The *gamelan*, a drum and gong orchestra, is the best known of Indonesia's classical music forms. The word *gamelan* comes from the Javanese word *gamel*, which refers to a type of hammer. The main instruments in the gamelan orchestra include gongs, bronze xylophones, bronze kettles on a horizontal frame, drums, flutes, zithers, and a two-stringed bowed instrument. The gamelan performs both in an instrumental role as well as in a supportive role for dance and puppet performances. The three major gamelan styles in Indonesia are based on Sundanese culture, central Javanese culture, and Balinese culture. The Balinese form, *gamelan gong kebyar*, has a faster tempo than the others. See *also* Indonesian Music.

## Dance

Indonesia is home to many traditional dance styles, and the classical dance traditions of Java and Bali have attracted worldwide attention. In Java, classical forms blend native traditions with stories and dance techniques from India. The forms have evolved over the last 200 years from the dances of Java's former Islamic-influenced courts and today are centered in Yogyakarta, Surakarta, and Jakarta. The most significant of the Javanese court dances are the *bedaja* and the *serimpi*. Slow and restrained, women dancers move solemnly to the accompaniment of the gamelan and choral singing. Javanese mask dances (*wayang topeng*) have been traced to the 11th century. In these, dancers with wooden masks based on traditional three-dimensional rod puppets (*wayang golek*) act out stories from the *Mahabharata*, the *Ramayana*, and local tales. The most famous of these tales is *The Adventures of Prince Panji*. Another significant dance drama is the *wayang orang*, in which men and women act out a familiar range of Indian and local epics. In the *wayang orang*, dancers dress and act in a style adapted from traditional shadow puppets (*wayang kulit*).

Bali has a rich tradition of dances that are part of religious rituals. Often performed by nonprofessionals, dances are held in temple courtyards and coincide with religious feasts. The sacred *baris gede* is a battle dance performed by men, while another secular form of *baris* has been developed for the tourist market. Women dance the sacred *rejang* to evoke beauty. Bali is also well known for its trance dances, in which performers experience an altered state of consciousness and seek contact with the spirit world. In the *Sang Hyang*, a genre of trance dances in remote villages, men are believed to become possessed by animal spirits that bring about ritual purification of the community. Adolescent girls dance the *Sang Hyang dedari*.

The Balinese perform versions of Java's *wayang wong* and *wayang topeng*, but the *legong* is Bali's best-known dance. Two or three young girls perform the dance, which tells fragments of stories from the life of Prince Panji. The *legong* dates from the 18th century, although it draws on older traditions. Several regional governments pay performers to dance, both to foster identity and to promote tourism.

## Theater and Film

Shadow puppets (*wayang kulit*) have been at the core of Javanese theater for more than 1,000 years and are still the most popular form of shadow theater. In *wayang kulit*, the puppeteer (*dalang*) manipulates leather figures so that their shadows dance across a white screen. Performances, which typically begin in the late evening and end at sunrise, are built around such Indian epics as the *Ramayana* and the *Mahabharata*. Other forms of Javanese puppet theater include flat wooden puppets (*wayang klitik*) and three-dimensional rod puppets (*wayang golek*).

Among Indonesia's most innovative contemporary theater companies is Bengkel Teater, established in 1967 by Rendra, a well-known poet and dramatist. Bengkel productions blend traditional Indonesian theatrical and musical forms, such as shadow puppets and gamelan orchestras, with American and European theater, such as the works of English playwright William Shakespeare. Street theater performances increased in the late 1990s.

Two Europeans made the first film in Indonesia in Bandung in the mid-1920s. For the next several years most of Indonesia's films were made by Indonesians of Chinese descent, who also owned most of the cinemas. In the mid-1930s the Dutch government established a film production company, and

filmmaking grew until 1942, when it stopped abruptly with the Japanese invasion during World War II.

After independence in 1949, film production expanded rapidly, peaking at 58 films in 1955. At the same time, the industry experienced a major shift toward greater *pribumi* (ethnic Indonesian) involvement in filmmaking. Films were often about the struggle for independence and the government strictly censored them. In the early 1960s films became increasingly politicized. Indonesia's most important film directors of this era were Bachtiar Siagian and Usmar Ismail, who made a satirical film about President Sukarno titled *Tamu Agung (The VIP)*, 1955). In the violence following the 1965 coup attempt on President Sukarno, Siagian was jailed on Buru Island. Other filmmakers were also purged, and Siagian was not released until 1979.

In the 1990s Indonesia produced about 60 to 70 feature films each year, less than half the total number of new films shown in Indonesia. Before the Suharto era ended, government censorship guided the depiction of key events and individuals in Indonesian history. Most Indonesian films are in Bahasa Indonesia. One prominent exception was the highly regarded *Djut Nya Dien*, a story in the Acehese language about a heroine in the Dutch resistance. In rare instances difficult social problems are addressed in films, as in *Putri Giok (The Jade Princess)*, which examined the assimilation of Chinese Indonesians.

## Libraries and Museums

Indonesia has about 20 major libraries, located mainly in the cities of Bandung, Bogor, Jakarta, and Yogyakarta. The National Archives and the Library of the National Museum are in Jakarta, as is the National Library, which includes a number of special collections.

Established in 1862, the National Museum in Jakarta has a significant collection of cultural objects from Indonesia's ethnic groups and is among the most renowned museums in Southeast Asia. Jakarta also has a Textile Museum and the Abri Satriamandala Army Museum. The latter features many dioramas depicting scenes of Indonesia's struggle for independence, as well as weapons and military equipment. Jakarta is also home to Taman Mini Indonesia, a theme park that represents the diverse cultures of Indonesia. The park includes houses that are built using the designs and materials characteristic of each province and district.

The Freedom Building (*Gedung Merdeka*) in Bandung is dedicated to the anticolonial Bandung Conference of Asian and African countries held in Indonesia in the 1950s. Yogyakarta has the Sono-Budoyo Museum, which houses Javanese, Balinese, and Madurese arts; and the Diponegoro Museum, which contains relics of the 19th-century Javanese hero Prince Diponegoro. The Bali Museum in Denpasar has a collection of Balinese arts and crafts, including architecture. Most regional cities have museums dedicated to local history. For example, Fort Rotterdam in Makassar dates to 1667 and houses two museums with a large collection of cultural artifacts from South Sulawesi.

## ECONOMY

Prior to independence, Indonesia's economy was oriented to providing raw materials to The Netherlands. Subsistence agriculture, primarily the production of rice, was the mainstay of most of the population, but the economy also relied on plantation agriculture, including the production of

sugar and rubber. Industry was not promoted so as to avoid competing with The Netherlands. The first few decades after independence were marked by economic mismanagement. The government of President Sukarno focused on unifying the country politically, not on rebuilding Indonesia's crumbling infrastructure or improving the economy. In contrast, President Suharto's "New Order" government gave much more priority to the economy, instituting a series of five-year plans (*Repelita*) starting in 1969. The aims of Suharto's economic policy were to expand foreign investment and increase trade. When export revenues from oil declined in the early and mid-1980s, Indonesia was forced to expand other exports. To make these exports more competitive internationally, the government deregulated parts of the economy such as coastal transportation, finance, and banking.

Indonesia's economy grew impressively during the 1980s and much of the 1990s, largely on the strength of its natural resources, which include a large population, solid energy reserves, substantial mineral deposits, and fertile farmland. Indonesia's gross domestic product (GDP) was \$172.9 billion in 2002. Its GDP per capita was \$820. Between 1985 and 1995 the GDP grew by about 95 percent, while annual inflation remained below 10 percent. Between 1980 and 2002 there were significant shifts in the structure of the Indonesian economy. Agriculture shrank from 24 to 17 percent of the GDP. Industry as a whole remained stable, but manufacturing, the largest component of industry, grew from 13 to 25 percent of the GDP.

In mid-1997 an economic crisis developed in Asia when investors lost confidence in certain debt-laden economies. As the crisis spread to Indonesia, the value of the Indonesian currency plummeted, which threatened the capacity of the government, banks, and businesses to repay their foreign debts. In October the government negotiated an aid package with the International Monetary Fund (IMF). In exchange for massive loans, Indonesia agreed to implement austerity measures such as reducing government spending and reforming the financial sector. The crisis deepened in 1998 when the IMF halted funds, claiming that the Suharto regime had failed to abide by IMF terms, and as social unrest began to spread. By late May 1998 the economic and social crisis had caused President Suharto to resign. Indonesia was more seriously affected by the Asian economic crisis than were its neighbors. The GDP fell 13.2 percent in 1998 and shrank again in 1999. Nearly half of all corporations were insolvent in 1999, and unemployment increased. After the authoritarian Suharto regime ended, the IMF agreed to resume a multimillion-dollar loan program with the Indonesian government.

## Labor

In 2002 Indonesia had a total labor force of 104 million people, up from 60 million in 1980. More than 2 million new jobs are required each year to employ all of the new entrants to the labor market. Agriculture employs 44 percent of Indonesia's workers, services 38 percent, and industry 17 percent. An estimated 41.2 percent of the labor force was female in 2002, up from 36 percent in 1980.

Trade unions have been active in Indonesia since 1908. Under Suharto, the government recognized only one national union, the All-Indonesia Union of Workers (*Serikat Pekerja Seluruh Indonesia*), founded in 1973. The union is a federation of 13 national industrial unions with a 1992 membership of 2.8 million, or about 3 percent of the workforce. Wages in Indonesia are regulated through arbitration, and the 40-hour workweek is standard throughout the country. The labor code of 1948 and later laws set standards regarding child labor, women in industry, work conditions, and vacations. There are enormous problems with enforcing the labor laws, however, especially in new manufacturing firms. As the economy has grown rapidly, workers have become increasingly dissatisfied with labor conditions and the effectiveness of official unions. The Suharto government

kept a tight grip on union activities. In 1992 the Indonesian Prosperous Labor Union (*Serikat Buruh Sejahtera Indonesia*) was formed to provide an independent forum for labor problems, although Suharto's regime denied the union official recognition and imprisoned its leader, Muchtar Pakpahan. After Suharto's resignation, interim president Bucharuddin Jusuf Habibie ratified a convention enshrining the right of workers to join labor associations of their choice and bargain freely. Pakpahan was subsequently released from prison and the ban on his labor union lifted. The Indonesian Prosperous Labor Union has about 250,000 members.

## **Agriculture**

The agriculture sector led the Indonesian economy in output until 1991, when it was overtaken by manufacturing. In 2002 agriculture accounted for 17 percent of the GDP. Annual output grew by 3 percent per year during the early and mid-1990s. Some 19 percent of all land is under cultivation for field crops or used for plantations. Small farms produce most of the subsistence crops but also contribute substantial proportions of the nation's rubber and tobacco. Plantation estates produce rubber, tobacco, sugar, palm oil, coffee, tea, and cacao, mostly for export.

Food crops accounted for 59 percent of the agricultural GDP in 1993. Rice is the major staple food of the country, and the yield in 2003 was 52 million metric tons. Indonesia was once a larger importer of rice, but in the late 1960s and 1970s the government introduced improved varieties of rice, increased the use of fertilizers and pesticides, provided better infrastructure for irrigation, and improved the systems of farm credit. As a result, rice production grew annually by 5 percent between 1969 and 1984. Most of the rice is grown on Java.

Other important crops are cassava, maize, sweet potatoes, coconuts, sugarcane, soybeans, peanuts, tea, tobacco, and coffee. Rubber is also an important crop. Livestock raised include cattle, buffalo, pigs, goats, sheep, and poultry. Indonesia's chief agricultural exports include coffee, tea, cocoa, spices, and natural rubber, but together they account for less than 10 percent of the country's total exports. Large quantities of food are still imported.

## **Manufacturing**

In the 1960s Indonesia manufactured little more than handicrafts and a few textiles, but by the mid-1990s Indonesia was producing manufactures that ranged from traditional crafts to aerospace products. Manufacturing in 2002 accounted for 25 percent of the GDP, up from 13 percent in 1980. Labor-intensive consumer exports, such as footwear and glassware, in particular have grown quickly.

Indonesia's main manufactures include food and beverages, tobacco products, textiles and garments, motor vehicle parts, and electrical appliances. Most of these manufactures are produced by joint-venture companies backed by foreign and local investors. The main manufactured exports include wood products (veneers, plywood, and furniture), textiles, clothing, and footwear. In 2001 manufactured exports accounted for 56 percent of Indonesia's total exports, up from just 2 percent of total exports in 1980.

Much of the new manufacturing is located on Java, especially in Jakarta and the surrounding parts of West Java province. Despite Jakarta's congestion and other problems caused by rapid growth, it remains a very attractive location for manufacturers. The city and surrounding villages provide a

large supply of labor, and the city's roads, airport, and port are the best in the country. During the 1980s the government attempted to direct foreign investment away from Jakarta and Java, but the policy was mostly unsuccessful and has since been relaxed.

## Services

Services are an important part of Indonesia's economy, producing 38 percent of the GDP in 2002. During the 1990s services expanded at a rate of 8.6 percent per year, more than twice as fast as agriculture. Services are made up of trade; restaurants and hotels; government services; transport, storage, and communications; and finance, insurance, real estate, and business services.

Indonesia's service sector is complemented by its other economic sectors. Air transportation, financial, and insurance service have increased rapidly to keep up with the expanding manufacturing sector. Hotel development has been boosted by the growth of tourism. In 2002, 5 million tourists visited Indonesia. Most visitors were from Singapore, Japan, Taiwan, Malaysia, Australia, Germany, and the United States.

Many workers are involved in informal service occupations. These workers include riders of *trishaws* (three-wheeled cycles with a seat for a peddler and a separate compartment for passengers), people selling food at markets, itinerant hawkers of various wares, and garbage recyclers. The workers are generally poor and the jobs are often unregulated and unrecorded in official statistics; nonetheless, informal occupations provide employment for a large proportion of the labor force in the larger cities.

## Energy

Indonesia is well endowed with energy resources. It is an important producer of crude petroleum, yielding 529 million barrels in 2001. Refineries are located at Cilacap in West Java and at Balikpapan in East Kalimantan. A hydrocracker unit, which breaks down petroleum into simpler forms of energy such as gasoline, is located at Dumai on Sumatra. In 2001 Indonesia produced 69 billion cu m (2.4 trillion cu ft) of natural gas, mainly from Arun in northern Sumatra and Badak in East Kalimantan. Proven oil reserves total 10.4 billion barrels, and gas reserves are equivalent to 14.5 billion barrels of oil, much of which is located in the South China Sea near the Natuna Islands. Even after the decline of oil prices in the mid-1980s, the economy has been particularly dependent on oil exports. In 2001 fuels made up 25 percent of Indonesia's exports and 18 percent of its imports.

Hydroelectric facilities, including a large dam on the Asahan River in North Sumatra, generate 11 percent of Indonesia's electricity. Thermal stations powered by locally produced oil and coal provide almost all of the remaining electricity.

## Mining

Mining, especially of tin, bauxite, nickel, copper, coal, manganese, and iron ore, supplies about 10 percent of Indonesia's GDP. Indonesia is one of the world's largest producers of tin, with production

in 2002 of 54,000 metric tons of concentrate. Most of the tin reserves are located on the islands of Bangka and Belitung and in the Java Sea between Sumatra and Borneo.

Bauxite production totals 1,160,000 metric tons of concentrate per year. Coal yields are 90 million metric tons annually. Since the mid-1980s, Indonesia has expanded its output of precious metals, especially gold. The largest share of the total output of 135 metric tons in 2002 came from a single mine in Papua.

## Forestry and Fishing

About three-fifths of Indonesia is covered with forest and woodland, most of which is concentrated in Kalimantan, Sumatra, and eastern Indonesia. Most forestland is state-owned, and forestry accounts for about 1 percent of Indonesia's GDP. Roundwood production totaled 116 million cubic meters (4.1 billion cubic feet) in 2002. Almost all of the timber harvested was hardwood, more than four-fifths of which was used for fuel. In addition, valuable industrial woods were produced in large quantities, including teak, ebony, bamboo, and rattan. Indonesia is the world's leading exporter of plywood. Many forestry companies defy government regulations for harvesting; as a result, rapid deforestation and overexploitation of timber stands are growing concerns in Indonesia.

About 90 percent of Indonesian fishers use traditional methods such as hooks and lines, traps, and various forms of nets. These fishers eat their catch or sell it locally. The remaining 10 percent of fishers practice commercial fishing. They use large boats and export much of their catch, which accounts for more than half of Indonesia's total catch. In 2001 the fish catch totaled 5.1 million metric tons, about three-quarters of which was the product of sea fisheries and one-quarter inland fisheries. The fisheries made up about 1.8 percent of GDP and 3.8 percent (\$1.4 billion) of exports. Shrimp and prawns, scad, carp, Indian mackerel, goldstripe sardinella, milkfish, anchovies, and skipjack tuna were the chief catches. Indonesia's main fishing grounds are the shallow, warmer coastal waters along the northern rim of Sumatra and Java.

## Transportation

Until the mid-1960s Indonesia's transportation system was very poor. Suharto's New Order government improved much of the infrastructure, although many problems remain.

As an island nation, well-maintained waterways and interisland shipping are vital to Indonesia's economy. In 1958 the Dutch withdrew most of their shipping equipment and personnel. Afterward, rebuilding and development progressed slowly until the early 1980s, when several of the main ports were modernized and interisland transport services were improved. Interisland shipping was also partially deregulated, giving ship owners greater freedom to choose routes and schedules. The main ports for international trade include Surabaya, Medan, Makassar, and Tanjung Priok, which serves Jakarta.

In 1999 Indonesia had 342,700 km (212,944 mi) of roads, of which 46 percent were paved. Between the mid-1980s and mid-1990s the amount of road nearly doubled. Inexpensive minibus services have grown in both cities and rural areas, improving mobility for many Indonesians. Government-owned bus companies and privately owned taxis and minibuses provide transit services in the larger cities. Low-cost transportation include *bemos* (small motorized vehicles), *ojek*

(motorbikes that transport passengers on a rear seat), and *becak*, three-wheeled pedicabs. *Becak* have recently been banned from Jakarta because they are said to cause traffic congestion.

Railways are confined to Java, Sumatra, and Madura. Air services in Indonesia are provided by Garuda Indonesia and Merpati Nusantara airlines, both owned by the government; and by the privately owned Bouraq, Mandala, Serpati, and Seulawah airlines. Garuda Indonesia is the main international carrier; it also provides a full range of domestic services. Sukarno-Hatta International Airport in Jakarta is the country's main airport, although there are several other international airports, including Ngurah Rai, serving Denpasar in Bali.

## Communications

A lack of modern communications has long been a serious problem in Indonesia, largely because relatively few Indonesians can afford them and because settlements are scattered over many islands. The government, however, has increased investment in several areas. In 1990 Indonesia had 7 telephones for every 1,000 people. In the early 1990s Indonesia increased its satellite capacity by one-third in order to improve telephone services, and the country has installed fiber-optic cables across Java and between the main islands. As a result of these and other improvements, local telephone calls doubled between 1991 and 1994; however, in 2002 Indonesia still had just 37 phones and 55 mobile telephones for every 1,000 people.

Indonesia's main government-owned television station, TVRI (Yayasan Televisi Republik Indonesia), was founded in 1962. The first privately owned commercial television station, RCTI (Rajawali Citra Televisi Indonesia), began operating in 1989. In 2000 there were 145 television sets and 155 radios per 1,000 people.

The country's first private company to provide Internet services began operation in May 1995. Several government departments and leading newspapers were online in 1996. However, Indonesia is far behind Malaysia and Singapore in terms of the population's access to the Internet. Many of the nations of Southeast Asia, including Indonesia, continue to debate whether to restrict access to certain kinds of information on the Internet.

Most of Indonesia's large daily newspapers are published in Jakarta in the Bahasa Indonesia language. These newspapers include *Kompas*, *Pos Kota*, and *Berita Buana*. The *Jakarta Post* is a well-known English-language daily. Many major cities also have local newspapers, such as *Pedoman Rakyat*, a daily published in Makassar. The government owns the Indonesian National News Agency, which is known as Antara. Suharto's government maintained a tight control on newspapers and magazines, censoring content that was critical of the government and especially the president. In June 1994 the government revoked the licenses of *Tempo*, *Editor*, and *DeTik*, three widely read current affairs magazines. After Suharto left office in 1998, censorship was relaxed, resulting in more varied content in newspapers and the launching of many new publications.

## Foreign Trade

In 2001 Indonesia's exports of goods and services totaled \$56.3 billion, while imports reached \$31 billion. In the mid-1990s Indonesian workers abroad annually sent home remittances of \$449 million, reducing Indonesia's current account deficit. This figure declined during the Asian economic crisis of the late 1990s, when Indonesian workers in neighboring countries such as Malaysia were

sent home. Historically, Indonesia has had very small trade deficits, in large part because of its petroleum exports; in recent years, however, it has relied increasingly on a rise in exports of manufactured goods.

In the 1960s and 1970s state-owned trading companies had an important role in Indonesia's import and export trade, but their influence declined in the 1980s as the government eased some trade restrictions as part of wider economic reforms. During Suharto's rule, private companies—usually connected to the president's family—were given exclusive control over some lucrative trading goods, such as cloves. The more notorious of these special arrangements were abolished after Suharto's resignation. In the 1990s important exports included petroleum and petroleum products, natural and manufactured gas, wood and wood products (particularly plywood), food products, textiles, metal ores, footwear, and electrical and electronic products. Agricultural exports included rubber, palm oil, coffee, spices, tea, cocoa, tobacco, and sugar. Indonesia's main imports included machinery, transportation and electrical equipment, chemical products, and minerals. The country's main trading partners for exports are Japan, the United States, Singapore, South Korea, Taiwan, China, and Hong Kong. The main partners for imports were Japan, the United States, South Korea, Germany, Singapore, Australia, and Taiwan.

Indonesia has been a member of the Association of Southeast Asian Nations (ASEAN) since its formation in 1967. The country also belongs to the ASEAN Free Trade Area (AFTA), which was declared in 1992. Under the AFTA agreement, Indonesia must reduce its tariffs on many imported goods to 5 percent or less by 2003. Indonesia is also a member of the Asia-Pacific Economic Cooperation (APEC) organization, which draws together countries from both sides of the Pacific, including the United States and Japan. APEC is also working toward a reduction of trade tariffs among its members.

## Currency and Banking

The *rupiah* is the official monetary unit of Indonesia (9,311 rupiah equal U.S.\$1; 2002 average). The country's central bank is Bank Indonesia in Jakarta. Until the late 1980s banking was dominated by 5 large, state-owned banks, 70 private banks, and a development bank. A small number of foreign-owned banks were confined to Jakarta. After a series of policy changes in the 1980s and a new banking law in 1992, banking and finance were substantially deregulated and the number of banks and bank branches grew. As a result of these and other reforms, the Jakarta Stock Exchange grew in importance. A second stock exchange operates in Surabaya.

## GOVERNMENT

Indonesia is a constitutional republic with an elected president, an elected legislature, and an appointed judiciary. The government operates under a 1945 constitution, which was replaced in 1950 but then reinstated in 1959. The 1945 constitution is based on the doctrine of *Pancasila* (Sanskrit for "five principles"), defined in the constitution as "a belief in the one supreme god; just and civilized humanity; the unity of Indonesia; democracy guided by the inner wisdom of deliberations among representatives; social justice for all the Indonesian people."

Significant amendments to the 1945 constitution went into effect in 2004. Among other changes, the amendments provided for the direct election of the president. All citizens at least 17 years of age may vote. Married persons may vote regardless of their age.

## Executive

Under the 1945 constitution the president is both head of government and head of state. The president is elected to serve a five-year term and may be reelected once. The constitution grants the president wide powers, including the power to rule by decree in emergencies. However, the president may not freeze or dissolve the legislature. The president is responsible for appointing a cabinet to carry out the administrative duties of the government. Cabinet ministers are typically chosen from the military or the ministries.

## Legislature

The national legislature is the People's Consultative Assembly (Majelis Permusyawaratan Rakyat, or MPR). The MPR has two chambers: the House of Representatives (Dewan Perwakilan Rakyat, or DPR) and the Regional Representatives Council (Dewan Perwakilan Daerah, or DPD).

The members of both chambers are directly elected to serve five-year terms. The DPR has 550 members. The number of members in the DPD may not exceed one-third the number in the DPR; as of 2004, the DPD had 128 members. Each province has an equal number of representatives in the DPD. The constitutional amendments that went into effect in 2004 created the DPD as a new chamber representing Indonesia's provinces. Previously, the MPR was a unicameral body that included 200 members appointed by the president to represent regional and various other interests, including the country's armed forces.

The DPR and DPD each meet at least once a year. The DPR is the more powerful chamber. It approves all laws and has the right to submit draft bills for approval by the president. The authority of the DPD is limited to regional issues. It may propose to the DPR bills relating to the relationship between national and regional government.

The two chambers convene together as the MPR at least once every five years to determine the broad guidelines of government policy. The MPR also inaugurates the president and vice president, who are responsible for carrying out that policy. (Prior to the 2004 elections, the MPR had also appointed the president and vice president.) The MPR has the power to impeach the president.

## Judiciary

The judiciary is made up of many district courts, several courts of appeals, and the Supreme Court (Mahkamah Agung), which is the final court of appeal and sits in Jakarta. The Supreme Court was restructured in 1968 to conform with the 1945 constitution. It is made up of 51 members, nominated by the DPR and appointed by the president. Appeals are heard by high courts located in 14 major cities: Jakarta, Surabaya, Medan, Makassar, Banda Aceh, Padang, Palembang, Bandung, Semarang, Banjarmasin, Manado, Denpasar, Ambon, and Jayapura. Below the appellate courts are the district courts that try civil and criminal cases.

Criminal cases are tried under a unified code, but civil cases are tried under an uncodified, customary law known as *adat*. Under adat law, crimes against individuals are seen as crimes against the whole community. Westerners and Asians of foreign origin or ancestry are tried under a system based on continental European civil codes.

## Local Government

For purposes of local government, Indonesia is divided into 32 provinces. Provinces are led by governors who are appointed by the president with the advice of the minister for home affairs and the provincial parliaments. Provinces are further divided into regencies (*kabupaten*) and cities (*kotamadya*), each having a mayor and locally elected legislature.

## Political Parties

Under Suharto, Indonesia's dominant political organization was the Joint Secretariat of Functional Groups (*Sekretariat Bersama Golongan Karya*), known by its acronym, Golkar. An alliance of groups representing workers, farmers, youth, and other interest groups, Golkar had strong support from Suharto's government and consistently secured a majority of seats in the largely advisory parliament.

In the early 1970s Suharto's government forced Indonesia's Muslim opposition parties to merge into the United Development Party (*Partai Persatuan Pembangunan*, or PPP) and the rest of the opposition parties to merge into the Indonesian Democratic Party (*Partai Demokrasi Indonesia*, or PDI). Both the PPP and the PDI suffered from tight government control and from their artificial creation, which gave rise to factional conflicts. In 1993 Megawati Sukarnoputri, daughter of the late president Sukarno, was elected chair of the PDI. Her influence in Indonesian politics grew, to the alarm of her military-backed rivals in the PDI. In June 1996 her rivals ousted her, prompting riots in Jakarta. Megawati formed a faction party called the Indonesian Democratic Party of Struggle (PDI-P).

After Suharto resigned in 1998, the government repealed the ban on political parties. Since then more than 100 parties have formed. The most important are the PDI-P, headed by Megawati, who became vice president in 1999 and then president in 2001; the National Awakening Party (PKB), the party of former president Abdurrahman Wahid; the National Mandate Party (PAN), headed by Amien Rais; and the Democratic Party, a newly formed party led by a popular former security minister, Susilo Bambang Yudhoyono. Golkar remains a significant force but is weaker than it was during the Suharto years, and the PPP still has considerable support.

Indonesia also has several regional political groups that support independence for the regions. The most significant of these groups are the Free Papua Movement, which advocates independence for Papua, and the National Liberation Front Aceh Sumatra, which seeks independence for Aceh.

## Social Services

In 1999 Indonesia was ranked 102nd of the 162 countries on the United Nations Development Program's human development index, with 1st being best and 162nd being worst. Infant mortality rates in 2004 were 37 deaths per 1,000 live births, down from 90 per 1,000 in 1980. In 2000, 90 percent of the urban population and 69 percent of the rural population had access to safe water; 55 percent of the total population had access to adequate sanitation. Some 12 million people were malnourished.

The Ministry of Health has emphasized providing basic health care, chiefly by creating public health centers known as *puskesmas*. Supervised by a doctor, *puskesmas* are located in rural areas. Most doctors and hospitals are located in urban areas, and mobile health services are used to reach remote areas.

## Defense

After Suharto came to power in 1967 the armed forces were unified and placed under the Ministry of Defense and Security. In 2002 the total strength of the armed forces was 302,000, including 230,000 in the army, 45,000 in the navy, and 27,000 in the air force. In addition, paramilitary forces have 174,000 police and 1.5 million members of peoples' security units (*Hansip*), which operate at the village level. All citizens are required to serve two years in the armed forces, but because of limited job opportunities in the country volunteers fill the vast majority of military positions. Typically, the armed forces resort to drafting personnel only for required specialists such as doctors.

The military held considerable power in Indonesia during the Suharto years through its representatives to the House of Representatives and the People's Consultative Assembly. The military remains powerful, but post-Suharto governments have tried to exercise greater control over it and reduce its role in domestic social affairs.

## International Organizations

In the 1980s and 1990s Indonesia played a more active role in international affairs than it had in the past. Indonesia was a founding member of the Nonaligned Movement (NAM), a loose association begun in 1961 of countries that were not specifically allied with the power blocs led by either the United States or the Union of Soviet Socialist Republics (USSR). Indonesia was also, in 1967, a founding member of the Association of Southeast Asian Nations (ASEAN), which plays a central role in the country's foreign policy. Indonesia is a member of the United Nations (UN) and several of its agencies, including the Economic and Social Commission for Asia and the Pacific, the International Bank for Reconstruction and Development (World Bank), the International Monetary Fund (IMF), and the Asian Development Bank. It is also one of the founding members of the Asia-Pacific Economic Cooperation (APEC) forum, which was established in 1989.

## HISTORY

*Homo erectus*, an extinct human species, inhabited Indonesia as early as 1.8 million years ago. The oldest *H. erectus* specimens come from Mojokerto in central Java. Fossils excavated from Ngandong indicate that *H. erectus* may have lived on Java as recently as 53,000 to 27,000 years ago, possibly

alongside early populations of modern humans (*Homo sapiens*). In 2004 the skeleton of an unusually small early human, estimated to be about 18,000 years old, was discovered on the island of Flores. Named *Homo floresiensis*, it stood only about 1 m (3.3 ft) tall and had a brain the size of a chimpanzee's. Yet it was apparently intelligent enough to make simple stone tools. See [Human Evolution](#).

Throughout history the peoples of Southeast Asia migrated extensively, giving the Indonesian archipelago a mix of more than 100 ethnicities and languages. Within this mix there has been a wide cultural gap between the coastal peoples, who probably developed irrigated wet-rice cultivation (*sawah*) about 2,000 years ago, and the inland peoples, who depended on shifting, slash-and-burn agriculture (*ladang*) until recently. The coastal regions probably developed sawah because irrigation was easier to develop near the coast and because the larger coastal populations made ladang difficult. Later, coastal peoples developed differently from inland peoples because the former were more exposed to outside influences. In time, three distinct types of Indonesian societies evolved. On the coast were the trade-oriented, deeply Islamic coastal peoples. Hindu-influenced, wet-rice cultivators developed further inland. Still further inland, typically in remote mountainous regions, were tribal groups who practiced shifting cultivation and indigenous religious beliefs.

Bronze was introduced to the archipelago in about 300 BC from northern Vietnam, Thailand, or China, and from that time on metalworking with bronze and iron was practiced. About the 1st century BC, many of the Indonesian people lived in political groups that were rarely larger than family-based tribal units. Cultural expressions like wayang theater, gamelan orchestra, and batik date from this time or earlier.

Trade between Indonesia and India's [Bay of Bengal](#) most likely began in the 1st and 2nd century AD. Although most historians no longer believe earlier theories that Indians conquered parts of Indonesia or settled it extensively, Indian culture exerted a powerful influence on the states that developed in the archipelago. Direct communication with China probably began between the 3rd and 5th century, as Indonesia exported cloves, tree resins, and camphor. In the early 5th century [Faxian](#), a Chinese Buddhist pilgrim, and the princely monk Gunavarman from Kashmir each wrote of direct voyages between western Indonesia and China.

## Early Kingdoms

Rock inscriptions on Java dating from the 5th or 6th century tell of Taruma, an extensive Javanese kingdom that was centered near present-day Jakarta. The people of Taruma observed Hindu religious rites of India and promoted irrigation works. By the beginning of the 7th century Java was home to several important kingdoms, and a harbor-kingdom was also apparently well established on the southeastern coast of Sumatra. The kingdoms of this time fell into two main types of political units: the seafaring trading states along the coasts of Sumatra, northern Java, Borneo, Sulawesi, and some of the other eastern islands; and the rice-based inland kingdoms, particularly of eastern and central Java. The greatest maritime empire was [Sri Vijaya](#), a [Mahayana Buddhist](#) kingdom on Sumatra's southeast coast. In the late 7th century Sri Vijaya was a center of trade with India and China and for the next five centuries controlled much of China's trade with the western archipelago. Little archaeological evidence of the Kingdom of Sri Vijaya remains on Sumatra.

In contrast, the Hindu-Buddhist kingdoms of central and eastern Java left extensive temples, buildings, and inscriptions. These monuments and artifacts show Indian culture had vast influence on the religion and state organizations of the Javan kingdoms. The central and eastern kingdoms relied on wet-rice agriculture and had a complex hierarchy headed by a god-king. Inscriptions reveal that under the Sanjaya family the Hindu kingdom of Mataram flourished on the Dieng Plateau in the

early 8th century. In the second half of the 8th century a new Buddhist kingdom under the Sailendra dynasty developed in the nearby Kedu Plain; Mataram declined as the Sailendra kingdom rose. The Sailendras built the massive temple monument of Borobudur in the mid-9th century.

Also by the mid-9th century, rulers claiming descent from King Sanjaya (ruled 732-778) of central Java founded a new kingdom of Mataram, whose rule extended from central to eastern Java. In the early 10th century, for unknown reasons, the kingdom's center shifted to the east, where Hindu influence on the state weakened. First under Sindok (ruled 929-947) and later under Airlangga (ruled 1019-1042), who united the eastern kingdom with Bali, Mataram became increasingly interested in overseas trade. A period of division followed, after which the new kingdom of Singosari was founded on Java in 1222. Its founder and first ruler was Angrok (ruled 1222-1227), a commoner. Under the Buddhist king Kertanagara (ruled 1268-1292), Singosari controlled many of the Sumatran areas formerly ruled by Sri Vijaya. Kertanagara's successor, Vijaya (ruled 1293-1309), repelled a Mongol invasion of Java and in 1293 founded Majapahit, the greatest Javanese empire. Majapahit, under Hayam Wuruk, claimed sovereignty over much of what is now Indonesia and Singapore and parts of Malaysia.

## The Coming of Islam

Islam arrived via overseas merchants, initially from southern India and Gujarāt in western India. By the late 13th century the coastal states of northern Sumatra were beginning to accept the new religion; the first Muslim ruler in northern Sumatra was Sultan Malik al Saleh of Pasai. Islam spread slowly until the rise of the sultanate of Malacca (Melaka) on peninsular Malaysia's western coast in the early 15th century. Malacca had become a major spot on the trade route between the Moluccas (Spice Islands) and Europe, which increasingly sought Moluccan spices. As a result, Malacca gained commercial and political power and also became the major center in Southeast Asia for the spread of Islam.

Malacca's gain came at the expense of Majapahit. Merchants from Majapahit in northern Java traveled to Malacca to trade Javanese rice for Moluccan spices, and many merchants converted to Islam. They became important in Malacca's population. Malaccan princes in turn became powerful from their trade connections and began exerting commercial and military pressure on Majapahit. By the early 16th century, Majapahit had virtually disappeared.

Meanwhile, Portuguese traders captured Malacca in 1511. The European intrusion changed the existing patterns of trade and led to the growth of several strong Muslim states, each competing with the others for trade routes in Indonesia. One of the most powerful of these states was Aceh in northern Sumatra. During the 16th century Aceh launched frequent attacks against Portuguese Malacca, either alone or with other local Muslim states. Under Sultan Iskandar Muda, Aceh controlled all of Sumatra's pepper-trading ports except those in the extreme south, and its influence extended to parts of the Malay Peninsula. Another important trading state of the period was Makassar. Situated in southwestern Sulawesi, Makassar and its people converted to Islam in the early 17th century. Bantam, in western Java, was the Muslim successor to the Hindu kingdom of Sunda. Bantam controlled southern Sumatra and thus the vital Sunda Strait. In the late 16th century a new Muslim kingdom of Mataram arose in central Java and began to absorb many of Java's maritime principalities.

## The Development of Dutch Influence

The Dutch East India Company (see [East India Company: Dutch East India Company](#)), founded in 1602, competed with the Portuguese and the English for the archipelago's trade. The Dutch governor-general [Jan Pieterszoon Coen](#) arrived on Java in the early 17th century and established Batavia (now Jakarta) as the Dutch headquarters. Through direct force and alliances with native leaders, Coen tried to stop the interisland network of traders from engaging in international trade. In 1629 the Dutch clashed briefly with Mataram, then settled into a period of coexistence. The Dutch captured Malacca in 1641, but Malacca no longer had complete control of the spice trade to Europe. To gain a trade monopoly, the company allowed cloves to be grown only on the island of Ambon and nutmeg and mace to be grown only in the Banda Islands. The company destroyed the spice trees in other places. In 1678 Mataram was forced to cede the Priangan region of western Java to the Dutch company.

During the 18th century the Dutch East India Company introduced coffee and other new crops to Java. It also started a system of forced deliveries of crops that relied heavily on cooperation from agreeable Javanese aristocrats and from leaders of the growing local Chinese population, whose immigration the Dutch promoted. Dutch interference in Mataram's affairs led to the kingdom's division, in 1755, into the principalities of Surakarta and Yogyakarta. In the Moluccas, the Dutch extended their trading rights into political control. Elsewhere in the eastern islands, most local rulers retained their internal autonomy but were drawn into special relationships with the Dutch. Financial mismanagement and a decline in trade brought the East India Company to bankruptcy, however, and in 1799 it was dissolved. The Dutch government then assumed control of the company's Indonesian possessions.

## **The Consolidation of Dutch Control**

Britain occupied Java briefly (1811-1816) during the [Napoleonic Wars](#). Both the British and later the Dutch tried to centralize and reform Java's administration. The Dutch wavered between opening the area to individual enterprise and reverting to a monopoly system. From 1825 to 1830 the Javanese prince [Diponegoro](#) led a guerrilla revolt against the Dutch. The wars, which left as many as 200,000 dead, cost the Dutch huge sums of money and they ultimately decided for a government monopoly. The Dutch annexed large areas of central Java and in 1830 introduced the Culture System, under which peasants had to devote part of their land (officially one-fifth, but usually far more) to cultivating government-designated export crops instead of rice. Extremely profitable for the Dutch, the system was blamed for widespread famine in parts of Java in the 1840s and 1850s.

As the Dutch penetrated Javanese society more deeply, they also expanded their control to other regions. By 1837 they had imposed their rule over parts of the Sumatran interior, and in 1858 they annexed the northeastern coastal principalities. Dutch rule beyond Java, however, was sometimes indirect.

In the mid-19th century Dutch liberals campaigned against the Culture System, and by the 1870s some of the system's harshest aspects were removed. The new Liberal Policy gave farmers more freedom to grow crops they wanted. Oil, tin, and rubber later began to replace coffee, sugar, and tobacco as the main exports to Europe. These products came largely from outside Java, and the Dutch took control of the islands where they were produced. In the late 19th century the Dutch were engaged in a 30-year war with Aceh and Bali, which ended in 1908 in the former and 1909 in the latter. By this time, Sulawesi, the Moluccas, the Lesser Sunda Islands, and most of Borneo had also been brought under firmer Dutch control.

## The Growth of Nationalism

At the beginning of the 20th century the Dutch introduced the Ethical Policy, under which farming and limited health and educational services for Indonesians were developed. Railways, roads, and interisland shipping were also expanded. The policy helped create two new social elements: a few Western-educated Indonesians and a smaller group of Indonesian entrepreneurs, who began to compete with a predominantly Chinese commercial class. The newly educated and somewhat prosperous Indonesians grew resentful of the colonial structure that denied them a role commensurate with their education and abilities.

The first important vehicle for the anti-Dutch nationalist movement was the *Sarekat Islam* (Islamic Union), established in 1912. Growing out of a protective association for batik merchants, the Sarekat Islam by 1918 claimed a membership of more than 2 million people throughout the archipelago. The Dutch were initially conciliatory toward Sarekat Islam, and in 1916 they established the *Volksraad* (People's Council). In the Volksraad, selected representatives of major population groups could deliberate and offer advice to the government. After World War I (1914-1918), however, and especially after an abortive Communist-led insurrection in 1926 and 1927, the Dutch government adopted a more repressive policy.

In the 1920s the Indonesian nationalist movement was headed by leaders who were not primarily Muslim, notably Sukarno, an advocate of complete independence who founded the Indonesian Nationalist Party (*Partai Nasional Indonesia*, or PNI) in 1927. Despite the Dutch arrests and exiles of Sukarno (1929-1931, 1933-1942), Muhammad Hatta (1934-1942), and other nationalist leaders and the banning of the PNI and other noncooperating parties, the nationalist movement maintained its momentum. Only after Germany overran The Netherlands during World War II (1939-1945), however, did the Dutch even hint at a postwar transfer of political authority.

## The Japanese Occupation

In 1942 the Japanese invaded and occupied Indonesia. Anxious to mobilize Indonesian support behind their regime, the Japanese gave Sukarno and his associates symbolic political freedom. The Japanese regime was repressive, however, because they had strategic concerns about Indonesian resources, particularly petroleum, and because they feared Allied counterattacks. They forced tens of thousands of people into conscripted labor and many did not survive.

In September 1943 the Japanese established militias in Java, Bali, and Sumatra, giving thousands of young men military training and forming the nucleus of the postwar independence army. In October 1944, in order to muster support against anticipated Allied attacks, the Japanese promised eventual Indonesian independence and subsequently offered limited self-government. Throughout most of the occupation, however, Japan's harsh behavior and the growing economic hardships alienated Indonesians.

## The Postwar Struggle for Independence

On August 17, 1945, two days after Japan surrendered to the Allies, Sukarno and Hatta declared an independent Republic of Indonesia and were selected as its president and vice president. By the time British troops landed on the islands in late September, a functioning republican administration was already established in many parts of Java and Sumatra. The British withdrew in November 1946 and persuaded the Dutch and the young republic to sign the Linggajati Agreement, which recognized the authority of the republic in Java and Sumatra and specified plans for a federal Indonesia.

In July 1947, however, the Dutch launched attacks, claiming that Indonesians had violated the agreement. The attacks extended Dutch control to about two-thirds of Java and to many of the large estates and oil fields on Sumatra. Several members of the UN protested the Dutch attacks, prompting the creation of a UN Good Offices Commission. The commission oversaw the signing of the Renville Agreement between the two sides in 1948. The agreement recognized Dutch control of the areas it had taken in 1947 but promised those areas a vote to determine their future. Meanwhile, the Dutch had blockaded the republican territory, inflicting intense economic hardship and building support among Indonesians for fighting the Dutch instead of negotiating with them. The popular sentiment was one cause for a failed Communist-led uprising in September 1948 at Madiun against the republic's leadership.

In December 1948 the Dutch defied a UN cease-fire and again attacked the republic. The republic's capital, Yogyakarta, was captured and most of its top leaders, including Sukarno and Hatta, were arrested and exiled. The Dutch were initially successful, but guerrilla resistance and pressure from the international community gradually motivated the Dutch to accommodate the Indonesians. In 1949 at a conference in The Hague, The Netherlands agreed to transfer sovereignty over all of Indonesia, except West Irian (now Papua), to the federal Republic of the United States of Indonesia (RUSI) by the end of that year.

## **The Sukarno Regime**

In August 1950 the Unitary State of Indonesia replaced the RUSI. The government's first task was to create a viable state from Indonesia's many people and cultures; but it also had to quell sporadic uprisings of Muslim groups in West Java and Aceh as well as Dutch-led antirepublican movements in Sulawesi and the Moluccas. The nationwide elections of late 1955 gave none of parliament's parties a majority, and only one party, the Masjumi, had a significant following outside Java. Both before and after the elections the government was criticized for being factional, corrupt, ineffective, and for maintaining few ties to the regions it was supposed to represent.

In 1956 President Sukarno called for reforming the party system and replacing liberal democracy with what he eventually called "Guided Democracy," which would give the president wider government authority. It took Sukarno three years to implement Guided Democracy. In the meantime, the outer islanders grew increasingly resentful of the central government. They were especially upset over the small funding they received for economic development, despite contributing a large share of Indonesia's export earnings. These and other factors prompted military coups on Sumatra and Sulawesi from December 1956 to March 1957, all of which were eventually put down. On February 15, 1958, army dissidents in Sumatra, supported by counterparts in Sulawesi and by several leaders of Masjumi, proclaimed the Revolutionary Government of the Republic of Indonesia. The rebels received covert aid from the United States and Taiwan but the forces of the central government soon defeated them. Guerrilla actions continued, however, until 1961.

In 1959, with his Guided Democracy in place, Sukarno pursued an active foreign policy. He demanded The Netherlands surrender West Irian (which, following a brief period of UN

administration, was finally turned over to Indonesia in 1963), and he opposed the formation of the Federation of Malaysia. Domestically, the economic decline continued and both the army and the Communists (*Partai Komunis Indonesia*, or PKI) increased their power, with tension growing between the two groups.

## Suharto's Rise to Power

The situation culminated in a coup attempt on September 30, 1965. Led by Lieutenant Colonel Untung of the palace guard, the usurpers brutally murdered six top generals before being suppressed by General Suharto, head of the army's strategic command. Suharto took control of the army and increasingly the state; he eased Sukarno out of effective power by March 1966. Although the identity and motives of the coup's instigators remain controversial, the army alleged the Communist PKI was responsible. In response, army units and many Muslim groups, particularly in the countryside, began massacring Communists and their supporters in late 1965. Between 300,000 to 1 million people were killed in the Communist crackdown. The PKI, essentially erased in the executions, was banned on March 13, 1966. The government also arrested hundreds of thousands of people accused of involvement in the coup attempt. Of those arrested, only about 800 received a trial.

## The New Order

Suharto instituted a "New Order" (*Orde Baru*) regime, which espoused a largely pro-Western policy. Indonesia ended confrontation with Malaysia and became a major promoter and participant in the Association of Southeast Asian Nations (ASEAN), which was founded in 1967. Suharto was officially inaugurated president in 1968. Elections were held in 1971, but they were tightly controlled by the government. The government-backed Golkar party secured most of the seats in the House of Representatives, as it would in each of the elections held at five-year intervals thereafter. Similarly, the People's Consultative Assembly routinely returned Suharto to the presidency, unopposed, at five-year intervals.

In 1975 the state-owned oil enterprise, Pertamina, was unable to meet debt repayments amounting to \$10.5 billion, and the crisis threatened Indonesia's financial structure. Only by canceling projects, renegotiating loans, and receiving help from the United States and other Western governments did Indonesia salvage the situation. The rise in world oil prices helped Indonesia's economic recovery. When oil prices stagnated in the early 1980s, Suharto shifted economic policy away from a reliance on oil exports. As part of the changes, he introduced greater openness (*keterbukaan*), promoting foreign investment in Indonesia and greater integration of Indonesia into the world economy. He also introduced reforms across a wide range of sectors to cut production costs and improve the competitiveness of Indonesia's commodity exports. Although this policy brought about solid economic growth, the reforms did not reverse the nation's growing economic and social inequalities, particularly among the rural Javanese. A large slice of Indonesia's wealth came to be concentrated in the hands of the president's family and their associates. The economic inequalities were exacerbated by the growth of the population, despite a relatively successful family-planning program in Java.

## Post-"New Order" Indonesia

Opposition to Suharto's rule grew steadily in the late 1980s and early 1990s, although many Indonesians were afraid to express their views openly. Suharto's most vocal opponents were Islamic radicals and university students alienated by the government's corruption and human rights violations. In early 1978 widespread student demonstrations prompted the government to restrict activity on college campuses and freedom of the press. In the early 1990s many dissidents gave their support to Megawati Sukarnoputri, the daughter of former president Sukarno. When she was deposed as chair of the Indonesian Democratic Party by political rivals in mid-1996, protesters rioted in Jakarta. Although Megawati did not have the support of a large part of the Indonesian population, she was the first figure in many years to pose a challenge to the incumbent president.

Ultimately, it was the economy that posed the greatest threat to Suharto's rule. In mid-1997 an economic crisis developed when the value of Indonesia's currency plummeted. The economic crisis was particularly acute for Indonesia's urban middle class and the poor, as the cost of basic goods and services skyrocketed. In early 1998 riots broke out in several Indonesian cities, and in March, after Suharto was reelected unopposed for a seventh term, students staged protests on university campuses across the country. In May peaceful protests as well as violent riots escalated, and government troops killed hundreds in an attempt to contain the chaos. The growing unrest prompted Suharto to resign on May 21, and his handpicked vice president, Bucharuddin Jusuf Habibie, assumed the presidency.

In his brief term in office, President Habibie introduced processes of reform (*reformasi*) and tentatively set about dismantling some of the most repressive measures put in place by Suharto. Provinces were given greater control over their finances. Some of the economic privileges given to the former president's family were revoked, but Habibie avoided any direct confrontation with Suharto, his mentor since his youth. Habibie's popular support, which was never very strong, eroded rapidly during his term as president as a result of his failure to deal rigorously with Suharto's legacy, as well as his involvement in a bank fund misappropriation scandal.

Indonesia held elections for the 500-seat House of Representatives in June 1999. The large number of small parties, many of which disputed the vote-counting process, delayed the declaration of results. Megawati's new Indonesian Democratic Party of Struggle (PDI-P) received the largest number of votes (33.7 percent), but it did not gain a majority, winning only 153 seats. Golkar, which had dominated previous elections under Suharto, followed with 22.4 percent, followed by the National Awakening Party (12.6 percent), the PPP (10.7 percent), and the National Mandate Party (7.1 percent). When the People's Consultative Assembly convened in October to choose the next president, it unexpectedly elected Abdurrahman Wahid of the National Awakening Party. For vice president it elected Megawati Sukarnoputri. A Muslim cleric, Wahid enjoyed a large and devoted following as head the Nahdlatul Ulama, Indonesia's largest Islamic organization with about 40 million members. Although neither leader had any previous experience in government, the pairing satisfied the widespread need felt in Indonesia for political change. The new administration faced many problems, including a need to reform governance and administration, remove the Suharto legacy of inefficiency and corruption, and address the continuing economic problems of the country.

In mid-2000, however, Wahid became implicated in two multimillion-dollar corruption scandals. Although an investigative inquiry did not prove Wahid was directly or indirectly involved in the high-level graft, the scandals intensified criticisms of the president's inattention to the country's severe social and economic problems. In February 2001 and again in April, the House of Representatives delivered censures against Wahid alleging corruption and incompetence. Wahid rejected the allegations as baseless and ignored calls for his resignation. The legislature then voted to begin impeachment proceedings against Wahid in August. The political crisis came to a head in late July, when Wahid issued an emergency decree to suspend the legislature in an attempt to hold onto power. Police and military officials refused to obey his decree, however, and on July 23 the People's Consultative Assembly convened in an emergency session and voted to remove Wahid from office. Vice President Megawati was chosen to replace him as president.

In October 2002 a bomb attack in a nightclub district in Bali killed nearly 200 people, mostly tourists. Another bomb exploded near the United States consulate in Sanur, Bali, without causing any injury. The bombings were the latest in a string of church bombings, planned attacks against U.S. embassies, and assassination attempts against President Megawati that were attributed to Jemaah Islamiyah, a militant fundamentalist Islamic movement. The Indonesia-based group was known to have links to the al-Qaeda international terrorist network founded by Osama bin Laden. The Indonesian government responded to the Bali bombings by granting the police wide powers to pursue alleged terrorists.

Constitutional amendments that went into effect in 2004 provided for the creation of a new chamber in Indonesia's legislature and for the country's first direct presidential elections. Legislative elections to both chambers in the legislature were held in April. Golkar won 21.6 percent of the vote, giving it more seats than any other party but not an outright majority. Megawati's PDI-P won 18.5 percent, making it the second largest party.

The top five political parties fielded candidates in Indonesia's first direct presidential election, held in July 2004. The candidate of the newly formed Democratic Party, retired army general and former security minister Susilo Bambang Yudhoyono, came in first place but failed to win a majority of the vote. A runoff election was scheduled for September between Yudhoyono and Megawati, who came in second place. Megawati narrowly beat Golkar's candidate, General Wiranto. Golkar subsequently endorsed Megawati as part of an agreement to form a coalition government with the PDI-P if Megawati won the runoff election. However, Yudhoyono won the election with 61 percent of the vote. He promised to take immediate steps to stimulate Indonesia's sluggish economy and to lead a new drive against corruption.

## Conflict in the Regions

### East Timor

Meanwhile, many of the country's regions were embroiled in ethnic, religious, and political upheaval. The first major challenge during Wahid's truncated tenure was a popular movement for secession in East Timor, located in the southeastern part of the Indonesian archipelago. In 1975, when Portugal withdrew from its colony of East Timor, the *Frente Revolucionária do Timor Leste Independente* (Fretilin), a leftist group that had sought independence, promptly declared independence. Indonesia responded by invading East Timor shortly thereafter. Portugal and the UN condemned Indonesia's invasion, but Indonesia later annexed the area as a province.

Many Timorese died during the annexation and during a famine that resulted from a forced resettlement program in the late 1970s. However, many Timorese continued to seek self-determination for the region, and armed guerrilla groups operated from bases in the highlands of Timor. Xanana Gusmão led the armed resistance movement in East Timor until his arrest by Indonesian forces in 1992. In 1996 two Timorese dissidents, Bishop Carlos Ximenes Belo and José Ramos-Horta, were awarded the Nobel Peace Prize for their nonviolent efforts to resolve the conflict.

At the urging of the Timorese and their supporters within the international community, in early 1999 President Habibie agreed to allow the East Timorese to vote on whether East Timor should become independent or an autonomous region within Indonesia. In May, Indonesia and Portugal, which had never recognized Indonesia's annexation of East Timor, signed an accord detailing the autonomy

measure for East Timor. The vote was held in August 1999, and the East Timorese voted overwhelmingly in favor of independence.

Backed by the Indonesian military, Timorese militia groups that had favored autonomy reacted violently to the outcome of the vote. The militia went on a rampage throughout East Timor, destroying much of the infrastructure, murdering pro-independence supporters, and forcing large numbers of East Timorese to flee. After weeks of bloodshed, a UN peacekeeping mission intervened to stabilize the region. The UN administered East Timor until the territory gained full independence in May 2002, with Gusmão as president. The Indonesian military has come under governmental and UN scrutiny for its involvement in atrocities committed in East Timor.

Ever since the Republic of Indonesia was formed in 1945, the Indonesian government has struggled to prevent secessionist movements from splitting apart the nation. The demise of the authoritarian Suharto administration and the example of East Timor have encouraged independence groups in other parts of Indonesia to increase their demands.

## Aceh

Aceh, on the northern tip of Sumatra, was an independent sultanate until late in the 19th century, when it was conquered by the Dutch after decades of fierce fighting. After Indonesia declared independence, Aceh became an Indonesian province. A staunchly Muslim region, Aceh had a strong sense of identity and quickly became disillusioned with Indonesia's leadership during the 1950s. The Darul Islam movement, which sought an independent Islamic state, was strongly supported in Aceh in this period. The Indonesian government gave Aceh a distinct status as a "special region" in 1959. The Gerakan Aceh Merdeka (GAM; Free Aceh Movement), formed in 1976, and the National Liberation Front Aceh Sumatra, formed in 1989, have spearheaded the Acehnese independence movement in recent years. Between 1989 and 1993 about 2,000 Acehnese were killed in fighting with Indonesian troops, and hundreds more disappeared.

Soon after becoming president, Habibie sought to reduce the military's presence in Aceh. Beginning in August 1998, hundreds of government troops withdrew from the region. However, this did not placate the Acehnese, who continued to press for independence. The resolution of the conflict in Aceh became one of the key concerns of the Wahid government. Peace talks that began in June 2000 failed to prevent the conflict from escalating, however, and clashes between government troops and Acehnese secessionists continued through most of that year. In December 2002 the Indonesian government and GAM secessionist leaders signed a peace agreement that provided for an immediate cease-fire in Aceh. Under the terms of the peace deal, designated "peace zones" would be demilitarized by both sides, GAM would fully disarm, and Aceh would have autonomy and free elections. The agreement failed to address GAM's ultimate goal of Acehnese independence, however, and it broke down during the disarmament phase.

In May 2003 the government imposed martial law in Aceh following the collapse of last-minute talks to salvage the peace agreement. The Indonesian military immediately launched a major offensive against GAM forces in Aceh in an attempt to end the secessionist movement there. In May 2004 the Indonesian government downgraded the military law it had imposed to a state of emergency, thereby returning control of Aceh to a civilian governor. However, the government planned to continue security operations in Aceh, where the rebels remain an active fighting force.

## Papua

Regional conflicts simmer in other parts of the archipelago, prompting further concerns about national unity. In Papua (formerly Irian Jaya), the easternmost province, the separatist group *Organisasi Papua Merdeka* (OPM; Free Papua Movement) has been fighting for independence since the 1960s. A special autonomy package for the province, approved by the Megawati government, took effect in January 2002. Under the measures, the province has much greater control of its own affairs—excluding only defense, foreign affairs, monetary affairs, the police, and the courts—and retains most of the revenues generated from its natural resources. The province was also allowed to change its name from *Irian Jaya* to the locally preferred *Papua*. Some Papuans, including the OPM, continued to demand nothing less than an independence referendum, however.

## Moluccas

In other parts of Indonesia conflicts continue to emerge within communities. In the mid- and late 1990s sporadic violence between Muslims and Christians occurred throughout West Java, Ambon, and other parts of the Moluccas. Social conflicts led to the internal displacement of hundreds of thousands of people in the island chain. By some estimates, three years of sectarian fighting had resulted in as many as 5,000 deaths and 750,000 refugees in the Moluccas. In 2002 representatives of Muslim and Christian factions signed a peace agreement intended to end the fighting.

## Kalimantan

Kalimantan (the Indonesian section of Borneo) has been the scene of especially violent and recurring ethnic violence in recent years. The indigenous Dayak people have long resented the influx of Madurese who migrated to Kalimantan as a result of the government's transmigration policies. Until the transmigration program was suspended in 2000, these policies provided incentives for Indonesians to relocate from populous areas to less developed lands. Violent conflicts in Kalimantan in 1997 and 1999 caused the deaths and displacement of thousands of Madurese. Brutal attacks against Madurese again occurred in early 2001, causing hundreds of deaths and leading the government to evacuate thousands of Madurese from the island. Indonesia's social and regional conflicts, in addition to the nation's economic problems, are the major issues confronting the post-Suharto governments of Indonesia.

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### Further Reading

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