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formulas of presenting and discussing IPE, this book constitutes a welcome breath of fresh air and makes a substantial contribution to the discipline through mapping many of its intellectual lineages. Along with Gilpin's 1987 and 2001 works, and an edited tome such as Goddard, Cronin, and Dash (2002), this book should form the cornerstone of any IPE collection.

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***Indonesia Betrayed: How Development Fails.* By Elizabeth Culler Collins.** Honolulu: University of Hawaii Press, 2007. Pp. 265.

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While "Indonesia Betrayed" was how President Suharto described an unsuccessful coup attempt by the Communist Party in 1966, Elizabeth Collins' book *Indonesia Betrayed: How Development Fails* uses this expression to describe Suharto's long-term impact on the Indonesian economy and society. This book provides factual evidence that Suharto, the leader of the New Order regime, may have betrayed Indonesia far worse than the Communist Party through his debt-led growth development policy and authoritarian style of government. The purpose of the book, however, is to do more than just analyse the history of development in Indonesia. It adequately describes the causes, expectations, and results of the so-called *reformasi* (Reformation) movement in Indonesia. Collins, a professor of Southeast Asian studies at Ohio University, analyses issues from the perspective of the most marginalized Indonesians and comes to the conclusion that development was unsuccessful in bringing long-lasting prosperity to the country.

Suharto, the second president of Indonesia, tried to implement development as the country's main economic strategy; he even called himself "The Father of Development". Studying the origin of

Suharto's New Order development policy, Collins describes that as a strong anti-Communist policy, Suharto converted the political and economic orientation of Indonesia from that of a communist country to a more Westernized society based on capitalism. His main economic policies were based on the World Bank and IMF development ideals of industrialization and liberalization, and the attainment of high economic growth financed by external debt. However, she shows that in practice, the corrupt Suharto and his cronies were the largest beneficiaries of this external funding. Soon after, the need to repay the debt drove the regime to exploit Indonesia's natural resources and tropical forest. Collins also explores how this economic policy was done simultaneously with repressive politics. For three decades, the New Order created artificial harmony and maintained political stability by oppressing opposition through minimizing the number of political parties; depoliticizing students, peasantry and urban workforce organizations; and centralizing local governments. Collins also describes how the government was able to violently suppress protesting indigenous communities deprived of their long-standing access to forests and other resources through both military force and the Mafia. However, this policy led NGOs and student groups to begin the pro-democratic movement against Suharto's development policy in the 1970s.

Collins shows how the problems of huge external debt were hidden during a sustained period of economic growth, two decades prior to the 1997 Asian crisis. In the wake of widespread rioting following a massive price hike caused by drastic depreciation during the crisis, the *reformasi* movement, led by students and worker groups, overthrew Suharto's presidency. This pro-democratic movement led the Indonesian public to believe that a democratic government and a more equal distribution of power and wealth would arise.

This book also describes the consequences of the debt-based development policy brought about by Suharto's regime. One of the main problems Collins identifies is the export-oriented policy required by the World Bank and the IMF to ensure

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that Indonesia repays its debts. She claims that this requirement led to the creation of large-scale agriculture, capital-intensive industries, and increased mining by foreign companies in Indonesia. Since the main export in Indonesia was palm oil, the increased emphasis on exporting this product encouraged large-scale agriculture, violently pushing the indigenous farmers off their land. Unable to compete, and lacking sufficient property rights to hold onto their land, these farmers were forced into unskilled labour in the cities' industrial sectors.

Collins explains how this increased urban migration resulted in population explosions in urban areas and increased slum settlements. The urban migrants were forced into unskilled labour, but with no genuine labour unions and no legal protection, they were marginalized and unprotected. As the world's fourth most populous country, Indonesia has enjoyed a comparative advantage in labour costs. Collins claims that the government, the corporate representatives and the government-controlled labour union colluded to maintain minimum wage as low as possible in order to ensure this advantage.

Not only did this economic push to export lead to an increase in working class urban poverty due to large-scale urban migration, Collins also documents how it degraded the environment through overexploitation, deforestation, and weak enforcement of environmental regulations. Blessed with tropical rainforests and abundant natural resources, Indonesia is one of the primary sources of the world's biodiversity. Nevertheless, the Indonesian government has repeatedly chosen to neglect the environment in the name of industrialization. In collusion with profit-seeking companies, the government has chosen short-term solutions over maintenance of long-term environmental health. For example, Collins describes how some companies chose to bribe protestors instead of building much-needed waste processing facilities. Thus, Collins claims that the idea of free trade has become a paradox, whereby foreign investors and Western consumers profit from the demise of the South Sumatran's sustainable livelihood. Without strong democratic

and judicial systems, Collins writes that free trade will inevitably lead to non-sustainable capitalism and unfortunate environmental impacts.

While development is promoted as a means for prosperity, Collins finds that for the most part, those who benefit are the rich and powerful. While development allowed Indonesia to repay its debts, there were no long-lasting benefits for the poor. External debt, followed by an export-oriented economic policy, makes economic conditions more difficult. In the hands of a corrupt government, natural resources are treated as common economic goods, leading to overexploitation and environmental damage. As the first essential step, the author emphasizes the need for debt forgiveness and the reform of international financial institutions.

Finally, Collins claims that while democracy should ensure freedom and protection of human rights, the World Bank and IMF development model for the Indonesian authoritarian government has deprived the rights of the farmers to their land. Collins' study on prosperous villages proves that the maintenance of land rights and allowing for self-chosen development paths are essential. Thus, development policy should work to support small, sustainable farming instead of fomenting large-scale corporate agriculture. Collins does not provide many success stories of development because her main concern is the victims of authoritarian development. However, the story she tells has clear implications for development policy today. In her conclusion, she stresses that development will lead to prosperity only if the poor are incorporated into the decision-making process. Along with democratic reform, the public should be politically empowered and political organizations of farmers and workers should be supported. In essence, Collins claims that development without freedom and democracy is simply nothing.

Collins's account is thoroughly referenced, with extensive evidence drawn from personal interviews, economic development journals, newspaper sources, and government documents. It marks a substantial contribution to understand the failure of the IMF and World Bank development

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policies on Indonesia. The argument that financial lending has added new problems of poverty rather than helping Indonesia prosper is convincing, although it is not apparent that Indonesia's development should no longer be financed. It seems that in the hands of an authoritarian ruler, the external debt has had an adverse effect since

it creates the incentive for corruption and overexploitation. In conclusion, Collins successfully proves the old proverb: in foolish hands, medicine can become poison.

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