

BOOK REVIEWS

***Unity and Diversity: Regional Economic Development in Indonesia Since 1970.* Edited by Hal Hill.** Singapore: Oxford University Press, 1989. 610 pp.

“Unity in Diversity”, or *Bhinneka Tunggal Ika* is the national motto of Indonesia, a country which spreads itself over 13,000 islands, with 182 million people of diverse ethnicity and culture. As a motto, it is a contradiction in terms, perhaps expressing the hope that some means might be found for holding these disparate elements together as a single nation. In practice, the amalgam has been held together through rigid centralized control, both in the economy and in the polity. The provinces are kept on a tight leash, with key decisions largely made in Jakarta. This is a country which fears its own complexity.

Hal Hill’s book neatly modifies the Indonesian motto in its title. The book is an attempt to address the complexity of the Indonesian economy through a series of articles examining development in strict economic terms in each of the country’s provinces. Like the country, the content of this book is sprawling and diverse, and the parts do not quite cohere, despite the editor’s centralizing control which fits each contributor’s article into a standardized mould. Like the culture, the reader is left with the impression that, despite the book covering a lot of ground, a great deal — possibly the most important part, in accounting for economic development in Indonesia — is left unsaid. Like the society, the articles bring together a wealth of minute details of great fascination, individuality and attraction. And yet, while the mosaic is set before us, it is the pattern in this mosaic which is more difficult to discern.

With a mass of data, culled from Indonesian sources, on even the poorest and most remote of provinces, the book should prove a useful reference for specialists on Indonesia (though the caveat should be entered: to what extent can one trust the official figures?). The problem is that while the book "hath strange places cramm'd with observation", as with Touchstone's mind, these observations tend to be vented in a manner which does not clearly bring out the basic social and economic forces shaping the Indonesian economy, and the developmental trends which have resulted. The book's usefulness for a wider audience is therefore reduced.

Even the information and topical assessments brought together in the book may not be of such long-term relevance for the specialist as well. The chapter on Riau and Jambi, for instance, makes no mention of the recent boom in export-oriented manufacturing investment on Batam Island, linked to Singapore through the "Growth Triangle" concept.

Data, in fact, soon dates in a country whose economic development has sprung many surprises on the most seasoned of observers. When, for instance, the oil market collapsed in the early 1980s, it seemed highly unlikely that the oil revenue-dependent Indonesian economy, riddled with inward-looking vested interest-based inefficiencies, would be able to recover from the shock. But against expectations, the opportunity was seized by the technocratic managers of the state to move against established interests, in initiating a programme of export-aimed liberal economic reforms that has restored growth while reducing dependence on oil.

And just as the predictions of one moment can be invalidated in the next, equally the assessments made under one set of conditions have often had to be revised. Indonesia, for instance, was long known to have large quantities of coal, but of too poor quality — so it was thought — to be of much interest. But that judgment was recently overturned when what was deemed a major drawback, a problem of hardness, is now thought to be neither so common nor so troublesome as originally judged. Indonesia, indeed, is poised to be a major exporter of very high quality coal. The country obviously retains its capacity to surprise.

Another argument to be made against the dry economic analysis which characterizes this book is that too narrow a theoretical framework risks missing out crucial factors shaping economic policy. Indonesia, it is argued, is poised for a Rostowian take-off. But a crucial determinant of whether or not the country will, in fact, go into a stage of rapid industrialization must surely be the issue of political succession which the country is currently grappling with. The aim is to achieve a peaceful transition of power, avoiding the anarchy and instability which attended the previous occasion when political power changed hands. Underlying these concerns is a deeper argument over popular participation in government,

and whether or not rigid direction by the state is stifling initiative and hampering economic growth. But, like the country's political leader, President Soeharto (who recently referred to his being elected four times as President as merely "coincidental"), the changes in and prospects for the political system are nowhere addressed in this volume.

Furthermore, it is rather coy, if understandable, to refer briefly to security problems in provinces like East Timor or Irian Jaya, before launching into an extensive economic description. Surely the point to be made, in provinces such as these, is that it is security concerns which weigh heavily on these provinces' economic development. As always, it is left to the reader to ferret out the telling details from the text. Thus, in Irian Jaya, we read that "a considerable share of regional income growth has almost certainly gone to immigrants from elsewhere in Indonesia and, after the mid-1970s, to the national economy through a net outflow of public revenues derived from oil and copper production" (p. 79). Here, it is the clash between native Irianese and Javanese immigrants and the tight centralized control exerted by Jakarta that is, to a large degree, hindering provincial growth.

Indeed, a paradox of this book's determined account of economic development within the regions is that it is the government's centralized control which comes through most clearly. The provinces have little or no autonomy; their fate and their fortunes are sealed by the central administration. In Aceh, another province which continues to have a lively separatist movement (though the reader would be unlikely to guess this from the text), oil and gas exports contribute between US\$2 and US\$3 billion to the national coffers, "but the benefits to the local community have been much smaller . . . (and) central government expenditure in the province has not been markedly above average" (p. 115). As for Riau, the province exports nearly half of Indonesia's petroleum, yet it comes near the bottom of the regional league table for per capita income growth, and has the second highest incidence of poverty in the island of Sumatra, with little improvement in both life expectancy and infant mortality. The same picture is repeated elsewhere. It would appear that the government sees no advantage in Indonesia's diversity, but rather a threat to national unity; while the fear of anarchy and of regional revolt remain just below the surface. This is unity imposed, in a top-down manner, upon diversity.

Nevertheless, buried in this book are the sort of details that give colour and a human touch to the dry process of growth charted by the professional economists. One of the best things in this book is the lively, literate and penetrating account of the Special Region of Jakarta by Lance Castles. Here we read, for instance, about the extraordinary extent to which circular migration has developed in the capital city. In a village

105 kilometres from Jakarta, much too far for daily commuting, 87 per cent of the household heads work in Jakarta, nearly all as bread-sellers or taxi-drivers. They survive by finding a *tauke* or accommodation boss (within what is meant to be a "closed city" for migrants) who is prepared to declare them to the authorities to be his "relatives" or "guests" from his village. As for the daily commuters who come into Jakarta by train, Castles notes that the figures must be suspect, because of the number of people who manage to evade paying the fare. It is these touches (all too sparse in the book as a whole) which remind the reader that at the end of the day, economic growth has to do with people; and it is the human dimension, rather than dry figures of gross domestic product (GDP) growth, which ought to be the true focus in analysing development.

KHONG CHO OON
University of Bath
England

***Truth and Power: Robert S. Hardie and Land Reform Debates in the Philippines, 1950–1987.* By Paul M. Monk. Monash Paper No. 20. Clayton, Victoria, Australia: Centre for Southeast Asian Studies, Monash University, 1990.**

Paul M. Monk's point is that U.S. involvement in Philippine land reform programmes after 1950 is not a mere agenda in an overall U.S. cold war strategy that coincided with the conservatism of the Philippine élite. Rather, U.S. involvement through policy recommendations, financial and political support was a serious attempt to make the land problem part of a programme of action by Filipino and American policy-makers. These Filipinos and Americans never took the recommendations seriously for reasons of their own. For Filipino leaders, the reasons were their conservatism and seemingly unsolvable problem of maladministration. For American policy-makers, they were the vagaries of the balance of power within the U.S. foreign policy bureaucracy and fluctuating interest and selective memories of U.S. representatives in the Philippines.

Monk successfully threads this thin line of distinction, thus contributing to freeing the debate on the fate of Philippine land reform programmes from an "external variable oriented" explanation and from the dogmas of Marxism-Leninism. He starts his discussion by tracing the fate of a policy recommendation in 1951 on Philippine land tenancy entitled *Philippine*