

INDONESIA'S FIRST AFFIRMATIVE POLICY: THE 'BENTENG' PROGRAM IN THE 1950s¹

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To a much greater degree than has been the case in the other newly-independent countries in Southeast Asia, economic nationalism in Indonesia has remained a potent force until the present. Although its contemporary manifestations has in general become less aggressive and less strident than they were in the 1950s, economic nationalism remains a driving force that

to a large extent still influences economic policies today. Whereas economic nationalism during the early years of independence in the 1950s was mainly directed at the continuing economic dominance of the Dutch and ethnic Chinese business interests, in the years following the Asian economic crisis in the late 1990s economic nationalism was mainly aimed at the perceived interference of international organizations, particularly the IMF, in the formulation of Indonesia's economic policies.

Despite the strong economic nationalism, pragmatic considerations have more often than not over-ruled ill-considered economic nationalism. In this way, pragmatic policies have often been able to mitigate the adverse economic and political effects of emotional economic nationalism. This was, as will be argued in this paper, evident when the Indonesian government in the second half of the 1950s, terminated the un successful 'Benteng' program, its first affirmative program to promote indigenous Indonesian entrepreneurs.

Economic nationalism during the early years of independence

During the early years of independence in the 1950s a basic aspiration of Indonesia's economic nationalism was the need 'to convert the colonial economy into a national economy'. This popular demand appealed to many Indonesians, as during the Dutch colonial period Indonesia had become an outstanding example of a *colonial primary*

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export economy. The growth dynamics of such an economy was primarily determined by the rapid expansion and diversification of primary exports at the expense of traditional economic activities (Pauuw, 1983: 9). While primary export expansion had brought some welfare to the Indonesian population, it had not laid the basis for sustained economic growth and successful transformation into a more diversified economy. Moreover, during the colonial period the production of primary commodities for export had been initiated and managed by Dutch and other Western enterprises, while the Indonesian population only played a subordinate and passive role as lessors of land and/or as unskilled, lowly-paid workers. Not surprisingly, rapid primary export expansion did not lead to a substantial increase in the skills, productivity and incomes of the Indonesian population (Pauuw, 1983: 9-10).

However, if economic nationalism in newly-independent countries is defined as the national aspiration to have nationals own and control the productive assets owned by foreigners or residents considered as aliens and perform the important economic functions hitherto performed by foreigners or resident aliens (Johnson, 1972: 26), the major target of Indonesia's economic nationalism during the early 1950s was the elimination of Dutch economic dominance, particularly over the modern sectors of the economy. Under the terms of the Financial-Economic Agreement (Finec), reached at the Round Table Conference (RTC) in The Hague (23 August – 2 November 1949), the Indonesian government guaranteed that Dutch business could continue to operate in Indonesia without any hindrance. Nationalisation of Dutch enterprises would only be permitted if it was considered to be in Indonesia's national interest and only when it was mutually agreed by both parties. The amount of compensation for the nationalisation of the enterprise would be decided by a judge on the basis of the real value of the nationalized enterprise (Meier, 1994: 46-7).

The success of the Dutch delegation at the RTC in persuading the Indonesian delegation to agree with most of the items contained in Finec, including the guarantees, concessions, and rights accorded to Dutch business in independent Indonesia, and the financial and trade relations between the two countries, could be attributed to the determination of the

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Dutch government to secure the maximum possible economic benefits from Finec (Meier, 1994: 46). In return, the Dutch were prepared to make political concessions to the Indonesians.

On its part, the Indonesian delegation, led by Vice-President Hatta, was prepared, though reluctantly, to yield to the Dutch demands because it realized that for the foreseeable future Indonesia would, whether it liked it or not, still need Dutch capital and enterprise for the reconstruction of its war-ravaged economy and generate the export revenues needed to import foodstuffs and raw materials and capital equipment for its manufacturing industries. As a pragmatic nationalist, Vice-President Hatta realized that no matter how unpalatable the continuing Dutch economic dominance would be to the Indonesian people, there was in the short run no viable alternative.

Having achieved political independence without meaningful economic independence, the Indonesian government took several steps to counter Dutch economic dominance insofar as this was possible within the constraints of Finec. One of the most important early measures was the nationalisation of the Java Bank, the former bank of circulation in the Netherlands Indies, through the purchase of shares of from both domestic and overseas shareholders. The purchase of shares proceeded smoothly, and on 6 December 1951 law no. 24 of 1951 on the nationalisation of the Java Bank was officially enacted (Saubari, 2003: 72), and under its new name Bank Indonesia became the central bank of Indonesia. Sjafruddin Prawiranegara, former Minister of Finance in the Hatta and Natsir cabinets, was appointed as the first Governor of Bank Indonesia.

Other measures to reduce Dutch economic dominance included the replacement of the Netherland Indies Airline Company (*Koninklijk Nederlands-Indische Luchtvaart Maatschappij, KNILM*) by Indonesia's new national airline Garuda Indonesian Airways. The Indonesian government also took over several Dutch enterprises deemed of strategic economic interest, including the railways on Java and several public utility companies, such as electricity and gas companies (Burger, 1975: 170). Since initial plans to nationalize KPM (*Koninklijke Paketvaart Maatschappij, Royal Packet Company*), the inter-island shipping company, were not successful, the Indonesian government in 1952 founded the limited liability company *Pelayaran Nasional Indonesia* or *PELNI* (Indonesian National Shipping with a nominal capital of Rp. 200 million (Dick, 1987:

16-7). In addition, Indonesia first general trading company, the Central Trading Corporation (CTC) which had been established in Bukittinggi in 1947 during Indonesia's war of independence, was given the task of challenging the monopoly of the 'Big Five' Dutch general trading companies (Daud, 2003: 256).

Throughout the first half of the 1950s heated political debates raged about the pace at which the vestiges of Western (i.e. Dutch) capitalism should be eliminated in order to build up a national economy which, most nationalist leaders agreed, would not be built along capitalist lines. A vocal group of radical nationalists advocated the establishment of state-owned enterprises (SOEs) occupying the 'commanding heights of the economy' and cooperatives for the 'economically weak groups in society' to replace the foreign-owned capitalist enterprises. Arrayed against them was a smaller, less cohesive group of pragmatic nationalists, who argued that the pace of eliminating capitalist enterprises, particularly the foreign-owned ones, would have to be gradual to prevent serious economic disruption (Paauw, 1983: 207).

While these political debates proceeded, political relations with the Netherlands deteriorated rapidly after the mid-1950s as a result of the unresolved political conflict over the status of West Irian (West New Guinea, now called Papua province). When in the autumn of 1957 the Indonesian government failed to persuade the United Nations General Assembly to force the Netherlands to negotiate with Indonesia about the status of West Irian, militant trade unions took over the headquarters of KPM, the prime symbol of Dutch economic control. In the following unruly days more and more Dutch enterprises were taken over by trade unions. To re-establish order and wrest control from the communist-oriented trade unions, General Nasution, the army chief of staff, ordered the seized enterprises to be placed under the supervision of local army commanders (Dick, 2002: 164). In February 1959 all the seized Dutch enterprises were formally nationalised. With this one sweeping measure, the powerful Dutch business presence in Indonesia, which had operated in Indonesia since the early 1870s, was eliminated.

Promoting indigenous Indonesian entrepreneurs: the 'Benteng' program

The nationalisation of Dutch enterprises went a long way towards satisfying the national aspiration 'to convert the colonial economy into a national economy'. However, this

conversion was not felt as complete, as the large indigenous population was still facing the economic dominance of ethnic Chinese businessmen, including Indonesian citizens as well as resident aliens, which continued to dominate important sectors of the economy, particularly the intermediate trade. Ethnic Chinese economic dominance of the important intermediate trade alongside Dutch economic dominance of the modern sectors of the economy (plantations, mining, large-scale manufacturing, banking system and public utilities) led an American Indonesianist, the late Professor Everett Hawkins, to refer to a case of ‘double colonialism’ in Indonesia³.

Building a ‘national economy’ (*ekonomi nasional*) gave expression to the national aspiration for an economy which would be controlled by indigenous Indonesians (*Indonesia asli*)⁴ rather by ‘foreign’ groups, like the ethnic Chinese, regardless of whether they were citizens or not (Coppel, 1983: 3).

In view of the historically weak position of Indonesian businessmen since the Dutch colonial period, Indonesian policy-makers since the early 1950s put a high priority on promoting the development of indigenous Indonesian entrepreneurs. Aside from the above-mentioned measures to counter Dutch economic dominance, the Indonesian government also took steps to reduce the economic role of the ethnic Chinese.

However, in view of the above factors, taking measures to curtail Chinese economic activities proved to be more difficult than eliminating Dutch economic interests. For one thing, the number of ethnic Chinese was much greater than the Dutch, and their economic activities in the rural areas were much more intertwined with the economic activities of the indigenous population than the Dutch activities had ever been. Moreover, the large ethnic Chinese group included Indonesian citizens as well as citizens of the People’s Republic of China and a small group of pro-Taiwan ‘stateless’ citizens⁵. It was therefore quite difficult for the Indonesian government to take measures directed at all ethnic Chinese, as this group also contained the relatively large group of Indonesian citizens. Having fought against Dutch colonialism and its implied racism, many Indonesian

³ Personal communication to the author.

⁴ Since the ‘New Order’ era the term used for indigenous Indonesia was ‘*Indonesia pribumi*’.

⁵ As Indonesia only recognized the People’s Republic of China as the only legitimate government of

China, pro-Taiwan Chinese were treated as stateless citizens.

leaders found that overly discriminatory policies against its citizens of Chinese descent did not accord with the ideals of the Indonesian revolution.

In transforming the 'colonial economy into a national economy', many Indonesian nationalists aspired to build a national economy along socialist lines. In actual practice, however, successive Indonesian governments, at least until Guided Democracy and Guided Democracy were introduced by President Sukarno in 1959, for pragmatic reasons were not prepared to dismantle the 'capitalist' economic structure inherited from the Dutch colonial government (Mackie, 1971: 44).

Trying to analyse what Indonesian leaders in the early actually meant by 'socialism', two different views stand out. For many nationalists, 'socialism' was mainly interpreted as 'Indonesianisation'. This implied that foreign economic dominance by Dutch capitalists in the plantation, mining, large-scale manufacturing, and wholesale trade, and by ethnic Chinese in the intermediate trade had to be eliminated. However, whether this was to be achieved by nationalisation of these foreign enterprises or by the promotion of private indigenous businessmen was for a long time an unresolved argument (Mackie, 1971: 44).

The other view about socialism in Indonesia emphasized that a national economy should take the form of a 'collectivist' organization of the economy and be based on the 'family principle' (*azas kekeluargaan*), as enshrined in the Constitution of 1945 or on '*gotong royong*' (mutual help) tradition of performing certain agricultural tasks as practiced in the villages (Mackie, 1971: 44).

Since the early 1950s pressures for preferential treatment of indigenous Indonesian businessmen grew stronger. In general the only fields in which indigenous Indonesians operated was in small-scale agriculture, a few medium-sized modern retail stores, and small-scale industries, such as batik and clove cigarettes. To promote the faster development of indigenous entrepreneurs, Djuanda, the Minister of Welfare, in April 1950 issued a regulation which gave priority to indigenous businessmen to import goods from abroad. To facilitate this import trade, indigenous businessmen were given easy access to cheap credit. This program was called the '*Benteng*' (Fortress) program (Siahaan, 1996: 168).

Besides building up a class of indigenous businessmen, the 'Benteng' program was also aimed as yet another measure to counter Dutch economic dominance (Sumitro, 2000: 144), particularly the power of the Dutch trading houses. Although Sumitro himself was responsible for the implementation of the 'Benteng' program when he was Minister of Trade and Industry in the Natsir cabinet (1950-51), as an academically trained economist he basically considered market forces as the best way to ending the import monopolies of the Dutch general trading companies. By liberalizing the import trade, the market power of the Dutch companies could be eroded by import competition. However, most other economic nationalists viewed the Western-trained Sumitro with great suspicion, and wanted to continue the prewar system of import controls which had been introduced during the early years of the Great Depression in the early 1930s. This time the import controls, however, had to benefit indigenous rather than the Dutch import companies (Booth, 1998: 222).

Protection to the indigenous importers was to be provided by reserving the import of certain categories of goods (which were referred to as 'benteng' goods) solely for indigenous importers and by channeling credits to these importers to the state-owned bank BNI (*Bank Negara Indonesia*) (Sutter, 1959: 1017-8). The required qualifications for receiving preferential treatment through the 'Benteng' program were, at least on paper, quite stringent. For instance, to qualify for such protection, an indigenous businessman had to be 'a new Indonesian importer' and a legal entity, such as a corporation, silent partnership or partnership, and possess a minimum amount of working capital of Rp. 100,000, an office large enough for 'several full-time employees', and officers with previous business experience. Another qualification was that at least 70 per cent of the capital had to be provided by indigenous Indonesians (*bangsa Indonesia asli*), while foreigners could at most provide 30 per cent of the capital. However, among these provisions there was no reference to non-indigenous Indonesians (Sutter, 1959: 1018).

The reference to 'indigenous Indonesians' led Siauw Giok Tjhan, member of parliament and a representative of the ethnic Chinese, to question the government what it meant by 'indigenous Indonesians' and to suggest that racial discrimination was contrary to the national ideal of every citizen of foreign descent of becoming a genuine Indonesian patriot and democrat, as stipulated in the government manifesto of 1 November 1945.

According to Siau, such a discriminatory measure would hamper healthy cooperation between fellow citizens and lead to a system of fronts at a time when all the capital and energies of Indonesian citizens were needed for national economic reconstruction (Sutter, 1959: 1018).

Responding to Siau's remarks, Djuanda observed that the requirement that the required 70 per cent of the capital to be provided by indigenous Indonesians was based on the government's view that although it did not practice racial discrimination, it was the government's full to make regulations to protect the economically weak groups. Djuanda went on to state that indigenous Indonesians as a group were included in the economically weak groups, while the non-indigenous Indonesians, with some exceptions, form the economically strong group. With this statement, Indonesian citizens of foreign descent (read: citizens of Chinese descent) were given notice that they could not expect a more favourable treatment than that given foreigners (Sutter, 1959: 1019).

Choosing the import trade as the first major economic activity, on which policies to promote indigenous entrepreneurship would be focused, was understandable, as at the time almost all the export and import trade were in the hands of the Dutch and the Chinese (Suhadi, 1967: 218). Focusing on the import trade to secure indigenous Indonesian dominance appeared to be the most feasible, as this trade seemed to be most responsive to state direction through controls over the allocation of import licenses (Robison, 1986: 44). The import trade also appeared the most accessible to indigenous businessmen, as they could easily set up their business with a minimum of overhead investment, could concentrate on products sufficiently standardised which only required a minimum of business experience, and could deal in goods that enjoyed a seller's market because of import restrictions (Anspach, 1969: 168).

Moreover, prospective indigenous importers could learn from the example of the 'Big Five' Dutch general trading companies (Borsumij, Jacobsen van den Berg, Geo Wehry, Internatio and Lindeteves), which had used their activities in the import trade as a springboard to diversify into plantation agriculture, internal distribution, insurance and the manufacture of various import-competing goods (Anspach, 1969: 168). Learning from the experience of these Dutch general trading companies, several indigenous importers, such as Dasaad Musin, had diversified into tea cultivation and the weaving

industry, while Djohan Djohar had moved into rubber cultivation and brick manufacture, and Rahman Tamin had diversified into textile manufacturing (Anspach, 1969: 168). The government hoped that like these indigenous business pioneers, the 'Benteng' importers could use their activities in the import trade as a base for capital accumulation which would sustain the expansion of indigenous capital into other sectors (Robison, 1986: 44).

To assist the indigenous importers, the government selected certain kinds of goods which could only be imported by the 'Benteng' importers. Most of these goods were simple consumer goods which could be easily sold, such as yarn, textiles, paper, stationery, matches and sundries. To enable the 'Benteng' importers to import the selected goods, the government allocated Rp. 65 million for this purpose, of which Rp. 40 million was allocated for the import of textiles, Rp. 12 million for weaving yarns, and Rp. 7 million for sundry goods (Suhadi, 1967: 218).

Implementing the 'Benteng' program

The 'Benteng' program attracted a lot of interest. While in 1951 some 250 businessmen had registered with this program, in 1952 this number had increased to 741, and to 1,500 in 1953 and to 2,211 in 1954 (Siahaan, 1996: 168). As a result, the percentage of total government foreign exchange credit allocated to the 'Benteng' importers increased from 37 per cent in 1952-53 to 76.2 per cent in late 1954 (Robison, 1986: 45).

This great interest was not surprising, since the government, making ample use of the existing system of import control, allocated scarce foreign exchange to the favoured indigenous importers who, as a result, could earn windfall profits from importing various goods. Lobbying to obtain an adequate share of the foreign exchange, the indigenous importers formed a group which, after the 'Benteng' program, was called the 'Benteng' group (Suhadi, 1967: 218). As a result of this program, by the early 1950s around 70 per cent of the import trade was conducted by indigenous businessmen (Burger, 1975: 171). Another group which attempted to obtain a share in the rents created by the foreign exchange control system of the 'Benteng' program was the relatively small group of indigenous industrialists who realized that their prospects for making good profits depended very much on the opportunity of purchasing imported raw materials and capital

goods at official prices. As the Indonesian government since the early years of independence had been anxious to promote industrialisation, it had put important industrial raw materials in the category of essential goods in its approved list of imports. Imported raw materials were therefore charged with low tariffs or sometimes could be imported duty free. However, as it were the indigenous importers who were free to sell their imported goods, it was they who benefited most from the rents created by the foreign exchange control system and not the industrialists (Suhadi, 1967: 219-20).

From the time that the new indigenous importers had started receiving preferential treatment under the 'Benteng' program, with several of them lacking capital or business experience or both, engaged in certain business practices which, although not in violation of the letter of the law, did offend ethical standards. There were of course several other new indigenous importers which had established a bonafide cooperation between their indigenous companies and non-indigenous or foreign companies. However, there were many more cases which could hardly be named 'bonafide' enterprises, in which indigenous importers and ethnic Chinese businessmen (whether Indonesian citizen or foreign national) had set up so-called 'Ali-Baba' concerns. In fact, 'shotgun weddings' between new indigenous importing companies and the older importing companies owned by ethnic Chinese businessmen proliferated under various forms, such as fronts and strawmen and the selling of import licenses to genuine, mostly ethnic Chinese, importers (Sutter, 1959: 1027).

Several of the new indigenous importers also turned out to be individuals associated with powerful officials in the government bureaucracy or in the political parties, who controlled the allocation of import licenses and credit.

These bogus importers also often failed to repay the credits they had received from the state-owned BNI bank (Robison, 1986: 45). Hence, the 'Benteng' program had not fostered strong, self-reliant indigenous merchant class, but a group of licensed brokers and political fixers, in short what are now called unproductive 'rent-seekers' or 'rent-harvesters'.

Reflecting on the record of the 'Benteng' programs, Sudarpo Sastrosatomo, a highly successful indigenous businessman whose business managed to survive throughout three

turbulent periods in Indonesia's history (the Sukarno era, the Suharto era and the 'Reformasi' era) caustically observed that under the 'Benteng' program

'import licenses were given to people who were not even remotely businessmen, but who believed that they were entitled to enjoy the facilities granted by the government as the fruits of the Indonesian revolution. The result was a disaster, as these new class of importers did not even understand the first steps of the importing business, not even how to document imports, or how to finance them. As a result, they had to turn mainly to Chinese traders who knew the business, but they carried this feudal idea that these traders were an inferior class. The result was the creation of a trading community that was doomed from the beginning' (Soedarpo, 2003: 154).

No wonder that Professor Sumitro Djojohadikusumo, Minister of Trade and Industry at the time the 'Benteng' program was introduced and a strong proponent of the industrialization program as contained in the Indonesian government's Economic Urgency Program, of which the 'Benteng' program was an important part, later observed that he

'had no illusions about what might happen, but that if you gave assistance to ten people, seven might turn out to be parasites, but you might still get three entrepreneurs' (Sumitro, 2003: 59).

In contrast, Sjafruddin Prawiranegara, former Minister of Finance and the first Indonesian Governor of Bank Indonesia, stated that from the outset he had been opposed to the 'Benteng' program. Sjafruddin held that

'people would have to be educated in management and technology first before rushing into forced industrialization. If we did not educate first, we would just create Ali Babas!' (Sjafruddin, 2003: 82).

Most of the registered indigenous importing companies were indeed companies on paper only. Many of these importers did not even have an office, while their "capital" often consisted only of a stamp, paper, and a brief case. Not surprisingly, these importers were often referred to as 'brief case importers' (*importir aktentas*), whose only qualification as an importer was that they carried a briefcase (Siahaan, 1968: 168).

Although the government was obviously aware of these malpractices, in practice it was often difficult to draw a line between bonafide cooperation and malpractices, which had existed from the beginning of the 'Benteng' program. However, these malpractices only began to proliferate when Iskaq became Minister of Economic Affairs (Sutter, 1959:

1027), and Ong Eng Die became Minister of Finance in the first Ali Sastroamidjojo cabinet (1953-55). Both of them were members of the Indonesian Nationalist Parties (*Partai Nasional Indonesia, PNI*) and, according to Professor Sumitro, did not care much about finance. With the first general elections coming up in 1955, Iskaq and Ong, according to Sumitro,

'began blatantly using the import licensing system to buy political supporters'. Then I saw how much harm was done, and what chaos the uncertainty caused in the business world' (Sumitro, 2003: 61).

As the 'Benteng' program progressed, it became increasingly apparent to the government that the program was not successful in achieving its stated aims. In 1953 the government started screening the officially registered indigenous importers, and as a result was able to reduce the number of registered importers by more than half from about 4,300 to about 2,000 (Burger, 1975: 171).

This measure, however, turned out to be ineffective, as in August 1954 the Central Office of Imports estimated that about 90 per cent of the registered national importers were not bonafide. This estimate was confirmed by another screening in 1955 ordered by Roosseno, the new Minister of Economic Affairs, who had replaced Iskaq. Even Iskaq, former Minister of Economic Affairs who had been a strong supporter of the 'Benteng' program acknowledged that import licenses were being sold at 200 to 250 per cent of their nominal value (Anspach, 1969: 174).

To eliminate the abuses of the 'Benteng' program, Roosseno introduced a foreign exchange auction system in the textile sector. He also banned discrimination on ethnic grounds, and thus allowed Sino-Indonesian businessmen to openly participate in the import trade. The auction system, however, turned out to be unsuccessful, as it did not allow indigenous importers with inadequate financial resources with access to the auctioned foreign exchange quota. Hence, indigenous importers with inadequate financial resources continued to serve as agents for ethnic Chinese businessmen (Anspach, 1969: 174-5).

Thus Indonesia's experience with its first affirmative program to promote a strong and self-reliant indigenous business class proved to be a failure and in the second half of the 1950s came to an inglorious end, even though this program was never officially

abolished. By then, however, economic conditions started deteriorating rapidly, partly as a result of the nationalization of all Dutch enterprises in 1958 and the actions against the foreign Chinese community, such as the expulsion of foreign Chinese traders from the rural areas, and partly because of the regional rebellions in West Sumatra and North Sulawesi. With the introduction of Guided Democracy and Guided Economy by President Sukarno in 1959 and his call for an Indonesian-style socialism (*sosialisme a la Indonesia*), the promotion of indigenous private entrepreneurs took a backseat, as the new state enterprises, which had been established from the expropriated Dutch enterprises, were now given a leading and controlling role over various aspects of the economy.

Conclusion

The nationalisation of the Dutch enterprises did not facilitate a more rapid development of indigenous businessmen, as the vacuum left by the departure of Dutch business was filled by ethnic Chinese businessmen. The emphasis on 'Indonesian-style socialism' also prevented the introduction of new affirmative programs to promote indigenous private businessmen.

Under the 'New Order', with its emphasis on accelerating economic growth, ethnic Chinese businessmen, with their greater business acumen and experience and better access to financial resources, were in general able to prosper. This did not only apply to the regime's Chinese business cronies, who in cahoots with the political power holders established large conglomerates, but also to the medium-sized and smaller businesses the majority of which, however, unlike the Chinese conglomerates, had to survive by their own wits.

Nevertheless, the rise of powerful Chinese conglomerates under the patronage of President Soeharto and other senior military officers and government officials created social tensions and gave rise to the strong public perception in the late Soeharto era about the widening gap between rich and poor and between the *non-pribumi* (non-indigenous) and *pribumi* (indigenous) citizens. In the end these social tensions erupted in various racial riots, particularly in Solo and Jakarta, on the eve of Soeharto's fall in May 1998.

At present these racial tensions have abated, as other social conflicts, sometimes religious and sometimes ethnic in nature, have arisen following the collapse of the strong authoritarian state under Soeharto. The attention of the successor governments under Presidents Habibie, Abdurrachman Wahid and Megawati Soekarnoputri have also been absorbed by the strong need to re-establish political stability and achieve economic recovery. With the urgent need to achieve strong economic recovery and restore economic growth, and with the emergence of new indigenous successful and confident entrepreneurs and a skilled and experienced indigenous managerial class, opportunities for a more fruitful and mutually profitable business cooperation between *pribumi* and *non-pribumi* businessmen appear to better than they seemed only a few years ago.

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