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INDONESIA: THE RISE OF CAPITAL

A CRITIQUE

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Richard Robison, *Indonesia: The Rise of Capital*, ASAA Series, Allen & Unwin, Sydney, 1986. xxv, 425 pp. Preface, tables, abbreviations, glossary, bibliography, index. Paper: A\$14.95.

Given the strength of English-language scholarship on contemporary Indonesia, what is striking is the absence of sustained 'class structural' approaches or, in other words, analyses of Indonesian society that explore the ways in which relations of production structure social and political groupings. Richard Robison's reworking of his Ph.D thesis (1977) is therefore one of the most important books published on Indonesian politics in the last decade. Standing quite outside the dominant 'Cornell-Monash' stream of in-depth institutional-cultural studies and implicitly challenging neo-classical economic orthodoxy, Robison has provided a fine example of the power of a political economy approach to contemporary Indonesian society. It is a measure of his success that it will no longer be possible to deny the relevance and potency of class analysis for understanding Indonesia.

The empirical core of the book is made up of four excellent chapters on each of the four domestic components of the capitalist class which Robison seeks to identify and map: the state corporate sector, the military-owned business groups, Chinese-owned capital, and indigenous capitalists. In these sections Robison's skill and initiative as a researcher demonstrate the neglected potential of corporate documentary searches and confidential interviewing of informants in financial, bureaucratic and journalistic circles. His method is a profound criticism of social scientists who use alleged methodological requirements to justify their essentially political unwillingness to investigate the hidden and the powerful.

The book opens with a brief but extremely useful account of the vicissitudes of capital accumulation up to the end of Guided Democracy, followed by a companion piece on the New Order. This section traces the intra-bureaucratic policy debates between the economic nationalist or neo-Meiji model put forward in the early 1970s by Panglaykim and others associated with Ali Moertopo and CSIS and the global integrationist/World Bank/IMF model of growth proposed by Professor Widjojo and Bappenas planners. The latter appears to have won out, though the argument is not dead.

The book concludes with a long chapter on the implications of the low oil prices of the 1980s for the state budget and the mode of capital accumulation. Most importantly, there is also a discussion of the political pressures from a burgeoning capitalist class for rationalisation of arbitrary and patrimonial state procedures.

In short, 'The Rise of Capital' is a major advance over the left political economy approaches of the past twenty years. Weberian liberals of the fifties and sixties such as Geertz and Castles looked anxiously for 'the missing bourgeoisie' but in what turned out to be the wrong place — namely the declining rural-based *santri* small trading class. Robison's focus is on the corporate sector, the point of intersection of international capital, the beneficiaries of military control of state patronage, and their small group of predominantly Chinese allies. It is the view from Jalan Thamrin.

The book is less satisfactory when Robison moves to the theoretical plane. In a complete reversal of the dependency argument of the original thesis, the first line proclaims à la Bill Warren that 'the most important revolutionary force at work in the Third World today is not communism or socialism but capitalism'. The proposition itself is reasonable enough. The crudities of early dependencia thinking are well worth abandoning and, with the NICs of East Asia before us, we must be well aware of the transformational meaning of 'the new international division of labour'. Stiffness of argument and limitation in both scope and depth, however, rob the rich empirical work of its full impact.

All this belies one's first impression of Robison, the rigorous Marxist. His opening and concluding paragraphs stress the formative capacities of Third World capitalism, a power almost amounting to a destiny to sweep away the irrational and arbitrary accoutrements of the midwife role played by the militarised state in the birth of Indonesian capitalism. Here Robison sounds less like Marx than Schumpeter, the analyst of Wilhelmine Germany in 'Imperialism' (1918) and 'The crisis of the Tax State' (1917).

Why should this matter? Not at all, except that it weakens the analysis. There are some surprising and significant lacunae in what many take to be a major Marxist account. Granted this study is concerned with just one section of the Indonesian class structure — but there is barely a sketch of the remainder of the body. Given the great difficulties of class analysis in Indonesia (the intersection of diverse modes of production, the sheer size of the society, the unusually large role of the state, the caste aspects of the army's role and, above all, the position of the Chinese) it would have been helpful if Robison had at least sketched his working model below the level of the fractions of corporate capital.

This concern becomes less formal when one notices the almost complete absence of class antagonism in his account of class formation. Where in the formation of capital is labour, industrial or otherwise? Although the origins are outlined of the Benteng policy in the mid-50s and considerable space is given to the Bappenas/CSIS debates of the 1970s, these are presented essentially as arguments between representatives of different parts of a nascent capitalist class. What was 1965 if not the collapse of the most profound challenge to the social order later presented by these policy streams. Despite the historical framework of Robison's work, there is surprisingly little sense of historical movement, of class formation as an emergent structuring of challenge and response.

Just what Robison means by a capitalist class in Indonesia is actually not at all clear. At different points in the book he appears to include international capital in 'the Indonesian capitalist class', while at other times he reserves that term for domestic elements. If international capital is part of the Indonesian capitalist class today, then why was Netherlands capital not part of it in the colonial period? Yet omitting the foreign elements gives rise to two further questions. Firstly, what are the precise ways in which Indonesian capital accumulation is inserted into the global circuits of capital? Secondly, just what is Robison claiming about the domestic Indonesian capitalist class? In terms of legal ownership and economic power he has demonstrated beyond question the emergence of a

corporate capitalist class and mapped the broad outlines of its internal differences. But does this grouping have sociological coherence and self-awareness?

Once the initial delight at the attempt at a class approach has worn off, the lack of clarity about the class structure combined with the absence of any picture of class contestation produces a curiously unsatisfying effect. Here Robison can be compared with Clive Hamilton's *Capitalist Industrialization in South Korea* (1986), whose historical class analysis focuses less on policy debate within the state than on the domestic and international economic and political factors that led to the remarkable shift in Korean merchant capital into productive investment in the early 1960s.

What ends up being omitted is the foreboding of potential tragedy embedded in Indonesian capitalist growth. To take but one example, Robison makes an extremely important claim to buttress his assertion that a capitalist class has now been found. He maintains that the large Chinese corporate family networks epitomised by Liem Sioe Liong and William Soerjadjaja are now so large and so transnationally buttressed that they will survive the removal of state protection. As the core of the domestic capitalist class, they are indispensable to any future capitalist economy. Whatever our politics, we may pray that Robison is right, because all this omits the factor of racism and its manipulation and the massive potential for scapegoat violence that could erupt from profound resentment at the structure of growth and privilege that Robison has documented so well. The Liems of the world may or may not survive but many thousands of smaller Chinese, petty capitalists or otherwise, assuredly would not.

In a chapter on 'Theoretical Considerations' Robison returns to his critique of Ben Anderson's culture- and state-based approach. To be sure, Anderson's repudiation of virtually any class-based explanations of Indonesian politics is persistent and at times clearly untenable, especially in his essay 'Nationalism and the State in Indonesia' (1982). And, as Vedi Hadiz points out in his recent review of Anderson's *Perspektif Budaya Dalam Studi Politik Indonesia* (1988), this antipathy to class analysis of Indonesia sits oddly beside Anderson's class-centred attack on culturalist explanations in Thailand. Robison's formulation of the Suharto state in terms of an autonomy derived from the fragmentation of capital but limited by a necessity to secure the general class interests of international and domestic capital is useful but it does not in itself constitute a decisive reply to Anderson. Contrary to general impressions, Anderson's analyses of New Order politics (in contrast to the Guided Democracy focus of 'The Idea of Power in Javanese Culture') are mainly arguments about structures of power rooted in the control of state extractive capacities and state organisation, especially the Armed Forces.

At issue is the adequacy of two competing, but not necessarily incompatible, structural approaches to the Indonesian state. While it is certainly true that Anderson's abjuring of class explanations is unconvincing and unhelpful, Robison's attack is at too high a level of generality to be decisive. What is striking about Robison's own approach is how little attention he pays to the state in Indonesian politics, and especially to the militarisation of the state that has made possible the emergence of the non-hegemonial class coalition which he has documented so well. It is often said that under Suharto the Indonesian state is a strong state — 'the powerhouse state' in Jim Schiller's apt phrase. Despite Anderson's interest in administrative structures, neither he nor Robison explain what makes up a strong state. There are several important dimensions of 'strength' which do not necessarily go together. Strength in the sense of repressive capacity is quite different from robustness in the face of external economic change; different again from the interventionist capacity of economic planners; and even more different from the ability to mobilise domestic support.

The obvious contrasts between contemporary Indonesia and South Korea show the need for such discrimination, particularly if, like Robison, we are interested in the pathways to industrialisation or demilitarisation.

The capitalist industrialisation of South Korea cannot be explained without acknowledging the causal priority of the Korean state's ability to exploit its position of strategic privilege in the US global frontline, Korea's utility in the nuclear confrontation, the class-shaping effects of the Korean war, and the capacities of the Korean intelligence state to command and shape both capital and labour. The fact that the resultant capitalist industrialisation has now generated class forces that are rapidly diminishing the relative power of the state does not weaken the need for a more pluralist method.

In the case of the Indonesian rentier state, a state which remains dependent on oil rents and IGGI support, each of these determinants is shaping the probable limits of action and opportunity for political actors. The special factor of ethnicity cuts across all others like a wild card. Robison may well be right that capitalist pressures for rationalisation of the state may regularise the excesses of the Suharto era. About other potential and plausible developments within the emerging Indonesian class structure, however, Robison tells us very little.

Robison has made a powerful and long overdue advance on existing analyses. In important ways he has changed the perspective upon Indonesian politics. Yet within the structures he bids us to acknowledge the potential for violence remains. Analysis does not yet offer hope.

