

Fachgebieten in einer angemessenen Sprache für die breitere Öffentlichkeit schreiben und dabei die Wissensgierden stillen, die immer wieder aktuell im Prozess der Globalisierung in der Öffentlichkeit entstehen.

Ulrike Krasberg

**Lindblad, J. Thomas:** *Bridges to New Business. The Economic Decolonization of Indonesia.* Leiden: KITLV Press, 2008, 266 pp. ISBN 978-90-6718-290-4. (Verhandelingen van het Koninklijk Instituut voor Taal-, Land- en Volkenkunde, 245) Price: € 24.90

Most studies of Indonesia's postindependence economic history have emphasized the unfavourable terms on which the transfer of power was finally agreed between the Dutch and Indonesian nationalists in late 1949. The economic agreement known as *Financieele en Economische Overeenkomst* gave the Netherlands' government strong guarantees that Dutch-owned businesses operating in Indonesia would continue to be protected against nationalization. It was also agreed that the infant republic would take responsibility for the national debt built up during the era of Dutch colonialism. These decisions were criticized by many nationalists; even more galling was the decision that the Netherlands would continue to govern the huge western half of the island of New Guinea, with its vast and largely untapped mineral resources. Even the more moderate nationalists suspected Dutch motives; many who had participated in the armed struggle against the Dutch from 1945 to 1949 were convinced that the Dutch government was determined to maintain economic control over Indonesia in order to finance its own economic recovery program.

In this excellent study, Thomas Lindblad discusses both the causes and consequences of the 1949 transfer of power. The second chapter gives a detailed analysis of the economic and social changes which took place in the late colonial period. Although the Dutch were slow to expand access to education, by the 1930s a small number of Indonesians did get access to Dutch-language education at the primary and secondary level, and a few managed to qualify as doctors, lawyers, and engineers. Most Indonesians who gained some postprimary education went into the civil service, although very few rose to the senior ranks. In addition, many of those whose education had been in religious schools, or in the primary schools which taught in vernacular languages, aspired to nonagricultural employment as traders or even industrialists. The 1930s census showed that many indigenous Indonesians were employed in nonagricultural occupations, although in most cases as labourers or as workers in small, family-based enterprises.

Lindblad emphasizes that the immediate postindependence years were a time of considerable optimism for many in Indonesia. Those who had been very junior government employees before 1942 were often promoted to more responsible posts by the Japanese, and some reached senior levels after 1949. Indigenous businessmen were also encouraged to move into sectors of the economy which had been largely monopolized by the Dutch

up to 1942. Lindblad offers a balanced evaluation of the impact of the so-called Benteng program which aimed to foster indigenous entrepreneurship through various types of positive discrimination. He agrees with previous scholars that the ultimate impact of the program was negative, mainly because it was from the outset designed to be a "political fix" rather than a serious measure of national economic policy. A number of indigenous businesses did flourish after 1950 but they would probably have done so anyway, without the dubious assistance of government-backed policies.

By the mid-1950s the political mood was changing. Although most estimates suggest that total gross national product had by 1957 returned to prewar levels, the population had increased considerably and many Indonesians felt that they were being denied the economic benefits which they had expected from political independence. Lindblad argues that, while the failure of the United Nations General Assembly to support Indonesia's claim to West New Guinea (Irian Jaya) was the trigger for the wave of takeovers which began in late 1957, the takeovers were probably inevitable, given the political climate. Many Indonesians felt that their revolution was incomplete and that only sweeping nationalizations could achieve the goal of a truly "national economy." Few realized that the measures adopted in the late 1950s would benefit only a small minority of Indonesians, many of whom were in the military. Fewer still realized that these measures would pave the way for the economic decline of the early and mid-1960s.

Lindblad refers to the work of scholars such as Paauw and Robison, both of whom argued that the nationalizations led to a jump in "bureaucratic socialism" which benefited in particular the military. Several hundred officers took early retirement in order to work in the newly state-owned firms. By and large these new managers lacked experience, and were blamed for subsequent declines in output. Companies where non-Dutch foreign capital was dominant, including some plantations owned by other European and American interests, and the two great Anglo-Dutch firms, Shell and Unilever, were allowed to continue normal operation. But the takeovers of Dutch companies affected many Indonesian workers who were laid off in the wake of the nationalizations. And the refusal of the government to pay compensation deterred new investment. Even before the advent of *konfrontasi* against Malaysia, which isolated Indonesia from all the major Western powers, the government was adopting policies which in effect cut Indonesia off from foreign capital and technology.

Lindblad concludes that the cost of the anti-Dutch actions was high, for both the Netherlands and Indonesia. But whereas the Netherlands, after 1956 a part of the new European Economic Community, shrugged off its losses in Indonesia and continued its rapid economic recovery, the cost to Indonesia was much higher. It was only in the late 1960s, after a change in regime, that economic growth resumed. The legacy of economic nationalism lasted much longer, and still influences policy in the post-Soeharto era. Those wishing to understand the