The Impacts of Globalization on Indonesia's Economic, Political and Social Conditions

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What is "globalization"?

Lexically, the word globalization is a noun derived from the adjective global meaning "to become global." The word global itself refers to something that relates to or involves the whole world (globe) (Brown, 1993, p. 1101). Thus, *globalization* refers to the process of becoming global; *global* refers to the end stage of the process. As a process, it is certainly difficult to pin down when globalization actually started and when it ends. There are, however, three major claims as to the origin of globalization. The first stance believes that globalization originated as far back as the birth of human civilization. The second theory attributes the origin to the rise of capitalism in the sixteenth century. The third perspective relates it to a recent phenomenon marked with the emergence and spread of modern information and communication technologies in the last three decades (Morrow & Torres, 2000). In addition, globalization can be viewed as a concept. As a concept, it is frequently associated with economics. In this viewpoint, globalization often refers to "the increasing integration of economies around the world, particularly through trade and financial flows" (International Monetary Fund, 2000, p. 1). However, due to the intensification of worldwide communication brought about by modern technologies, globalization in subsequent developments impinges not only on economics but also on other aspects of human life.

What Impacts Has Globalization Brought to the World?

There are at least two major phenomena globalization has brought to the world in the last three decades: democracy and financial crises. The world witnessed changes from a military to a civilian government or from a dictatorship to a democracy in the 1980s and 1990s. The former Soviet Union, for instance, which had been the chief proponent of communism for decades, collapsed in 1991. In Latin America, some countries enjoyed political freedom with the shift from a military-controlled government to a civilian-controlled government. For example, Argentina was freed from military junta in 1983; Uruguay was liberated from military grip in 1984;

Paraguay was released from a thirty-five year dictatorship in 1989; Chile was removed from General Pinochet's control in 1998. In Asia, the wind of change also took place in several countries. In the Philippines there was the transfer of power from President Ferdinand Marcos to Corry Aquino through people's power in 1986; in Thailand with the rise of premier Chuan Leek Pai, a civilian, in 1992. In South Korea was the rise of the opposition leader, Kim Dae-Jung, as president in February 1998 and in Indonesia with the collapse of Suharto's thirty-one year oppressive regime in May 1998. These are the political changes that swept some parts of the world between the 1980s and the 1990s.

In addition to democracy, globalization has brought financial crises to some countries. In Asia, "Asian Tigers" and "tiger cubs", which had enjoyed a relatively high economic growth for three decades, suddenly had to see a sharp drop in their currencies against the U.S. dollar (Federal Reserve Bank of San Francisco Economic Letter, August 8, 1997). The Asian financial crises began with the fall of the Thai Baht in the midst of 1997, which was followed by Malaysian Ringgit, Philippine Peso, and Indonesian Rupiah (see Weisbrot's *Globalization Primer*). Even more stable economies in the region like Taiwan, South Korea, Singapore, and Hong Kong could not escape the powerful effects of the financial meltdown. Besides Asia, other parts of the world such as Russia and Brazil also suffered from the contagious effects. Russia had to experience the rubble of its Ruble currency; the Brazilian Real had to face the same bitter reality in 1998.

What are the Impacts of Globalization on Indonesia's Economic, Political, and Social Conditions?
Economic Conditions

For many Indonesians, globalization may mean crises (economic, political, and social), that began with the monetary crisis (popularly known in Indonesian as "Krismon") in 1998. The sharp drop of the Rupiah value finally triggered other kinds of crises, which erased Indonesia's previous economic achievements within a short time. As a comparison, the exchange rate of Rupiah to the US dollar before the crisis in June 1997 was Rp 2,400. However, in early January it dropped until Rp 10,000, and in late January it hit its lowest point, Rp 17,000 (Sherlock, 1997-98). The low Rupiah value in turn made Indonesia's total foreign debt soar to US $146.9 billion as of the end of 1998 (*AFP*, April 15, 1999). Although the Indonesian government, following the IMF's suggestions, had tried to stabilize the currency by raising the interest rate up to 40 per cent, the inflation rate in the year 1998 was still very high, 78 per cent (Sherlock, 1997-98). Due to the tight monetary policy, a recession ensued and the GDP growth for the year suffered a contraction of -13.7 per cent, which is a sharp contrast to the previous years when Indonesia usually enjoyed an annual growth of around 7 per cent and an inflation rate of less than10 per cent (Weisbrot). The recession also made both unemployment and underemployment rates rise drastically to 8.7 million and 18.4 million respectively in 1998 and the number of people below the pov-

erty line almost doubled, i.e., from 23 million to 40 million in the same year (Sherlock, 1997-98). Thus, 1998 was the worst time for Indonesia because a sudden slump in the economy occurred in that year.

Political Conditions

The severe economic crisis and massive student demonstrations forced Suharto to step down from his thirty-one year rule on May 21, 1998, and democracy finally dawned on Indonesia. After Habibie's short transitional government, the first democratically elected president, Abdurahman Wahid, came to power in 1999. However, unlike the previous government, Wahid's government is very weak, partly due to increased people's participation now. The House of People's Representatives (DPR), for instance, which used to be the rubber stamp for Suharto's government's policies, had grown in power and had even posed threats to the continuity of Wahid's government. The House issued the first memorandum of censure over his alleged involvement in two financial scandals, Buloggate and Bruneigate, on February 1, 2001, and three months later gave him the second memorandum for not heeding the first one.. If he fails to respond appropriately to the House demand within a month, the House is likely to issue a third memorandum calling on the People's Consultative Assembly (MPR), the highest legislative body, to convene for a special session for his impeachment (*The Jakarta Post*, May 1, 2001).

The Indonesian press today also enjoys a lot of freedom. During Suharto's regime, the ministry of information required that every publishing company have a SIUPP (Press Publishing Company Permit) and publish articles according the "free but responsible" principle, which in practice largely depended on the government's own interpretation. This policy forced newspapers and magazines to apply self-censorship or to face closure. Because of the regulations, some media like *Sinar Harapan*, *Editor*, *DeTIK*, and *Tempo* were closed down. Today, no permit is necessary and mass media can publish anything they deem is right or important. In fact, the press today has grown so strong that it is now the government that often complains about the press's imbalance, unfairness, invasion of privacy (*Suara Merdeka*, February 11, 2001), distortion of statements (*Bali Post*, May 3, 2000), partiality (*Kompas*, April 28, 2001), and hostility (*Posmo.com*, January 21, 2001).

Mass organizations are another indicator of increased people's participation. Various mass organizations like student organizations, NGOs, labor unions, and Islamic organizations flourish now. Under the previous regime, people could not freely set up their own mass organizations. The government always tried to insert their own people in the leadership or, if not possible, banned the "illegal" organizations and set up similar organizations to counter them. Mass organizations like student and labor organizations, under the pretext of security reasons, were not allowed to take to the street and stage demonstrations. Today, however, rallies and street demonstrations staged by students, factory workers, and religious organizations are daily phenomena. Their de-mands are various, ranging from wage hikes to President Wahid's resignation.

The might of the military, which had become one of Suharto's pillars of power for three decades, has been greatly reduced. In the past the military enjoyed the privilege of holding both social and political power. As a result, military personnel dominated not only the parliament but also bureaucracies. For instance, out of 500 seats allocated for House members, the military got the privilege of securing 75 between 1971 and 1997 general elections without contest; however, now its seats have been reduced to 38, and in the 2004 general election, it is expected that it will disappear totally from the House (*Kompas*, August 13, 2000). As the role of the military is diminishing, civilian positions are gaining in strength now. In the current government, both the president and the vice president are civilians, the defense minister is also a civilian, and the police are now entrusted with security matters. They are now dealing not only with street demonstrations but also ethnic/religious conflicts and secessionist movements.

Another phenomenon of increased people's participation is the growing number of political parties participating in the 1999 general election, the first democratic election after 1955. There were only three political parties between 1977 and 1998: the United Development Party (PPP), the Indonesian Democratic Party (PDI), and the Functional Group (Golkar) (*The Jakarta Post*, February 1, 2001). The first two parties, however, were only ornamental, and with military and bureaucratic support, Golkar always won the majority votes (*Museum-KPU.com*, http://museum-kpu.com/sejarah.htm). In the 1997 general election, for instance, this party won 325 out of 425 House seats contested (*Kompas*, June 24, 1997). However, in the 1999 general election, the number of parties participating grew to 48 and Golkar won only 120 seats, second after PDI-P with 153 seats (*Jurnal SU MPR Online*, October 1, 1999). Now there are 21 political parties in the House, each of which wants to have a share of power in the government. Therefore, in the first few months of Wahid's government, the seven largest parties: PDI-P, Golkar, PPP, PKB, PAN, PBB, and PK were all accommodated in his "compromise" or "rainbow" cabinet, and were allotted ministerial posts in proportion to the number of seats they had in the House.

The rise of democracy and civil society in Indonesia is apparently followed by growing demands for autonomy and independence in a number of provinces. In addition to Aceh and Irian Jaya (West Papua), where separatist movements have taken place for years, calls for autonomy or threats of secession are now often heard in the provinces of Riau, South Sulawesi (Celebes), Banten, Bali, West Kalimantan (Borneo), etc. demanding a greater share in the economic resources or more power to manage their own religious or cultural traditions. In response to the growing demands for decentralization, the People's Consultative Assembly (MPR) has issued Law No. 22/1999 on regional autonomy and Law No. 25/1999 on intergovernmental fiscal balances (*Kompas*, August 21, 2000), and these issues apparently have become

one of the current government's main concerns, reflected in the establishment of the state ministry on regional autonomy.

Social Conditions

Socially, the impacts of globalization on Indonesia are noticeable in at least in two areas: the rise of ethnic and religious conflicts and the growing tolerance toward Chinese culture. Communal conflicts have been rampant in Indonesia especially since the fall of Suharto, killing thousands of people and displacing hundreds of thousands of them. For instance, in Sambas, West Borneo, the conflict chiefly between the indigenous Dayaks and migrants from Madura has killed around 165 people and caused more than 15,000 people to become refugees (*The News-Times*, March 22, 1999). In Sampit, Central Borneo, the Dayaks and the Madurese conflict killed around 470 and displaced almost 50,000 people (*Tempo Interaktif*, March 1, 2001). In addition to ethnic conflicts, religious conflicts especially between Christians and Moslems are on the rise. The religious conflict in Poso, Central Celebes, has caused a death toll of almost 3000 and around 35,000 people to become refugees (*CNN.com./WORLD*, February 28, 2001), and the conflict in Moluccan islands or Spice Islands has killed more than 3,000 people and displaced almost 500,000 people (*Guardian Unlimited*, July 9, 2000).

Although, on the one hand, ethnic and religious intolerance are rampant in certain parts of Indonesia, on the other hand, Chinese Indonesians—who had to suppress their cultural and religious identities during Suharto's regime—now enjoy relative freedom. During Suharto's era, the government implemented Presidential Decree no. 14/1967, regulating Chinese religion, beliefs, and customs (*Satunet*, September 23, 2000). The adoption of assimilationist policies toward the Chinese people resulted in the closure of Chinese schools, the ban on Chinese characters, and the required use of "Indonesian" names. These regulations, however, were revoked by President Wahid's Decree No. 6/2000 (*Gatra* no.11/ VI, January 29, 2000), and the Chinese New Year (popularly known in Indonesia as Imlek) was then declared by the decree of the Minister of Religious Affairs No.13/2001 as a facultative holiday, an official holiday for those who celebrate it (*Kompas*, January 22, 2001). In addition, Chinese Indonesians now can also use Chinese names, see Mandarin used in public (newspapers, TV, language centers, etc.), and notice the popularity of the Lion Dance (Barongsai) among Indonesian people.

Conclusion

In conclusion, in the last three decades, globalization—intensified by the widespread use of modern communications and information technologies—has impacted many parts of the world, including Indonesia. Economically, globalization has brought monetary crisis to Indonesia, which later developed into economic crisis and dashed the hopes of Indonesia to become another Asian tiger. Politically, globalization has brought democracy and has strengthened civil society, but at the same time, growing demands for autonomy and independence are heard in a number of provinces. So-cially, ethnic and religious conflicts have ensued, but on the other hand, now Chinese Indonesians have enjoyed greater freedom in asserting their religious, language, and cultural identities.

Is globalization a blessing or a curse for Indonesia? Some people, especially politicians, are enjoying more power (and probably more money too); however, others, especially those disadvantaged, are beginning to become disillusioned and look back to the days when their lives were "less difficult" and "more certain" under Suharto's corrupt and authoritarian regime.

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Strategies for Very Small Asian Studies Programs

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This panel was conceived during a session of the 2000 ASIANetwork Conference, when Sharon Wesoky and I were listening to a great presentation by Tim Cheek about teaching Asian Studies at Colorado College. I whispered to Sharon that she and I lived in a very different world from the one Tim came from—at our colleges, there are only one or two Asianists, very limited resources in general and particularly for Asian Studies, few students who bring natural curiosity about Asia to college with them (largely because our students are from European backgrounds and have little multicultural experience), and faculty and administrators often are indifferent, even hostile, to Asian Studies. I thought we should have a panel directly aimed at such schools, since probably the majority of member schools in ASIANetwork are similar in many ways. The Program Committee fortunately was receptive, so I invited Ronnie Littlejohn to join Sharon and me in presenting this panel.

My presentation was quite informal at the Conference, and I'll try to maintain that tone while providing this written summary. I was tempted to tell everyone to first, get a grant and second, get a high-level administrator on your side, and then sit down. Certainly if you have those two

things, everything else is likely to be solvable, but I also figured that such advice was not too helpful since everyone already knew it. But a little more seriously, I would like to discuss these two issues briefly. Grants are key to Asian Studies, not least because Asian Studies will probably require an expensive language program, library development, faculty development, and possibly support for student travel abroad. Grants can come from places you don't expect, or more easily than you expect. Exploit the personal connections your college may have with potential donors who are themselves interested in Asia. Those donors may be willing to provide a seed money grant of a few thousand dollars just because you ask for it for the purpose of developing Asian Studies. At small colleges like ours, a few thousand can go a long way in preparing you to go after the bigger and more formal grants you will need later.

The other issue which is key for small, often new, Asian Studies programs is to get allies on campus. As we all know, many people on campus will see the growth of Asian Studies as coming at the expense of something else. Often this is a realistic concern, and cannot be fully alleviated. But it can be mitigated by working hard to include all faculty and administrators with any interest in Asia. One way we did this at Saint Anselm College, where I teach, was to offer a faculty development workshop—open to the first 15 faculty who expressed interest regardless of teaching field—on India. The workshop was fully subscribed less than a day after notice was sent to the faculty by e-mail. Perhaps few of these 15 people will incorporate substantial sections on India in their courses (since we had two French professors and one biology professor among the group), but at the least all are now more likely to be active supporters of Asian Studies.

The heart of my presentation addresses three issues: what does Asian Studies look like at Saint Anselm College? This section explores the decisions and compromises made in implementing our new and tiny Asian Studies program. Second, is language instruction necessary? This proved to be the most vexing issue for people attending the panel. Third, how can we integrate Asian Studies into the highly Eurocentric curriculum when for many at the school, the Eurocentric curriculum is at the heart of the College's identity? I realize that fewer and fewer schools face this particular dilemma, but for those who do, it is a wrenching issue.

At Saint Anselm College, we have a certificate program (like a minor) in Asian Studies. Students in the certificate take five courses with Asian Studies content, of which no more than two can be from the same department. This program was approved to begin in the 2000-2001 school year, but three 2001 graduates had completed the requirements and received certificates. I believe this indicates a reasonably high level of student enthusiasm. Not all the courses have solely Asian content. The criteria for including a course are (as yet) informal, but roughly the content needs to be one-third Asian, which means that many comparative courses (Comparative Constitutional Law, for example) are included. I am not completely satisfied with how this part of our certifi-