

AN AGRICULTURAL DEVELOPMENT LEGACY UNREALISED BY FIVE PRESIDENTS, 1966–2014

Sediono M.P. Tjondronegoro

Bogor Agricultural Institute (IPB)

ABSTRACT

The founding fathers of the Indonesian Republic, Soekarno and Moh. Hatta, who became first President and Vice President respectively, designated the agricultural sector as the major factor contributing to Indonesia's economic growth. Prof Anne Booth's research findings during the Green Revolution in the mid-1970s also indicate the importance of the agricultural sector. Food self-sufficiency in the country was achieved in 1985, when Indonesia was close to its "take-off" stage.

However, subsequent developments after the New Order period indicated a gradual shift of policy guide lines from People's Welfare to Export-driven Growth and Increasing Foreign investment. Five Presidents since Sukarno have neglected the urgency of agrarian reform in Indonesia.

Keywords: Agriculture, Food policy, Land use, Population

INTRODUCTION

The short visit of Prof. Anne Booth from London University to Indonesia to attend an International Seminar organized by Bogor Agricultural University (IPB) in her honour gave rise to the following question: "How fast has agricultural output been growing since the 1960s?" This reminded us of a book that Anne Booth edited with Peter McCawley, entitled *The Indonesian Economy during the Soeharto Era* (Booth & McCawley 1981). The period of the 1960s is memorable because this was also the time when Anne Booth conducted research about Indonesia's agricultural growth. Indonesian economic and agricultural researchers, particularly those based at IPB and in the Agro-Economic Survey Team, are extremely grateful for her

early contributions. In this essay I would like to submit a brief description, based on personal observations and perceptions, of growth-related factors of development in our agricultural sector since the mid-1960s.

Having lived with my parents during my youth in rural areas and small towns on the densely populated island of Java, I was able to observe the rural population and the farmers as well as the farm labourers among them. Later, as a Republican partisan in the mid-1940s, I was again able to observe and even to be involved in rural community life. These experiences of rural life have no doubt influenced my interest in agricultural development (Tjondronegoro 1978; 2008). Even today, Indonesia is basically an agricultural country in which growth and development in the agricultural sector are fundamental requirements for increased prosperity for the hundreds of millions of people living in the third largest country in Asia.

Our appreciation of Anne Booth's contribution as an economist is not limited to agricultural development in a macro perspective, but also refers to related matters that she examined in several of her publications: "Indonesia's Land Tax" (1974), "Irrigation in Indonesia" (1977) and "The Burden of Taxation in Colonial Indonesia" (1980), to mention just a few. What I would specifically like to draw to readers' attention here is the fundamental agrarian problem, which has remained less deeply analysed in the literature.¹

GROWING INTEREST IN ECONOMICS IN A NEWBORN NATION

The interest of two Australian economists - Anne Booth and Peter McCawley - in publishing a book entitled *The Indonesian Economy during the Soeharto Era* may have been inspired by Bruce Glassburner's preface to his selected readings where he wrote: 'Because of the preoccupation of Indonesian economists with the immediate policy problems of their country, and because of the minor role to which the economic profession of the world has relegated Indonesia and the limited accessibility of the nation in recent years to those few economists who have a research interest there, the flow of published materials on the Indonesian economy has been thin.' (Glassburner 1971: vii).

When Anne Booth and Peter McCawley became interested in Indonesian economics, the situation had already begun to improve somewhat, with the

¹ For recent contributions to the literature, see Bomer 2008, Salim 2008, Badrun 2012, and Bastian 2013.

appearance of the *Bulletin of Indonesian Economic Studies* (BIES) in 1965 and a little later the Indonesian *Jurnal Ekonomi dan Keuangan Indonesia*, which was revived after a long period of silence. The extensive collection of articles in the BIES ever since has provided much material for Western scholars interested in Indonesia's economic development. During this period of revival, Anne Booth played a very supportive role, for which Indonesian economic and other social science researchers remain extremely grateful.

To inform a younger generation of Indonesian social science researchers, I may add that Anne Booth has been active in the Department of Economics and Statistics at the University of Singapore and was a Research Fellow in the Department of Economics in the Research School of Pacific Studies at the Australian National University in Canberra for several years. Up to retirement, she was a professor in the Economics at the School of Oriental and African Studies at the University of London.

EARLY RESEARCH FINDINGS

After studying past statistical records, Anne Booth pointed out that in the early period of President Soeharto (1966-1998), up to 1977, the production of basic food and clothing was emphasized and that the results of those policies in terms of sectoral growth rates were quite dramatic. In agriculture, which is a basic and extremely important sector, the rate of growth climbed from 1.4 per cent per year during the first half of the 1960s to 3.8 per cent in the six years to 1977, while remaining at 3.7 per cent in the subsequent period, 1971-1977. In earlier days, the then Netherlands Indies, now the Republic of Indonesia, had been known as an agricultural archipelago with more than 100 million people inhabiting thousands of large and small islands, living and working in the agricultural sector. Hence, land and water were the basic resources for people's sustenance and welfare. They have long been, and still are, of fundamental importance.

This reality was understood by Indonesia's founding fathers, Soekarno and Moh. Hatta, from the early stages of the Republic's existence. The committee to conceptualize an Agrarian Reform Law, since 1948 institutionalized by Vice President Hatta, made a contribution to formulating the Basic Agrarian Law 5 of 1960 that was accepted by Parliament on 24 September 1960. Subsequent legislation was issued in the same year to regulate land ownership to two

hectares as a minimum and five hectares as a maximum. Thus land ownership was already related to food production with two hectares as a minimum production unit, while large-scale land ownership was avoided. In this way the fundamental principle required to design a national land use map was basically agreed upon. A pressing claim for sustained national development had thus been acknowledged by the Soekarno-Hatta government since the early stages of its political guidance.

But although the sectoral composition of GDP in 1965 was still much the same as in the early 1950s, the share of agriculture declined from 52 per cent of GDP to 35 per cent during the next ten years, while the contribution of mining jumped from 3.7 per cent to over 12 per cent in 1977. This development meant that, while there was a drop in agriculture, an increase of almost 400 per cent occurred in the mining sector. This implied a significant growth of foreign investment in the mining sector, whereas the agricultural sector lost its former economic priority. There was thus a striking contrast between the Soekarno and Soeharto eras, reflecting different development priorities.

FOOD POLICY

In 1945 the founding fathers of the Republic of Indonesia vowed that Indonesia would be independent basing its development on political as well as economic self-sustainability (*kemandirian*), which the new nation had lacked since the dominance of the Dutch East India Company (VOC) from 1602 and the Dutch colonial government from 1830. From the nineteenth century, Dutch colonial historians have tended to describe the influence of large estates and governance under Sir Stamford Raffles, Lieutenant Governor-General in Batavia between 1813 and 1816. In the last quarter of the nineteenth century the Cultivation System was maintained under Dutch authority and poverty spread among the indigenous population.²

The agricultural sector was still considered important during the 1960-1977 period and the policy of rice production for sustainable national food self-sufficiency (*swasembada pangan*) was accepted. The food policy that the Indonesian government had adopted after the Soekarno-Hatta period was maintained under Soeharto's rule and even inherited by President Susilo

² See further, Booth, O'Malley & Weidemann 1988.

Bambang Yudhoyono after the general elections of 2004. The promise to the nation, however, has yet to be realized.

The Green Revolution and its spread in Southeast Asia in the early 1970s was a stimulating factor that increased rice production through the cultivation of High Yielding Varieties (HYV) of rice, imported from more developed countries (Pirie 1982). The use of fertilizers and pesticides, also imported from developed countries, was part of the package deal, without which higher yields would have been impossible. Since the production of HYV rice meant higher market prices, large farmers were able to buy up land from poor farmers, which reduced the latter to landless farm labourers. Rice production increased and so did the number of landless people.

Historically, this process had been observed for decades. In the Dutch colonial period and throughout the economic depression of the 1930s, inter-insular and inter-provincial rice prices and trade had been controlled in order to guarantee basic food sufficiency for all. What has since then been ignored as a basic precondition is law-abiding land-use practices that can guarantee rice production for a growing population.

Due to government decisions in 1969-1970, agriculture was accepted for three to four consecutive Five-Year Development Plans as Indonesia's key sector for initial development. This development relied largely on rehabilitation and upgrading of the existing infrastructure, intensification of food crop cultivation, particularly in parts of the country where irrigation was available, and greater exports of commercial crops such as coffee, rubber, palm oil and pepper.

The extensification of cultivable land for agriculture was practiced mostly on the islands of Sumatra, Kalimantan and Sulawesi, where mining activities were also developed. By and large, efforts were geared to providing new land and employment opportunities for migrants from the densely populated islands of Java and Bali. But only a small part of the new agricultural land was intended for wet land agriculture, which required the construction of irrigation networks like those in Bengkulu (Sumatra), Luwu (Sulawesi) and Sitiung (West Sumatra). Much greater areas were reserved for the dry land cultivation of annual as well as perennial crops.

The emergence and growth of estate companies (*cultuurmaatschappijen*) occurred a few decades after the rule of Raffles. Dutch banks such as the Netherlands Trading Association (*Nederlandsche Handel-Maatschappij*), the

Escompto Bank, and the Commercial Bank (Handelsbank) became interested in financing the agricultural estate sector in Java and Sumatra. The first agricultural company was established in 1870 under the name of the Deli Company; it was followed a few years later by the Deli Batavia Co. (1875) and the Amsterdam-Deli Co., which were set up in Amsterdam. Within a few years the number of companies increased considerably. Some 64 were based in the Netherlands, while there were 163 in the Netherlands Indies; these 227 companies had a total capital of 29.8 million guilders. Local credit institutions provided the working capital.

The system of estates cultivating agricultural products for the European market was not only profitable for investors but also benefited shipping from Indonesia to Europe. Under Governor-General Van den Bosch (in office 1830-1833) a plan to enable Dutch entrepreneurs to establish estates in forested areas adjacent to native kampongs was put into practice; this too was profitable for foreign investors and provided labour opportunities for nearby villages. When this system achieved considerable success, the colonial government decided in 1866 to give village headmen an official piece of land (*ambtelijk landbezit*), referred to as the village headman's office land (*tanah bengkok lurah*).

As far as I can recall, Anne Booth has never been against the national policy target of achieving self-sufficiency in rice production; however, several Indonesian critics have concluded that, given the high rate of poverty, which involves 30 million Indonesians still living below the poverty line, a multi food self-sufficiency strategy would be much more appropriate.

POPULATION

As both population and land use are concerned, it is useful to touch upon a few points related closely to agricultural development and levels of welfare among the rural population. This is important as the national goal since independence has been political and economic self-sustainability. Where food is concerned, this specifically means 'food self-sustainability' (*swa-sembada pangan*). Without ignoring food diversity, supplies of the staple food of rice should be basically guaranteed in an agrarian nation. From early times the population of the islands of Java and Bali showed rapid growth due to the fertile soils, which have been the consequence of the frequent eruptions of volcanoes. Quite

understandably, population and agricultural growth have been relatively faster than on the other islands of the archipelago.

According to economist Widjoyo Nitisastro (1970) and others, Java's population grew at an annual average of 2.4 per cent, reaching 28,386,000 people in 1900; 29,979,000 people in 1905; 34,429,000 people in 1920; 41,718,000 people in 1930; and 62,993,000 people in 1961.

Geertz (1963a:13) concluded that Java already contained one of the highest cropland to total area ratios of any extensive region in the world. It is no wonder that the Netherlands Indies government introduced a program of colonization (that is, inter-island migration) to Sumatra, which is the closest neighbouring island. Javanese peasants, who irrigated their fields (*sawah*) and who moved to Lampung's southernmost district just across the Sunda Straits, found, however, that they had to cultivate their rice in dry fields. Rice yields were lower than in Java, although remarkably higher than those obtained from the swidden cultivation practiced by local Lampung farmers. Migrants could also increase their income by planting sugarcane and selling their products to a nearby sugar factory. In the New Order period under Soeharto, irrigated rice fields were also developed in East Kalimantan but the lower fertility of soils compared to those of Java and Bali was the main reason for lower yields at harvest time.

For the poor, the basic needs of life have to be accessible. For instance, in their quest for food security the rural poor often have little choice but to use their limited resources extensively. Their negligible natural and capital assets force them to adopt survival strategies with short time horizons. They became excluded from productive opportunities by ill-defined or non-existent property rights, limited access to financial services and markets, inadequate security against natural disasters, lack of education and training, and very little power in decision-making. Understandably, when property rights are lacking or insecure, farmers cannot be sure whether they will obtain benefits and therefore they lack incentives to make investments for the longer term. Instead of taking from and giving back to the soil, they drain its productive properties. Although in a few places they may move far into forested areas, most do not have the option of shifting due to earlier deforestation, which has occurred in several parts of Kalimantan.

While this pattern is in itself unsustainable, it must be understood in the context of poor people struggling to feed their families. Furthermore, concerns about the environmental effects on forests should be seen in relation to the devastating effects of illegal logging or mining companies that are not meeting sustainable forestry standards. There is need for at least a regional land use map and relevant land regulations to prevent conflicts and to ensure rights to land for the poor, if the government seriously intends to:

- ensure the food security and income of poor households by marketing surpluses
- employ sustainable land-management practices that involve investing in long-term land productivity
- preserve land and related assets during periods of agricultural stress
- accumulate capital and assets so that rural people can invest in other livelihood options and thus reduce land fragmentation, and
- transfer assets to overcome inter-generational poverty.

The poverty situation since the 1960s has been evaluated more positively and an Asian Development Bank consultant once concluded that in the early 1990s poverty was no longer endemic. It was not only the BPS (*Biro Pusat Statistik*, now *Badan*) that took samples and reported calculations of the headman index. In 1976 a more specialized unit, SUSENAS (National Socio Economic Survey), was assigned to conduct a consumption survey that covered 1,000 households. Subsequently, the number was increased to 60,000 households in 1981 and to 205,000 households in 1992. Surveys used consumption as a core value or criterion in 1976 when a team led by Prof. Sajogyo and Prof. D. Karyadi proposed a basic annual rice consumption of 250 kg per capita, which came down to a calorie intake of 2,100 per day, as a national poverty line, although this figure has never been accepted formally by the government. Even now, a basic criterion has not been stated by the government as the poverty line. After the economic crisis of 1997/98 and the MDG's declaration of \$ 2.00 per capita per day as the poverty line, the Indonesian government has tended to accept this criterion (now corresponding to Rp.20,000 per capita per day).

The incidence of poverty in Indonesia between 1976-1990 was as follows:

| Year | Urban | Rural | Total |
|------|------------|------------|------------|
| 1976 | 10,000,000 | 44,200,000 | 54,200,000 |
| 1978 | 8,300,000 | 38,900,000 | 47,200,000 |
| 1980 | 9,500,000 | 32,800,000 | 42,300,000 |
| 1981 | 9,300,000 | 31,300,000 | 40,600,000 |
| 1984 | 9,300,000 | 25,700,000 | 35,000,000 |
| 1987 | 9,700,000 | 20,300,000 | 30,000,000 |
| 1990 | 9,400,000 | 17,800,000 | 27,200,000 |

According to this report, the poverty rate dropped from 40 per cent to about 15 per cent in less than 15 years (Wiebe 1993; Republic of Indonesia 1993).

THE GREEN REVOLUTION

Quite understandably, Indonesia responded well to the Green Revolution, which meant promoting agricultural growth with modern techniques. Not only were irrigation canals improved, but HYV rice introduced, together with new fertilizers, resulting in a significant increase in rice production. In 1980/82, rice harvests, according to the Ministry of Agriculture, reached a record of 1,998,000 tons of dried, un-hulled rice from approximately three million hectares of wet rice-fields (*sawah*). *Sawah* acreage was projected to increase steadily to 1.5 million hectares (1980); 3 million hectares (1981); and 4.5 million hectares (1982).

Despite the good harvests of these consecutive years, hidden poverty remained a problem, which was acknowledged by the late President Soeharto in January 1981, when he admitted that some 40 per cent of the rural population was still subsisting on or below the poverty line. In the province of East Nusa Tenggara, to the east of Bali, 62.7 per cent of the rural population was still categorized as poor and 26 per cent of these were classified as very poor. Already in the mid-1970s, Prof. Sajogyo of the Bogor Agricultural University proposed, as a result of intensive surveys in several provinces of the country, that the 'poverty line' could best be defined as rice consumption per capita rather than in annual

money expenditures of then \$ 90 per year, which would have made it \$0.65 per day per capita.

Based on the nutrition survey that Prof. Sajogyo and Prof. Darwin Karyadi conducted, the poverty line for Indonesia as a vast agricultural country could better be defined as annual rice consumption per capita, which would then be 250 kg/capita or 2,100 calories per day/capita to sustain health adequately.

One of the phenomena that occurred during the Green Revolution was that, due to the fact that the higher yields of quality rice caused an increase in price, well-to-do farmers bought rice fields from small farmers. For that reason landlords increased in number as did the number of farm labourers in rural areas. Basically, this tendency resulted in unemployment for many farm labourers and in many cases a move to urban areas. This situation, which Geertz (1963b) described in his *Peddlers and Princes*, has formed a trend ever since.

On the positive side it can be reported that, compared to the period of the early 1960s when over a million tons of rice were imported each year to fill the growing food gap, the results of the Green Revolution and modernization in farming practices reduced this gap. Rising rice prices removed the need for an increase in imports. But despite the absence of imports, the high food prices also added to inflationary pressure (Booth 1979:28). To overcome these problems, the government introduced a program, known as BIMAS (*Bimbingan Massal* or mass guidance), through which large farm areas were collectively supported by the government. The aim was to produce greater output with the help of government subsidies in the form of fertilizers, pesticides and high-yielding rice varieties.

According to the Population Census of 1971, Indonesia had 118.8 million people but available rice was only 110 kg per capita. An increase of 13 kg was reported in 1978, and the figure then reached 123 kg per capita. A food and nutrition survey, conducted in several provinces on the islands of Java, Sumatra and Kalimantan and led by Prof. Sajogyo and Prof. Darwin Karyadi, arrived at the conclusion that a consumption of 250 kg per capita annually is the very minimum to reach 2100 calories for a minimum health level. This finding was reported to the Indonesian Government and to UNICEF, which had partly funded the research, but it has never been accepted as an Indonesian 'poverty line'.

Nor has a minimum area for land ownership been accepted. According to a recent publication (Tauchid 2009), 60 per cent of the farming population were cultivating rice on only 0.3 ha in Java, Bali and North Sumatra, although this area is insufficient to produce more than 1.5 tons of rice. With a population of around 100 million in the whole country, it is easy to conclude that rural poverty must have been appalling. After 1965, the Green Revolution was welcomed by the New Order Government (1966-1998) since the emphasis on rice production reflected a policy of agricultural modernization.

Figures for land ownership, however, were not taken into consideration. One publication, based on rural surveys by the late Prof. Sajogyo, described the trend as 'modernization without development'. While the official Agricultural Census results of 1963 reported that 52 per cent of the peasantry owned less than 0.5 ha, a more accurate percentage is obtained when ownership of 0.1 hectare is added; the total percentage would then be 61. In fact, agricultural modernization does not correlate with poverty reduction in rural villages (Sajogyo 1973).

This conclusion is obvious since in three or four consecutive Five-Year Development Plans under Soeharto, agriculture had been accepted as Indonesia's key sector for initial development. This would largely rely on intensification of food crop cultivation, mainly in parts of the country where irrigation was available. Indeed, since the Soeharto period, agrarian reform has never been considered a basic problem in the country's development process, although the slogan of 'food sustainability' is still being upheld. Even when, after the end of the New Order and President Soeharto's resignation in 1998, the slogan remained and agrarian reform was mentioned by the candidate President Susilo Bambang Yudhoyono in his campaign (2004), there has as yet been no implementation.

THE SHORT POST-SOEHARTO PERIOD

Since Anne Booth has more particularly described and evaluated the Soeharto period, it may be useful to add a brief report about the recent past. The Soeharto period lasted for less than a decade, during which there were many political changes perhaps not entirely unrelated to the world economic crisis. I would be interested in Prof. Booth's analysis but I have so far not come across

any article that would clarify political and economic trends and solutions in Indonesia as the country enters the twenty-first century.

The Soeharto period between 1966 and 1998 introduced a more open economic relationship with developed countries and even greater dependency, compared to the Soekarno period. Two important factors can be mentioned: while there was closer cooperation with western and liberal countries after 1967, there was also a drop in population growth from 2.6 per cent to 1.6 per cent due to the active policy of the Family Planning Body (BKKBN).

Foreign capital was again invited to invest in the Five-Year Development Plan projects under the guidance and supervision of Prof. Widjoyo Nitiasastro as head of the Central Planning Board (BAPPENAS). He was often considered to be a central figure among the so-called Berkeley mafia, referring to his academic achievements at the University in Berkeley, California.

Prof. Habibie, who was appointed vice president in March 1998, succeeded Soeharto after merely two months and seven days in that position. After Soeharto's resignation on 21 May 1998, he became Indonesia's president for the short period of one year and five months, after which he was succeeded by Abdurrachman Wahid as the result of an election in parliament on 20 October 1999.

In the period of Prof. Habibie's presidency, with his emphasis on improving the political situation, a number of laws in the political domain were issued such as the Anti-Monopoly law, the law on Healthy Competition, and the law concerning Political Parties. Of particular importance was the law on Regional Autonomy. This in effect reduced these integrative trends, which were an inheritance from the New Order regime under President Soeharto.

Indonesia's fourth president, Abdurrachman Wahid, was an exponential figure in the political party PKB, which signified the revival of Islamic political parties. However, Wahid had since 1982 been expressing a social-democratic Islamic spirit. He defeated Megawati Soekarnoputri, his rival and leader of the Indonesian Democrat Party (PDIP), on 20 October 1999.

After President Soeharto's resignation, there were a few successors— Habibie, Wahid and Megawati - whose periods of power were too short to implement national development programs. These three short-term presidential successors who followed Soeharto were, not surprisingly, unable to implement any long-term development programs.

The New Order government under President Soeharto was gradually replaced by a multi-party democratic system that increased the role and influence of parliament. A decision by President Abdurrachman Wahid to declare Chinese New Year's Day an optional holiday resulted in strong protests. On 23 July 2002, parliament agreed to the resignation of Wahid and declared that his resignation would be effective with the appointment of Megawati as the nation's fifth president in July 2001.

The short period that has elapsed since Indonesia entered the twenty-first century indicates the political and also the economic stability of the Indonesian Republic in its existence. Multi-year development plans to ensure progress in nation building would therefore be hard to formulate. The world economic crisis since 2007 undoubtedly caused political and social instability in many developing countries. Designing and formulating long-term plans has been practically impossible due to existing uncertainties.

In the years since the 1997/98 Asian financial crisis, Indonesia's political, economic and social developments have been less accentuated when compared to Anne Booth's evaluation of the conditions and trends that prevailed between 1960 and 1992. Liberal economics have since then opened the gate for free competition between public and private companies and this has spread to rural areas and the agricultural sector. Large-scale investment by foreign capital in oil palm plantations outside Java has reduced vast areas of non-irrigated rice fields. Even in East and West Kalimantan, non-irrigated rice fields have been turned into millions of hectares of coconut and cacao plantations.

Indonesia as a nation, home to sailors who centuries ago pioneered routes across the Indian and Pacific oceans, leaving traces of DNA in peoples from Hawaii to Madagascar, should never be forgotten. Even if we think about self-sufficiency in food while excluding other basic needs, Indonesia will have to produce food for a population of 280 million by 2025 and 330 million by 2050. According to the UNO in New York, world population will in the same quarter of a century increase from 8.1 billion in 2025 to 9.6 billion in 2050, with more than 50 per cent of this growth occurring in developing countries.

One can only imagine the extent of the agricultural land that has to be developed to reach a healthy consumption level of 2,100 calories per capita for all Indonesians. In the 1930s Indonesia was exporting its best rice to Thailand but today Indonesia is importing rice, soybean, corn, cacao and fruit from

distant countries, such as the United States, Brazil and China. If the promises of the Agrarian Reform of 1960 are not implemented, while population growth is bringing economic hardships to communities living by traditional methods of agriculture, we can only hope that it is a force powerful enough to make communities change their methods and in the long run become much more advanced and productive societies sustained by industrial growth. If such a development can be peacefully accelerated, a revolution may be avoided.

Meanwhile, a new political party known as Partai Demokrat (PD) has risen to a high level of general popularity and campaigned the Party's chairman, General Susilo Bambang Yudhoyono (SBY), as president. 'Developing a secure/peaceful, just and prosperous Indonesia' was the title of PD's political program in May 2004. More specific programs were disclosed during the campaign period:

- 'Towards a New Indonesia' (*Menuju Indonesia Baru*)
- 'Avoiding National Disintegration' (*Mencegah Disintegrasi Nasional*)
- 'Uniting People Who Desire Change' (*Bersatulah Rakyat yang Menginginkan Perubahan*)
- 'Moving Towards a Modern Indonesian Nation State' (*Menuju Negara Kebangsaan Indonesia Modern*)

One could also get the impression that the program was a reflection of a state of national confusion, including a loss of specific socio-economic development targets. Basically, the greatness of the Indonesian Republic has been founded both on its natural richness and wealth and on peasants and experienced sailors who have developed a multi-cultural civilization.

Past colonial history under Dutch rule for 300 years was a clear indication of the welfare and prosperity that people enjoyed by exploiting the agricultural, forestry and marine sectors. In SBY's campaign in May, 2004, he became more specific and program-oriented when he promised policies to reduce poverty, land hunger and unemployment in both rural and urban areas. He even promised to carry out agrarian reform, which has still not been implemented, even though the end of SBY's second presidential tenure (2009-2014) is approaching.

Very much as in the colonial period before independence, foreign investment is now growing, while, under the influence of neo-liberal economics, a middle class (*bourgeoisie*) is increasingly influential. In the course of time, particularly since the 1997/98 financial crisis, many enterprises on the global market have been successful in altering the indigenous food habits and culture of Indonesia in such a way that traditional consumption patterns are changing and being replaced by food patterns whose ingredients are imported and therefore expensive. Therefore, if the percentage of poor people is still relatively high, major food changes would benefit only the rich and better-off members of the community.

Food security, as declared by the FAO (2000), is based on the reality that basic foodstuffs like grain, rice and corn are still a problem, particularly in the developing countries of Asia, Africa and Latin America. Many peasant organizations in developing countries have understandably reacted to the global food crisis, when wheat prices increased by 130 per cent, rice prices by 80 per cent and maize prices by 35 per cent in the 2007-2008 period. If the results of OECD and FAO research are reliable, the agricultural outlook predicted for 2007-2016 will come true and agriculture and the supply of food commodities will decline. In view of recent projections about the world's population growth until the middle of the twenty-first century, when it will number 8 billion rather than 6 billion people, the food problem will become very serious. No doubt the conversion of agricultural land for urban expansion will seriously worsen these problems.

CONCLUSION

Despite the political guidelines regarding agricultural development and national food sufficiency announced by Indonesia's five presidents at the start of their respective administrative terms, no concrete plans about agricultural land required for food production have been formalized. No national land use map, as far as I know, has ever been produced by the body for national mapping known as BAKOSURTANAL (now *Badan Informasi Geospasial* or BIG). In reality, land use changes can occur without any management.

Demand and market prices are of particular influence in changing agricultural land into human settlements, infrastructure or industrial areas. Even forests

have been sacrificed for these purposes. Therefore, if national development must implicitly guarantee the nation's basic needs, the incoming cabinet of 2014-2019 will have to formalize a National Land Use Map based on Law No. 38 Prp. 1960. Implicitly, the anti-poverty strategies of future governments should be *people-centered* rather than *growth-centered* since good conditions in the agricultural sector will also ensure improvements in the living conditions of millions of people in the vast rural areas of Indonesia.

BIBLIOGRAPHY

Books

- Badrun, M. 2012. *Pengembangan Tanaman Tumpangsari Pangan Intensif Sebagai Paket Teknologi Alternatif*. Jakarta: Cipta Media Kreasindo.
- Bastian, Radis. 2013. *Para Pahlawan Terhebat Pengubah Indonesia*. Yogyakarta: Palapa.
- Booth, Anne. 1979. *Ekonomi Orde Baru*. Jakarta: LPES.
- Booth, Anne & Peter McCawley (editors). 1981. *The Indonesian Economy During the Soeharto Era*. Kuala Lumpur: Oxford University Press.
- Booth, Anne, William J.O'Malley & Anna Weidemann (editors). 1988. *Sejarah Ekonomi Indonesia*. [Translation of *Indonesian Economic History in the Dutch Colonial Era* (New Haven, CN: Yale University Press. 1990)]. Jakarta: LPES.
- Brown, Lester B. & Pamela Shaw. 1982. *Six Steps to Sustainable Society*. Washington, D.C.: World Watch Institute.
- Geertz, Clifford. 1963a. *Agricultural Involution*. Berkeley: University of California Press.
- , 1963b. *Peddlers and Princes. Social Change and Economic Modernization in Two Indonesian Towns*. Chicago: University of Chicago Press.
- Republic of Indonesia. 1993. *Indonesia: A Quarter of a Century of Progress (1968-1993). Tables and Graphs*. Jakarta: Perum Percetakan Negara.
- Pirie, Peter (editor). 1982. *Human Populations and Agro-ecosystems*. Honolulu: East-West Center.
- Tauchid, Mochammad. 2009. *Masalah Agraria Sebagai Masalah Penghidupan dan Kemakmuran Rakyat Indonesia*. Yogyakarta: STPN.
- Tjondronegoro, S.M.P. 2008. *Negara Agraris Ingkari Agraria*. Bandung: Yayasan AKATIGA.
- Widjoyo Nitisastro. 1970. *Population Trends in Indonesia*. Ithaca, NY: Cornell University Press.

Wiebe, Frank. 1993. *Poverty in Indonesia: Official Poverty Estimates and Poverty Management Issues*. Manila: Asian Development Bank.

Articles and Presentations

Bomer, Pasaribu. 2008. “Tantangan Pengembangan Agro-Energy; Belajar dari Pengalaman Negara Lain (Brazil)”. Dies Natalis speech, Institut Pertanian, Bogor.

Booth, Anne. 1974. “Ipeda – Indonesia’s Land Tax”. *Bulletin of Indonesian Economic Studies*. Vol. 10, no. 1: 58-81.

----- . 1977. “Irrigation in Indonesia. Parts I and II”. *Bulletin of Indonesian Economic Studies*. Vol. 13, no. 1: 33-74; no. 2: 45-77.

----- . 1980. “The Burden of Taxation in Colonial Indonesia in the Twentieth Century”. *Journal of Southeast Asian Studies*. Vol. 11, no. 1: 91-109.

Food and Agricultural Organization (F.A.O.). 2000. “Declaration of Rome and Food Security”.

Salim, Emil. 2008. “Tata Ruang dan Resource Plan untuk Pangan dan Energi”. Dies Natalis speech, Institut Pertanian Bogor.

Sajogyo. 1973. “Modernization without Development in Rural Java”. Paper contributed to the FAO Conference, Bogor.

Tjondronegoro, S.M.P. 1978. “Recent Indonesian Rural Development: The Dilemma of a Top-Down Approach”. *South-East Asian Affairs*. Singapore: Institute of Southeast Asian Studies: 139-148.