

Panel 5. Jee

P-475/11/D3 1/59

ECONOMIC DEVELOPMENT  
AS A CULTURAL PROBLEM

(*Konfrontasi*, September-October, 1954)

SOEDJATMOKO

TRANSLATION SERIES

MODERN INDONESIA PROJECT

Southeast Asia Program  
Department of Far Eastern Studies  
Cornell University  
Ithaca, New York

Price—\$ .50

ECONOMIC DEVELOPMENT  
AS A CULTURAL PROBLEM

Soedjatmoko

(Konfrontasi, September-October, 1954)

© 1958 by Cornell Modern Indonesia Project

TRANSLATION SERIES

Modern Indonesia Project  
Southeast Asia Program  
Department of Far Eastern Studies  
Cornell University  
Ithaca, New York  
1958

ECONOMIC DEVELOPMENT  
AS A CULTURAL PROBLEM

Soedjatnoko

(Kontinental, September-October, 1954)

© 1958 by Cornell Modern Indonesia Project

TRANSLATION SERIES

Modern Indonesia Project  
Southeast Asia Program  
Department of Far Eastern Studies  
Cornell University  
Ithaca, New York  
1958

## PREFACE

Although the subject of Indonesian economic development has commanded the attention of a number of writers, including several able economists, very little serious writing has been concerned with its social context. One of the few significant exceptions has been Mr. Soedjatmoko's article in the September-October, 1954, issue of the Indonesian scholarly journal, Konfrontasi. This article stimulated considerable discussion among Indonesian intellectuals, but, being written in the Indonesian language, has been available to few Western readers. The Cornell Modern Indonesia Project is happy to have the opportunity of providing in its Translation Series an English translation of this important article. We wish to express our appreciation to the editors of Konfrontasi for their willingness to make it available to a wider audience and to Mr. Soedjatmoko for his careful checking of the translation.

Ithaca, New York  
January 25, 1958

George McT. Kahin  
Director

It is hardly necessary to discuss at length the importance for Indonesia of economic reconstruction and development. The hopes for a fuller and better life, which inspired the Indonesian people during our revolution, have not yet been fulfilled. These aspirations derived from and coincided with the extensive social changes which we have been experiencing. The hitherto closed social structure cannot any longer hold out against the penetration of modern economic life. The villages cannot now ensure adequate means of sustenance, and the situation so arising is felt as an intolerable restraint. As a result, the existing social structure begins to disintegrate, peasants wishing to find new means of livelihood drift to the city, while some, with the same motive of seeking a better existence, join armed gangs. Thus it can be seen that the fulfillment of independence and the consolidation of an independent state impose the need for a new social structure involving a higher level of production and a more equitable distribution of the goods produced. In a situation such as that now prevailing it is only that social structure and political system which is able to furnish a solution to the problem of widespread poverty in Indonesia that can endure. Consequently, the form and the character of the political structure of our state, and the real extent of our independence will be essentially determined by the methods we adopt for bringing about our economic development.

If we analyze the position Indonesia occupies in the world it is apparent that, with our economy at its present level, the situation of the Indonesian people is still to a considerable degree determined by factors beyond our control. Obviously, as long as the circumstances remain so, the principle of self-determination is, for us, a concept bereft of meaning. It is, of course, possible over a period to effect some consolidation of our position and protect our national interests by various political measures, but such measures will bring only limited and temporary results. The real guarantee of our being able to give tangible realization to the principle of self-determination can be provided solely by increasing our economic strength. The pressing need for economic development in Indonesia becomes even more evident when it is noted that numerous other countries have already attained, and even surpassed, the pre-war economic level. The figures included in the survey recently compiled by Dr. Daniel Neumark for the State Planning Board showed that the pre-war level of national production in Indonesia had not yet been regained, and moreover that we had not been able to arrest the decline in the standard of living that had already begun before the war. The dangers created by this reduction in national strength are all the more evident when we observe that the higher the economic level of any state the greater is its ratio for further economic growth. In other words the economically backward countries lag continually further behind

the economically advanced countries, and it becomes increasingly more difficult for the economically backward countries to attain the more rapid rate of economic development of the advanced countries. The danger of an even more pronounced lag in the development of the economically backward countries and the consequent weakening of their position, is not to be taken lightly.

It can be seen that a complete fulfillment of our independence and the possibility of our achieving real self-determination are dependent on our ability to set into motion the process of development by achieving advancement to an extent and at a rate corresponding to the scope and the urgency of this problem. The measures taken will similarly determine the pattern of the political structure of the Indonesian state and the degree of real independence that we shall attain.

Although we have, in the course of the last few years, registered some measure of economic progress, there is nevertheless the impression that this progress has failed to catch the imagination of the Indonesian people. Moreover, it must be conceded that the progress achieved up till now is far from sufficient to meet the demands of our time as indicated above. The results up to the present are also too limited to strengthen our self-confidence and enthusiasm and to inspire us to further efforts. It seems that the economic development plans emanating from the Government have failed to come to life in our society as a whole, although the areas directly involved are aware of the importance of these plans. There is a general feeling that the projected developments will remain mere Government schemes, in which each Ministry will go its own separate way, not as a constituent part of an integrated over-all development plan. At the same time the political parties likewise suffer from a similar failing. Although their leaders pay lip service to the idea of economic development, there is no evidence of any real concern for this issue. In the present situation in Indonesia party maneuvering for political advantage takes priority, while the question of economic development is apparently treated as a matter of little urgency. It is hardly surprising then that there does not exist among the public any clear idea of the meaning of economic development or of the public's role in this process. Instances of local individual initiative are not lacking, but as often as not such enterprise has been generated by disappointment at the inefficacy of government planning for the region. In any case, the individual citizen generally does not have the feeling that he is becoming an active participant in a large-scale joint undertaking of the Government and the people aimed at national development. For

this reason one cannot escape the conclusion that the attempts at economic development have only been made half-heartedly and that the program really never got off the ground. Yet, economic development should be the expression of a popular movement consciously guided by the Government.

The reasons for the failure to achieve a significant degree of economic development are manifold. Some of these reasons are, of course, political in character, since any nation must fulfill certain political conditions before being able to take effective action in this field. In our opinion one of the most important reasons--outside the factors of a political nature--is the lack of understanding of the significance of economic development for the country, so that there is virtually no recognition of the urgency of this issue. There is also a lack of understanding of what economic development could mean for each individual in his own immediate environment. Moreover, it is also not adequately realized that economic development is a process which touches every sphere of our existence. Neither has there been any systematic stock-taking of the various obstacles which are rooted in our pattern of culture. In order to establish a realistic approach we must see the question of economic development in its relation to all facets of our way of life, or in other words, in its relation to our culture.

It is not the intention of this essay to examine specific economic or political factors related to the formulation and implementation of any program of development. Consequently we will not analyze those political conditions which must be fulfilled in Indonesia before we will be able to carry out schemes of economic development. Nor will we discuss the formulation of a policy of economic development. It is merely the intention of this essay to review briefly some aspects of the relationship between economic development and various cultural problems, some of which are directly related to the basic characteristics of the nation. For, it can be definitely asserted that economic development is directly related to the national character of a people just as is its political and social structure.

That economic development is not exclusively an economic problem can be deduced from the fact that the determination of the objectives and the nature of any development plan and e.g. the ratio of investment for the manufacture of capital goods and the production of consumer goods are based on political and therefore non-economic decisions. Similarly, decisions regarding the manner in which any economic

development program is to be implemented--the degree of centralization and decentralization, the question whether the program is to be carried out by government agencies alone or whether the co-operation and active participation of the population is to be sought--the extent of personal initiative allowed in the formulation and implementation of the program and the degree of individual freedom within this framework, are all inseparably linked to the underlying drives and aspirations of a people, and to the unconscious purposes of that society; in other words they touch upon the cultural basis of that society.

### Economic Development as a Process of Social Change

The extent to which one single factor comes into play can be illustrated with just a few examples. Among the measures taken to bring about economic development the establishment of co-operatives is of considerable importance. Co-operative enterprises also constitute a jumping-off point and an intermediate step towards modern economic activity which is sufficiently close to the atmosphere of our traditional ways of life and at the same time capable of being used as a basis to build up our economic strength and of creating forms of larger scale economic activities.

The establishment of a co-operative in a village means the introduction of specific techniques of organization. An administrative apparatus is required with the modern methods of bookkeeping, and the functioning of the enterprise demands financial responsibility. Then, the attitude of the villagers toward money and credit will have to change as a result of the functioning of the co-operative, and the members of the co-operative will, moreover, have to be paid in money. The setting up of a co-operative will inevitably lead not only to a change in the social relations in the village but also to a change in the hitherto prevailing customs and institutions. The pattern of village administration and the character of the intercourse between the village and the surrounding regions must be adjusted accordingly. With the setting up a co-operative in a village there is introduced into the existing relationship of forces a new center of power, contesting the influence of the traditional order of things, so that a revision in the previously unchallenged political pattern takes place. Out of necessity the villagers must adapt their activities, their concepts, and their customs to the existence of these new bodies. Also as a



consequence of the setting up of a co-operative there will be a new group in the community with specialized knowledge and skills which were formerly not known in the village, and the villagers must be prepared to respect and to receive into their midst, the members of this group.

The superficial similarity between the functioning of a co-operative and the practice of gotong-rojong (mutual aid) actually obscures the significance of the changes resulting from the establishment of a co-operative in a village, and not infrequently this very similarity becomes an obstacle to the success of the co-operative. The practice of gotong-rojong is based on the feeling of kinship existing in a virtually isolated and largely autarchic community. As was pointed out above, the functioning of a co-operative entails the payment of monetary reward for services, a procedure usually not found with the practice of gotong-rojong. A co-operative is set up by a decision taken deliberately and voluntarily by the participants in the enterprise. Those making up the membership of a co-operative have joined together with a specific objective in view and have done so on the basis of a reasoned understanding of their individual and common rights and interests. Through the co-operative an outlet is found to a way of life more open and wider in scope than was previously possible. In our experience with co-operatives it has been found that if the difference between the functioning of a co-operative and the practice of gotong-rojong which is rooted in the feudal-agrarian structure, is not fully appreciated, the danger exists that the co-operative will become no more than a new embodiment of feudal-agrarian traditions. There are not a few village co-operatives which are no more than associations of the local feudal elements and which are thus used as a new means of perpetuating the traditional power over the poorer villagers.

In any case, it is quite clear that the success or failure of a village co-operative depends not only on the ability of the leaders and members to conduct the enterprise but on social and cultural changes as well which are directly or indirectly related to the functioning of the co-operative. Therefore, the establishment of a co-operative in a village is and should be accompanied by various changes in other spheres of village life, and it can even be said that the success or failure of a co-operative depends largely on the degree of ability to make these changes. Obviously, the co-operative is merely one aspect of the multiple process of growth and development taking place in different fields throughout the entire village. If the co-operative is to achieve satisfactory results, these changes must be effected.

simultaneously; that is to say, we are faced with the question of energizing the mode of life in the village in its entirety.

Introduction of machines and mechanical equipment into the village--for example, tractors and the establishment of small-scale industry--similarly requires an adjustment of the pattern of existence so as to meet the new situation. In the case of the tractor, for example, it is essential that there should be present not only the ability to operate the equipment but also the desire to maintain it. Experience has shown clearly that we are still far from ensuring the fulfillment of these requirements. In addition, it is also necessary that the old methods of cultivation be modified to conform with the availability of the tractor so as to derive the greatest advantage from this new facility. The inhabitants of the villages must be brought to the point of treating mechanical equipment and machinery as implements like the patjol (hoe)--at the service of and under the control of man. Once such a viewpoint is acquired the machine will no longer be an alien thing, but a normal tool brought into being by reason of the needs of the village community and the ability of the village community to answer these needs.

In order to arrive at this stage we must align our thoughts and actions and production relations with the new factor of the machine that we introduce into our existence; in short, we must completely absorb the machine into our social structure. This point applies to the field of industrialization in general, where the introduction of machinery represents only the beginning of the process of change in the social patterns and mental outlook of our people. Not until we have established appropriate organizational methods and a new sense of discipline in work, not until we have mastered the mechanical techniques can the machine be said to be vitally integrated in our social pattern. Moreover, we cannot claim that mechanization has been absorbed into our way of life until we can evidence not only the ability to handle and maintain machinery but also the ability to construct mechanical equipment ourselves and continuously evolve new models more suitable to our own requirements. Obviously the machine is both an expression of the level of development and an instrument employed by a society to achieve its aims, and we cannot disassociate machinery and technology in general from the values and the aspirations of any given society. In other words, the machinery and technology used by any people are an embodiment of, and are inseparable from, the culture of that people. Thus, in analyzing the problem of industrialization in Indonesia we see that there is re-

quired a process of all-enveloping change, a process that is a creative adjustment of our culture.

To accomplish this creative adjustment we must evoke from within our own cultural pattern appropriate stimuli which will serve as a catalytic factor in our social structure, providing an impetus toward a modernization specifically Indonesian in character. Failing this, the adjustment we make will be purely passive; we will not go beyond the level of mere imitation; we will have done no more than shift from one static position to another static position, and we will always lag behind. At the same time, in approaching the question of industrialization we cannot take a stand of being prepared to accept modern machinery and technology but unwilling to accept other expressions of modern culture. There is absolutely no justification for this narrow eclecticism advocated by certain of our cultural leaders; an eclecticism which is also vaguely found among various sections of the population. As a prerequisite condition for our mastering of machinery and of modern technology we must first understand the culture and the mental orientation which brought them into being. An understanding of occidental culture, the fountainhead of the modern world, could help us to discover within ourselves dynamic principles of our very own, like those referred to above.

However, before going into this point further, it is as well to turn our attention for a moment to another question. The process of industrialization and economic development is, as we have seen, a process of change modifying the social structure and the mental orientation of a people. Against this formulation the objection may be perhaps raised that the change in outlook is in fact a result of the introduction of modern machinery and technology and that cultural patterns are determined finally by social relations of production. Admittedly the course of the Industrial Revolution in Western Europe proves that these contentions are true in a general sense, on the other hand we must also recognize that any country which sets out to change production relations and raise the level of production within a short period and according to a set plan, while avoiding as far as possible such sufferings as the Industrial Revolution inflicted on the peoples of Western Europe, cannot escape the necessity of taking into account the consciously utilizing those cultural factors.

There is the example of Soviet Russia where, at a certain point, it was felt necessary to make Soviet culture serve the interest of industrialization, and, to achieve

this object of industrialization, a rigid control was instituted over all creative activity. The concept of Socialist Realism is a result of this policy. Similarly in Indonesia the mentality of the Indonesian people will change with the spread of industrialization and the social consequences of this development. In actuality, the Indonesian outlook has already undergone changes and will continue to change along with the disintegration of the old social structure. But it is also to be remembered that if we are to respond effectively to the urgent need for economic development as a means of safeguarding our independence we will have to mobilize cultural factors so as to facilitate and accelerate this process of change.

There is yet another point to be borne in mind. Since it is only the Government and the national leaders which will start this process of industrialization and change, it is above all in their outlook and thinking that a change must take place before economic development can really be initiated. Here lies the crux of the problem, for it is among these circles that there is a lack of desire and determination to proceed with economic development, with the result that the rate of progress is negligible. As will be demonstrated later, this situation is partly due to the inhibiting influence of certain cultural restraints on these groups. In consequence, neither the change in outlook related to the disintegration of the old social structure nor the desire of the mass of the people to explore new ways can be adequately channeled. There can be no doubt whatever as to the importance of cultural factors in this connection.

But to return to the main theme. We have seen that when we face the industrial strength of the modern world we are in essence confronted with its culture. It was also pointed out that if we wished to rediscover and develop the autochthonous dynamic principles within ourselves, we should also try to grasp the central core of Western culture in which, in the final analysis, western dynamics are rooted. Some clarity in this respect may be obtained by an approach based on two primary concepts--the idea of dominating nature and the principle of continuous renewal.

In the static feudal-agrarian pattern of society which encompasses a large proportion of the Indonesian population, the essence of life is seen in terms of the adjustment and unity of man with the universe and its laws. This is a conception of life by which man fundamentally establishes his place in and his relation to his environment through various rituals and numerical formulae intended to ensure

his safety and well-being. On a higher spiritual level ultimate happiness is regarded as being based on an overcoming of and release from the bonds of his ego and in thus achieving a supreme feeling of oneness with the universe. This outlook excludes any thought of domination of nature by man and of harnessing the natural resources to serve human needs.

The modern outlook, however, is based on the realization that the conquest of nature by man is possible and that it constitutes a legitimate purpose in life. With this attitude man is no longer an integral part of nature but a being apart from it and as such begins to investigate nature, and in so beginning to dominate natural forces. In order to achieve mastery of nature man must first gain knowledge of the laws of nature. This urge to understand nature and to know its laws for the sake of knowledge itself is in fact nothing other than the scientific attitude. The scientific attitude endeavors to perceive nature as a co-ordinated whole of which a full knowledge and understanding can be gradually acquired and organized in a logical theory, the elements of which are interrelated to each other in a consistent fashion. This attitude constantly endeavors to objectivize its conclusions and constantly to re-examine them in the light of new findings; and when necessary established theories are revised. Thus, the crux of the scientific attitude is the spirit of continual renewal. Each new assessment is regarded not as an absolute truth but rather as a proposition to be re-examined and tested over and over again. Because to the scientific mind the truths of today may well be the superstitions of tomorrow, it is realized that what is today acclaimed as an advancement may well become an obstacle to the introduction of greater improvements in the future.

The desire to understand and dominate nature, the ceaseless search for a never completely attainable truth, the readiness to bring the entire pattern of existence into conformity with this concept, and the conviction that the conditions of mankind to an important extent can be bettered through man's domination of nature--these are the two basic concepts which have constituted the sources of Western technological development and the great social dynamism accompanying it. Superficial, no doubt, as any sweeping statement must be, this generalization can nonetheless be useful in this study. It can be seen that by merely adopting the machinery and techniques of others we will not solve our problem. The equipment we use, the methods we apply must be felt as part of ourselves, as means that have been evolved from our own culture to meet our own specific needs. Again

it may be stressed that our problem consists essentially of looking for our own autochthonous principles of dynamism, i.e., principles evolving on their own, from among ourselves, in accordance with our own specific characteristics. This dynamism must be such as to ensure that we will not any longer lag behind the dynamic development of the rest of the world. Moreover, whatever other constituent elements there may be, these dynamic principles incorporate more than before the conviction that man can and must determine his own destiny in this world. Equally, the desire to know and dominate nature and the willingness to accept the changes that come with continuous progress must be fully alive. From this survey some idea can be gained of the extent and depth of the changes necessary to create conditions allowing of economic development, because essentially we are faced with problems reaching into the roots of our culture.

#### Forces Impelling Change and Forces Resisting Change

Generally speaking, inherent in every cultural pattern are certain forces giving an impulse toward change, toward an adjustment of the cultural pattern in relation to the emergence of new problems. These forces act in the direction of renewal and derive from the vitality of a culture. On the other hand, similarly in every cultural pattern there is a fundamental element of resistance to any innovation, to any revision of the existing order, and usually, the higher the degree of integration of a cultural pattern and social structure, the stronger is this element of resistance to change. Inevitably in the course of the history of every people, a clash comes between these two opposing forces, both of which are expressions of the vitality and the individual character of the cultural pattern and the social structure. In considering the question of economic development in Indonesia, we see that the forces resisting change are manifested in a diversity of forms. There is, for example, the attitude--encountered not infrequently among high officials, political leaders, and even professors--conveyed in voicing doubts as to the need for economic development, in asking whether it is desirable that the Indonesian people should be recast in a Western mold, whether we must lead the people toward an existence dominated by unrestrained competition where each is the prey of the other, where the individual no longer has any personal relation with his work or his fellow-workers, and whether such a spirit should be introduced into our culture and social structure.

This attitude embraces, in fact, two elements. Firstly, there is the rejection of western capitalism--no new stand this, for in Asia rejection of western capitalism is general. But more important in relation to our basic problem is the second element, the rejection of the pattern of existence that will evolve with industrialism. It is in this rejection of industrialism in all its consequences that the source lies of the varying degrees of opposition in official circles to the carrying out of economic development in Indonesia. The point merits further examination. In one sense it is true to say that the ultimate of happiness is ideally achieved when an equilibrium exists between needs and the possibility to meet these needs. To achieve this happiness man can, on the one hand, endeavor as intensely as possible to fulfill those needs, however high their level. Equilibrium is then achieved on a high material level. Conversely, he can also endeavor to attain happiness by lowering the level of his needs so that no special effort is required in order to fulfill them. Equilibrium is then achieved on a much lower material level. In general this second alternative is found where the general attitude to life is essentially one of "Weltverneinung," i.e., the rejection of enjoying worldly life in its fullness. In various parts of Asia, particularly where the cultural pattern bears the stamp of Hindu philosophy, and in general where there is a tradition of mysticism, this attitude is frequently encountered, and in these regions the attempt toward restricting material needs often constitutes a powerful ideal.

Among the advocates of this outlook was also Gandhi who saw the pattern of modern existence as based on an excessive preoccupation with purely material demands. In the Gandhian view, the insistence on what was considered an unnecessarily high standard of material satisfaction reduced man to a mere slave of the machines that were the prerequisites for the fulfillment of modern requirements. It was therefore in his view extremely dangerous for India and for the Asian peoples in general if they wanted to compete with the Western nations on the basis of western industrial life. He therefore urged the rejection of this dangerous road towards happiness, and he advocated that India's struggle for independence should be waged not by the adoption of western industrialization but by a return to the spinning wheel. The Gandhian rejection of industrialization was based mainly on moral considerations, on the contention that a spiritual decline must result from the increasing acceptance of industrial life. Obviously, such a standpoint could only have grown out of the relative isolation of Gandhi and of India from the outside world; it could hardly be objectively defended in the

face of the dire poverty of the Indian people, nor could it prevail against the external forces acting on the situation in India. It is consequently not surprising that despite the still widespread influence of Gandhi's ideas, in the field of economic life India has not followed the footsteps of Gandhi but has chosen to follow the road of industrial development advocated by Nehru.

As was noted earlier certain groups in Indonesia also express in varying degrees a hostility to modernization, and this is one of the causes for the inadequate recognition in official circles of the pressing need for economic development. Except where some specific project is directly related to the particular interests of one or other party, the question of economic development as a whole is not given any real consideration by most of the political parties in Indonesia. If there is to be positive action taken to bring about economic development--and every political party pays lip service at least to this aim--it is essential that the urgency of the issue be felt sufficiently so that the will to act is awakened. Similarly, it is necessary that there should exist a realization of the speed with which measures for economic development must be put into effect. There must no longer be any moral equivocation as to the virtues or disadvantages of economic advancement. It must also be recognized that economic development is in the final analysis related to a rise in the level of consumption and, therefore, to the growth of the desire of the population to possess and to use the products of industrial life.

In other words, acceptance of the principle of economic development means the prior rejection of the idea of *Weltverneinung* and an acknowledgment of man's title to enjoy from life the fullest possible material and spiritual satisfaction as a legitimate purpose in life. It must be recognized that the concepts of our traditional philosophies and of the *Wedhotomo* ethics, whatever the nobility of values these embody, were rooted in a feudal-agrarian pattern which can no longer endure now that the old social structure is collapsing. The task of the Indonesian nation at the present stage of its history lies in this world, and not in the world hereafter. Again we see that the problem of economic development in Indonesia is essentially related to the outlook of the Indonesian people. As long as our attitude on this subject is not clear, the implementation of any program of economic development will be unsatisfactory because there will still be resistance in the form of the hostility engendered by the old concepts of life.



While this question of outlook is in the first place a matter of moral philosophy, there are also among the upper classes of Indonesia other fields in which the forces of resistance to change take on more tangible forms. This becomes apparent, for example, in the course of the movement from an agrarian pattern to an industrial pattern, or, more expressly, in the process whereby the peasant becomes an industrial worker. In this connection there arises the question of incentives. At a first glance the increasing drift to the cities, the influx of the surplus population of the villages seeking an escape beyond the limited opportunities offered by village life, is seen as furnishing a labor force which can facilitate the carrying out of economic development programs. The possibilities of absorption of this group, continually swelled in numbers by the pressure of poverty in the villages, are, however, limited. Most of the villagers coming to the cities are not skilled workers, and can thus only be employed in factories using unskilled labor. So we are still faced with difficulties as regards other sectors of employment in industry. The problem is posed of raising these unskilled laborers to the level of skilled workers, and the possibilities for industrial development in Indonesia are largely dependent on our finding a solution to this problem. If we cannot resolve this difficulty it is highly probable that we will face a situation in which there is a shortage of skilled workers and an oversupply of unskilled labor.

Experience in other countries faced with the same problem has shown that, although impoverishment will swell the numbers of those seeking employment in industry, impoverishment alone does not furnish an impulse to acquire those skills required for industrial development. There arises then the question of incentives, of determining the means of inducing the unskilled laborer to acquire the skills demanded by modern techniques. Obviously increases of wages will not always provide the desired incentive; such a system could only be applicable in a social structure in which money is the gauge of all values. There are, however, a number of underdeveloped countries where social values cannot be expressed simply in terms of currency, for various other considerations apply in the social and cultural patterns of such countries. There is the consideration of social prestige, the attitude toward work, the attitude toward the use of free time, and the prevailing opinion of the majority as to what constitutes the most important things in life. In addition, it is also to be recognized that if consumer goods are not available in considerable quantity and diversity, the increase of wages has virtually no meaning. All these

factors restrict the significance of money as an incentive in the labor field.

There are also certain psychological obstacles to the absorption into industry of the unskilled peasants. In most cases those who leave the villages for the cities are subject to various emotional stresses as a result of the changed environment. In leaving his village the peasant leaves a set order of values and a way of life which he knows and esteems, a way of life which gives a stability and peace of mind which in several cultures constitute an important purpose of life. For this reason the move to the city is, as often as not, thought of as a temporary interlude to be endured until the measure of personal prosperity is such as to enable a return to the village. This is another aspect of the difficulties encountered in our efforts to raise the standard of skill of the worker. In the life of the village there is a specific standing and social prestige attached to each occupation, and each activity occupies a set place in the established order. Every member of the village community is conscious of, and can adapt himself to, this pattern. The villager coming to the city must, in order to adapt himself to the pattern of industrialization, be able to accept criteria of status and standards of prestige relative to his work, valid in the new environment. This aspect of the question must be analyzed more fully; we must ascertain which factors are incentives and which are obstacles, and we must then intensify the operation of those elements in our culture which constitute incentives and eliminate those that constitute obstacles to progress. Similarly, we must solve other problems relating to discipline in work, to the emotional relationship to the work performed, and to the sense of time. There is also to be determined the means by which we can, with the shortest possible delay, inculcate new ideas more in conformity with industrialization.

Then we come to the question of what extent of change can be absorbed by any given cultural pattern, or--in particular relation to our own economic development--the question of whether we should adopt an evolutionary or revolutionary approach in pursuing our objectives. Already we have noted the existence of a desire for change, but we have also seen that attempts to introduce changes too divergent from the established pattern are inevitably met with a negative, even hostile, reaction. Invariably the more firmly a culture is integrated the stronger will be the resistance to such changes. Acceptance of modifications in a cultural pattern is more likely if those changes can be, without undue difficulty, coordinated with the existing institutions. On this

basis it may be contended that a policy of gradualism, an evolutionary policy, would be the most effective for introducing into our social structure those elements of economic development.

On the other hand, however, it must be asked whether such small and gradual changes will be enough to overcome the difficulties we face within the framework of the old social structure in Indonesia. If we adopt a policy of evolution the innovations introduced would no doubt be absorbed in consequence of the desire for change that does exist. But with this desire fulfilled--and it must not be forgotten that the extent of this desire is only determined within the confines of the village--it is then probable that the villages would revert to the previous traditionalism, or, more precisely, would display a new attitude of conservatism in rejecting any further changes for which there would no longer be felt any pressing need. For example, it is virtually certain that the establishment of a handicraft enterprise in any village would be welcomed by the inhabitants; but this does not in any way imply that these same villagers would be prepared to work in an industrial undertaking which was not directly linked with the village, but which would be ultimately of far greater importance in raising the standard of living over an area more extensive than the village. Thus, if the establishment of cottage industries provides no solution to the problem of reconstruction in the villages and does not meet the requirements for industrial progress, it would seem only reasonable to discard the idea of an evolutionary policy and adopt revolutionary methods, making an immediate step to large-scale industry. In this case it might be said by those who agree that the difficulties of readjustment will be more acute but the transitional period of hardship will no doubt be shortened. This is an abstract formulation, not without interest; but, after all, in Indonesia the problem will not be resolved on the level of abstraction. Rather, assessing the situation and the possibilities realistically, we see that we will have to follow both courses simultaneously. It is, at the same time, to be borne in mind, that the possibilities for industrialization in Indonesia are, to a very large extent, dependent on factors which are, for the time being, beyond our control. Even so, by analyzing the question of approach, we will be able to dispel any delusions or misconceptions concerning the effectiveness of either of the two methods outlined above. As regards the fundamental issue it is seen that there are in each cultural pattern and in each social structure certain purposive trends integrated within the prevailing way of life and pursued consciously or unconsciously by

all those included within the given cultural pattern and social structure. Economic development means changing those cultural orientations and the establishment of new purposes. If we are to assure the success of our efforts to bring about economic development we must endeavor to have these new and different orientations wholly absorbed into the cultural pattern. This adjustment constitutes in fact a personal re-integration based on the development of the individual relation of the worker, or any other member of the community, with the new purposive trends.

It is obvious then that, if we are to bring about economic development at the rate the situation demands and proportionate to the magnitude of this problem in all its implications, a purely economic or purely bureaucratic approach will not suffice. Measures for effecting our economic development must be based on, or, more precisely, must each be an embodiment of a consciously directed process of social and cultural change. The process of change must encompass the entirety of the political-administrative apparatus, from the village level to the national level, and must extend also to juridical institutions and precepts, to consumer habits, and to the standards and the nature of the requirements of every member of the population. We must resolve the various questions arising as regards the motivation to work, work incentives, and the ethics of work involved. We must come to grips with the problem of the meaning of existence, and we must set ourselves to achieve the subjugation of nature for the service of man. We must establish our values and choice of occupation in accordance with the requirements of economic development at the present stage of our historical evolution. Finally, we must attain a proficiency in the sciences and in the utilization of science for the interests of humanity. Thus, besides the diverse technical and economic aspects, there is also the human dimension to economic development.

The process of economic development is obviously a process which, although it encompasses virtually every sphere of existence, can be controlled and directed providing we first take cognizance of all the interrelating factors. It is necessary for us to analyze the pattern of our culture so that we can remove those obstacles deriving from our culture which hinder our economic progress, and so that we will be able to bring into play those elements in our culture which can serve as stimuli toward economic development.

It has also been pointed out that the process of economic development does entail considerable hardship for any people launching on this course. However, by correctly evaluating those cultural factors inherent in the human dimension, we will be able not only to diminish such hardships, but also to accelerate the process, attaining a rate of development consistent with the maintenance of our international position. With this evaluation it will also be possible for us to eliminate, or at least appreciably diminish, the element of compulsion in implementing plans for economic development. It will also be possible for us to coordinate Governmental development programs with desires for improvement and development on a local level. This would mean, in effect, that the motive forces in our social structure and the will and initiative of the people will be directed toward the realization of national development plans; and this is, of course, a prerequisite condition for the success of our efforts.

Actually the problem that confronts us is not new, nor is Indonesia the only country that faces it. Soviet Russia succeeded in finding a solution to this problem by destroying the old social structure by force and then evolving a new pattern of social integration by methods based on a mixture of compulsion and evocation of ideological enthusiasm, an imposition of revolution from above. Subsequently, the sentiments of patriotism aroused in the course of the second World War served to consolidate further the new social order. In Japan the adjustment to modern progress and the process of economic development were effected--up to the military defeat of 1945--without any real modification of the previously existing internal relationship of forces and the internal pattern of power. Japan presented, in fact, the picture of a feudal state, with modern tools. The ideas of Shintoism, that peculiarly Japanese mixture of ideology and religion, were used as a motive force in the transformation of the Japanese economy; and also the authoritarian character of the Japanese family hierarchy was utilized for the development of industries. However, the defeat of 1945 showed the gravity of the social contradictions created by the course Japan had followed for achieving economic development. These contradictions are now in evidence more than ever and it is still impossible to predict the consequences.

Nevertheless, the experience of Japan is of considerable interest to us as evidence, subsequently also furnished by other countries, that our own choice is not restricted between the alternatives of capitalism or communism. The social changes Yugoslavia has put into effect after breaking

free from the orbit and support of Russian power become significant in this connection. Similarly, the kibbutzim of Israel show that there is still a large degree of freedom and human capacity to find new answers to the problem of re-integrating a new society. Moreover, man has now more knowledge of how to defend human dignity against the machine.

India, China, and Burma are all at the moment confronted with the problem of adjusting themselves to modern life. Each is following a different course, and, internal factors apart, the results in each case will largely be determined by the scope and opportunities given by outside forces in their search for individual solutions. The course of world history will be markedly influenced by the question of whether it will be India or China which will be the first to provide a tenable solution.

The experience of the countries mentioned above shows that there does exist for us the possibility of seeking a solution for Indonesia in accordance with our own situation and our own national character. To do this, however, we must throw off the bonds of any dogma and entrust our destiny to our own creative capacities. Accepting this condition, we can see that there is then no need for the attempt to make an a priori definition of the future pattern of Indonesian culture before we launch ourselves on the road toward economic development. For the subsequent form and content of our culture will be evolved by a new Indonesia, by a people no longer haunted by the threat of poverty, but imbued with an awareness of its national individuality and self-confidence, determined to be themselves the masters of their destiny. Naturally the specifically Indonesian character of our culture will be imprinted on the solution we find to the problem of development, and thus it is pointless to insist a priori on one or other specific pattern for the evolution of our culture.

Nor is there any reason for hesitating to adopt innovations only because these may be felt somehow to be un-Indonesian. Only that cultural pattern will be meaningful to us which can secure our place in this world and which at the same time we can consider the expression of ourselves. In dealing with the problem of building our new society we must therefore have the courage to go about it in a practical way; we must have the courage to try new ways, and if these prove to be unsuitable or insufficient we must have the courage to cast them aside and to try other ones. In all this the regulating principle is a desire for development, for without this desire and determination everything is meaningless. On

the other hand an active desire for progress cannot arise unless we fully understand the purpose of development, unless we have firmly established the objectives we wish to reach, unless we have a clear conception of the changes that will take place in our ways of living, and unless we are honestly convinced that the pursuit of economic development is a legitimate and desirable purpose.

It has been shown that the process of economic development can be controlled and directed. Thus will arise the question of what position should be taken with regard to personal freedom and whether the ideals of personal liberty are at all in conflict with the necessities of planning. This point will require a thorough study, but here it is sufficient to point out that the full significance of this human dimension--and indeed of all cultural factors--is acknowledged only when human well-being and personal liberty are regarded not merely as falling within the scope of an ultimate objective, but as essential integral elements in the organization of our efforts and choice of means to achieve economic development. If human well-being and personal liberty are considered as items to be encompassed solely by an ultimate objective, and not as issues that must be considered in our choice of methods for effecting economic development, then all that has been said in this article is valueless.

Now we turn to those media which we must employ to introduce the far-reaching changes that accompany economic development. These media are the schools and other educational institutions, the political parties, trade unions, and peasant organizations, the mass media of communications, and the entire state administrative apparatus. In the elementary schools, efforts must be directed toward the development and the molding of new attitudes whereby the child will be brought to see his environment not as a fixed and immutable order of things but as a pattern that can be rearranged and improved. The child must be given the conviction that he can better the conditions of his environment by a subsequent contribution to the increase of production. It is also essential that school children be made familiar with the use of simple but modern technical devices, and, moreover, be shown that life holds more than is offered within the narrow confines of the village as the child now knows them.

In the secondary school the pupils must be guided toward a choice of occupation conforming to the needs of the country and the requirements of economic development at the stage reached at any given period. The sense of freedom is imparted by the range of the possibilities from which a choice can be made; and as the scope of choice is widened,

so will the sense of freedom increase. In particular, the secondary school pupils must be freed of the narrow conception of regarding the attainment of a degree as the only acceptable aspiration. Encouragement must be given to the pupils to seek new avenues, to see life as an adventure. It is equally important that the secondary schools instill into the minds of the younger generation a new attitude towards work and a consciousness of the relation between the spirit of progress and the spirit of patriotism. In this connection it might be mentioned that the PGP\* should be revised and the wage scale applying to each particular occupation adjusted at regular intervals on the basis of the prevailing needs of the society at that particular stage of its economic development. Provision could be made, for example, for granting to all those completing a lower secondary technical schooling, and to all bookkeepers and accountants, a special bonus, to be maintained over a ten-year period, which would, if necessary, bring the salaries of these groups up to or even over the rates of pay of those with academic qualifications. At the end of the ten-year period the allocation of this subsidy could be reviewed and then accorded to the other occupational categories assessed as more important to the needs of development at that point.

It is also necessary that higher education be adjusted to the demands of social progress and be made an instrument of reconstruction and development. Besides furnishing specialized knowledge and conducting research in this connection, the institutions of higher learning must continuously watch the social and cultural aspects of economic development with the object of finding the best ways to neutralize sources of cultural resistance and in order to further the acceptance of new habits and customs. Thus, in addition to giving the usual training, higher education must also serve to educate those who will play a leading part in the process of bringing about social and economic changes. In particular the study of adat law\*\* and of ethnology, both previously used to maintain the social status quo of the colonial regime, must be made to serve our present aims. The knowledge acquired from past research on adat law and ethnology in Indonesia can be utilized to facilitate our development and progress in furnishing means of counteracting resistance to social change and in mobilizing those forces in the old cultural pattern and social structure which can be brought into play advantageously at the present stage. In applying

---

\* Government Pay-scale.

\*\* Indonesian customary law.



the principles outlined above, we will have solved the question of what does in effect constitute a "national education"; for we will have a system of education that is really Indonesian and national, not by reason of the rejection of elements considered alien, but because of the orientation toward fulfillment of Indonesian requirements at this stage of our history. With these readjustments in the basis of education, in consequence there will be produced a new outlook among the personnel of the state administrative apparatus; the official will no longer be obsessed with the status of his position, but will see himself as an instrument contributing toward realization of our aims of development.

The role of the press in influencing public opinion need not be discussed at any length here, for we feel that if the political conditions in Indonesia change for the better, in that a sense of direction will become apparent again in our political and economic life, then the press will certainly reflect and give further impetus to this trend. This assumption is fully justified by the fact that Indonesian journalists on the whole consider it the function of the press not only to report events but also to orientate the public mind toward the question of social progress.

Among the media which can influence the evolution of social change in the direction of economic development, the political parties, the trade unions, and the peasant organizations, are of the greatest importance. Although the ultimate results of current political propaganda in Indonesia will become evident only in the future, it is the political parties which will in the meantime largely determine the degree of success and the rate of change toward the direction of development. An analysis of the role of the various political parties and of the labor and peasant organizations in the formulation of a development policy is beyond the scope of this article, but it may be noted in passing that these groups can and must also play an important part--in addition to their political activities--in the broader fields of social and cultural change. The existence of political parties, trade unions, and peasant organizations does in itself constitute a development toward change in our social structure, and these groupings are the vanguard of such changes. As was already pointed out, the rise of these mass organizations represents one of our modern responses engendered by the penetration of foreign influences into Indonesia. As modern tools of politics, the political parties in Indonesia are by no means faultless. In its organizational structure, in the nature of the ties which hold together a political party, a trade union or peasant organization, and

also in the dynamics of power in general can still be found elements with certain features not usually found in the political pattern of those countries which have had a longer experience with national independence. Nevertheless, the political parties in Indonesia are a dominant factor in remodeling and re-integrating our social structure. Various problems, such as those we have touched on and which are not directly political in character, will have to be faced by the political parties in the course of their activities; and the effectiveness of any party and of any trade union or peasant organization is finally to be measured by the stand taken with regard to economic development and the related social changes. However, if the political parties in Indonesia are to fulfill the role that the situation demands, their current conception of political functions will have to undergo a drastic revision. The various parties must understand that the scope of political affairs is not confined to efforts to secure power, that on the contrary political action implies, in particular, activating and directing social forces toward a specific objective.

From the observations we have made we can now set down some conclusions. Economic development constitutes a process of change effecting the total life of a nation. With economic development the disintegration of the hitherto existing social structure is accelerated and the need to achieve a re-integration of that society becomes more urgent.

In bringing about economic development in Indonesia we must necessarily pass through a stage of stress as a result of the collapse of the former concepts and certainties of existence which have at that point still to be replaced by new ideas and new values.

It is nevertheless essential that we pass through the stage of economic development, since the assurance of our complete autonomy and the development of our economy are interrelated fundamental requirements to our existence as an independent nation.

To guarantee the success of our efforts in developing our economy we must, in the first place, have a greater awareness of the urgency of this issue than we have at present. Furthermore, we must realize that the process of economic development is not exclusively economic in character, but is a pattern created by social and cultural changes encompassing the nation as a whole.

It is rather apparent that this article does not go beyond a cursory examination of this many-sided problem, and only a few of the related factors have been commented on. There has not, for example, been any mention of the role of religion, Moslem as well as Christian. These religions are invoked and will be brought into play in both a positive or negative sense in relation to the question of economic development. Various other elements in our cultural heritage have also been omitted from this survey. The question of planning, and the problem of personal freedom in relation to planning must similarly be made the subject of a thorough examination. It was, however, only intended with this outline to raise some of the issues connected with the pressing problem of development with the object of stimulating further examination of the whole question and further discussion which will bring a crystallization of opinion on the tasks before us. Awareness of the need for urgent action and clarification of opinion are, after all, essential conditions for guiding and reinforcing our will to achieve progress.