Colonial legacies and their impact on development: The cases of Indonesia and Malaysia

Group Captain Ted Prencel, Australia – Air Force

European imperial powers divided the colonial world in a seemingly arbitrary fashion. But these early colonial borders also reflected power relations and resource considerations between the major powers and not on the inhabitant's ethnic or cultural characteristics. The colonial Indonesian and Malaya states combined previously independent or autonomous chiefdoms, sultanates, kingdoms and peoples. The colonial powers broke down some or all of these traditional political or governing systems, but were unable to fully introduce new, effective or long term alternates,[1] other than to administer and guarantee their control of resources. There were many political development challenges in post-colonial government and nation building that were compounded by the colonial legacies which reflected the different impacts of the Dutch in Indonesia and the British in Malaysia. After the colonial powers were either defeated or handed over power, political instability continued and secessionist movements re-emerged.

This paper will examine the impacts of post-colonial elites and ethnic mixes and the lack of sustained unifying nationalism, and thus show these have controlled and slowed or continue to erode 'Western' democratisation, economic growth, political development and stability in Indonesia and Malaysia until the 1998 economic financial crisis.

Indonesian national political development

The impact of Dutch colonialism was significant in shaping modern Indonesia, particularly establishing its modern borders, national identity and internal security issues. Dutch political hegemony was well established around Sumatra and in Batavia (now Jakarta), the centre and most important Dutch East Indies colony since 1596.[2] However, Indonesia's modern political government and institutions still owes much to both its Dutch and 'traditional Javanese' influence.[3] Java's traditions were adopted and enforced as the Indonesian traditions, values and cultures. The Dutch restructured the ruling elites and administrations to serve their colonial resource interests, and helped to legitimise the traditional control and privileges of the local elites.[4] Like the British 'divide and rule', this had a profound impact on the independence fighters and can explain the later Indonesian resistance against perceived external interference in its domestic and other affairs. Post-colonial Indonesia is more than a nation;[5] it is a true conglomeration of disparate and unique smaller former Dutch controlled kingdoms.

The Dutch Indonesian colony was not conceived or fully united as a region, but more as an economic institution to administer the diverse and disparate sub-colonial islands. Even pre-colonial Javanese empires, and later colonial Dutch control and influences across the breadth of the archipelago were weak and often hostile. Tenuous Dutch control over the larger archipelago was not fully achieved until the early 20th century.[6] Despite minor token concessions and changes to Dutch administration after WWII, the Dutch retained a paternalistic administration that continued as unitary and centralised political control. The use of independence fever and 'Nationalism' to support anti-Dutch colonialism along with a new common 'national' language helped to bind the otherwise diverse ethnic society at independence. Thus self-rule political power was derived from a mixture of traditional and colonial

modified Javanese culture,[7] plus parts of Western political traditions. This complex ideology and governance sustained the survival of both the new nation-state and its dominance under the Javanese elites. The creation of a new and independent state did not take into account the large degree of regional resistance to external and Dutch rule, and later aspirations and tensions caused by local ethnic and religious issues under Javanese control. The Indonesian Government continues to be challenged by internal secessionist and ethnic minorities.

Outlying ethnic and culturally different islands were initially reluctant to join this new state. Originally intended as a Federation,[8] in which each province would contribute to the government as a whole, Indonesia became a centrist state based on Jakarta and Javanese conceptions of political, social and cultural norms.[9] As early as 1950 several old Dutch Islamic and secessionist rebellions re-emerged to also challenge the new Indonesian state in West Java, South Sulawesi and Aceh.[10] Non-Javanese still view the reconstruction of their pre-colonial cultures based on Javanese culture unsatisfactory, which contributes to the resurgence of the 1990s political and social turmoil. Granting of limited autonomy is again being reconsidered,[11] as a less destructive precedence to full independence or Federation, to prevent a domino effect of state breakdown.

During the Dutch 'police action' to retain colonial control, most Indonesian independence leaders were captured or arrested. Independence forces were formed from the WWII Japanese trained Indonesian forces. They continued to resist and established a role for the military as 'defender and guardians of the republic', even in the absence of political leadership. Indonesia's legal code was then and still is visibly malleable, as it is based on the retention of elements of Dutch law which itself was designated to serve imperial colonial interests[12] and enforce centralised colonial control.[13] The legal system escaped reform until recently as demonstrated by courts and institutions being politically controlled, corrupt, with excesses of cronyism and nepotism. As a consequence of these political features of paternalism, Javanese unitarianism, and centralism, colonial legacies deeply influenced the new Indonesian Government across its legal, judicial and military systems and institutions.

The Dutch legacy to Indonesia began well before independence in 1949. They had failed to prepare the colony for full independence with poor political, legal and judicial systems. The Dutch physically destroyed much of the country through the independence struggle, left it in debt without a sustainable economy, and gave a long lasting role to the Indonesian military that they have yet to fully relinquish. Nonetheless the fight for independence developed initial 'nationalism' and solidarity among the country's diverse ethnic groups. Indonesia has a residual stratified society based on hereditary status, ruling elites, and influential bureaucratic and wealthy families.

Malaysian national political development

Modern Malaysia is a direct product of British colonisation. The British influence on the coastal Malay Peninsular started from the early 18th century, but colonial impacts began after 1874 when Britain was able to 'advise and control' Malay authorities.[14] In 1957, Malaya began independence as a relatively liberal democracy, with a developed constitution and electoral arrangements that gave special arrangements for Malays. In its first decade, conflict revolved around communal and social issues; the Malay–Chinese rivalry over political influence and issues such as education, national language and economic opportunities. The Malay Peninsular states shared some history, and had similar ethnic and cultural backgrounds. Adding Sabah, Sarawak and the Chinese majority in Singapore which all had different histories and ethnic mixes was an integration challenge for an ethnic and political Malay majority after Federation in 1963. Although British colonial rule lasted less than a century for most parts of Malaysia, its profound colonial influence remains with four major legacies.[15]

First, the British introduced a change to Malaysian ethnic demographics, which has now entrenched a multi-ethnic society. Chinese and Indian labourers were brought into the country for the then new colonial tin and rubber industries, and support services. Malays remained in traditional agriculture or manned a few lower to middle bureaucratic posts. The Chinese workers eventually became merchants, traders and businessman and some Indians went into the administration. Occupational differences reinforced cultural and religious distinctions in its society. Thus despite favouritism to ethnic Malays, they were initially and largely excluded from the process of early state economic growth and development. Secondly, within this new society the British reinforced the principle of Malay dominance, both by maintaining the 'sovereign Malay state' Sultanates and ensuring the elite Malay had special positions in employment, land ownership, educational assistance, and held higher bureaucratic, judicial, military, police and political leadership positions.[16] But they also educated Indians during their colonial administration in the lower echelons of the bureaucracy. These Indians later intermarried with higher class Malays, and formed small locally born non-aristocratic intellectual elite. These new political and bureaucracy elites including Indian–Malays were the first to foster formal alternatives to British rule in terms of national political and economic development.[17] Thirdly, although starting their colonial influence later than other European nations, Britain provided political and social stability, infrastructure and a suitable environment for a developing and future modern economy,[18] but '[developed and guaranteed] *free trade as it served its own* [British self-] *interests'*.[19]

Finally, Britain provided a strong but authoritarian bureaucratic foundation prior to independence. It educated Malay elites to take over higher administration, including its early political leaders. It also left governing rules and laws that greatly restricted open political activity and left large discretionary powers in the hands of the bureaucracy. These included greater police and security powers, the *Sedition Act,* laws enforcing strict requirements on societies, restrictions on freedom of the press, and a law permitting detention without trial. Besides the *Internal Security Act (ISA)* there are numerous other laws[20] allowing the government executive to impose its will on and against the people if required.[21] The new Federation states retained local loyalties but not necessarily an immediate unified Malaysian national identity. Although peninsular Malaysia had a more uniform Malay national culture, its remaining Federated states had wider ethnic diversity but one political party has ruled since independence. Most early Malay/Malaysian self-government political parties were developed along ethnic lines to promote interests such as language, education, and culture. Conflicting demands had been mediated by early leaders of the major multi-ethnic governing coalition. Although not a one-party state, the longevity and national stability provided by the United Malays Nationalist Organisation (UNMO) and later BN,[22] was assured with the incorporation of the Malayan Chinese Association (MCA) in 1954, and Malayan Indian Congress (MIC) in 1955.

Comparison and commonality between Indonesia and Malaysia

Political power in both nations was concentrated in the national governments. Malaysia became a Federation, Indonesia did not. Most power in both remains centralised. Malaysia's strong party-based government, civil and military administration and business are intertwined with few open opponents. Although today, Malaysia employs democratic practices, like regular voting, it does not permit others such as full freedom of speech, assembly, and association to the extent normally essential for democracy. Indonesian democracy did exist, then was lost after 1966, and then regained after 1998. However the Indonesian executive and state control is still relatively weak even with military support due to the strong influence of bureaucratic and family elites. Significant wealthy or influential

business elites in both nations provide strong influences across the social, ethnic, religious and political structures. Nonetheless these economic elites in Indonesia and political elites in Malaysia in different ways have provided a unified and supporting impact across their national political interest and economic development.

In summary, Britain tended to impart its political traditions but not its culture by preserving significant aspects of the traditional Malay Sultanate society leaving behind a number of institutional structures and a workable bureaucracy. The Dutch to a lesser extent imparted their culture but not their political traditions.[23] Britain agreed to more moderate demands for Malay independence, while Indonesians were obliged to fight for their independence. Consequently neither inherited nor generally desired the complete political institutions of their former masters.[24] Indonesia with its large territorial reach, immense population and legacy of anti-colonial struggle still has internal tensions between ethnic or religious communities and the central government because of a lack of development or acceptance of a common national identity, allegiances or attachment to the state communities. Although Indonesia has not yet had a significant class conflict, it has long festering conflicts based on minority ethno-religious issues or incomplete support of an accepted common nationalism. On the contrary, Malaysia's ruling BN party has maintained support and focusing on specific Malay issues, but at times compromises with other communal and ethnic groups.[25]

Conclusion

Colonial Malaya and Indonesia had already evolved in distinctive ways due to their ethnic, religious and geographic differences, but each also had different colonial legacies. Their independence and current political systems retained significant and long term colonial influences and components within their political, legal, judicial, and military systems. Although each has different types of privileged elites which remain influential, each nation has developed its unique governance style by a blending of these strong colonial influences and traditional cultures, ethnic and elite political balancing, military control and business influences. In Indonesia the Dutch emphasised bureaucratic control and resource exploitation, then decolonised in ways involving violent confrontation. The Dutch unintentionally reinforced later national non-interference and sovereignty policies and an inclusive dual function military role in a moderate Indonesia. In Malaysia, the British also emphasised bureaucratisation and markets, yet offered late democratic tutelage of later political and administration leaders, who maintained the existing strict control laws as part of a peaceful decolonising process. British colonialism also increased the ethnicity problems for Malaya and later Malaysia by introducing outside labourers, thus changing and reinforcing a new occupational, ethnic and elite class mix. The most significant colonial legacy was associated with their early independence attempts at nationalism and unity. This reflects the problems and tensions both had, which remain between various elites and regional ethnic, religious and some political minorities. Both colonial powers and then independent nations retained a distrust of some of the people for different reasons, which manifested in their common desire and necessity to concentrated central political power to maintain relative stability and apparent unity.

Although both nations aspired to greater democratic governance, neither is yet democratically strong. The British had created the back-bone of a Westminster-derived parliamentary but authoritarian semi-democratic political system. Malay ethnic elites continue to influence and control the structure and slow development of the Malaysian political system. Despite the complexity of its traditional and proportionally larger ethnic mixes, Malaysia has remained relatively authoritarian, but politically stable and has achieved and sustains economic and social growth. Finally, the long term

legitimacy, control and influence of Indonesia's bureaucracy and family elites do continue to directly impact their immediate and future national integrity, stability, and security and thus their sustainable economic and political development.

Endnotes

1. DG McCloud, 1986, *System and Process in Southeast Asia,* Westview Press, Boulder Colorado, p. 144.

2. AL Smith, 2001, 'Transforming the Leviathan', in Funston, J, 2001, *Government and Politics in Southeast Asia,* Institute of Southeast Asian Studies, Zed Books, Singapore 2001, p. 75.

3. D Kingsbury, 2002 (2nd Edition), *The Politics of Indonesia,* Oxford University Press, South Melbourne Australia, pp. 16–17, 'Javanese' means characteristics including personal control, appropriate response, particular preferences, a rigid etiquette feeling of distinctive Javanese emotions (patience, detachment, resignation, respect).

4. Colombijn, Freek & Lindbald, JT (eds), 2003, *Roots of Violence in Indonesia: Contemporary Violence in historical perspective,* Institute of Southeast Asian Studies, Markono Print, Singapore, p. 43.

5. A nation implies shared values and a relatively homogeneous people, which it did and still does not have across all its borders.

6. A Schwarz, 1995 (1st Edition), *A Nation in Waiting: Indonesia in the 1990s*, Westview Press, St Leonards NSW, p. 3.

7. Javanese culture has a high awareness of politeness and deference which impacted hierarchical power structure.

8. op. cit., (Kingsbury, D, 2002 (2nd Edition)), p. 22.

9. A unitary state was adopted and not federal system because the 'federalism model' was associated with colonial attempts to weaken the state.

10. op. cit., (Kingsbury, D, 2002 (2nd Edition)), p. 151, Muslim separatist in Aceh province at the northern tip of Sumatra have been battling the central government, whether Dutch or Javanese, or now Javanese dominated since the 19th century.

11. But not seriously yet, except for the options for special autonomous functions to the Aceh and Central Java's Yogyakarta provinces. The central government retains defence, foreign affairs, justice, overall monetary and fiscal policy, religious affairs and national natural and human resource development. All else is controlled by districts. Since 1998 a discussion and compromise of partial reversion to federated state, which might devolve aspects of the political and economic governance to the provinces. However federalism could trigger a break-up of the state, and undermine the power of Jakarta and its elites influence in the political and economic process.

12. op. cit., (Kingsbury, D, 2002 (2nd Edition)), p. 23.

13. ibid., (Kingsbury, D, 2002 (2nd Edition)), p. 54.

14. Funston, J, 2001, 'Malaysia: Developmental state challenged', in Funston, J, 2001, *Government and Politics in Southeast Asia,* Institute of Southeast Asian Studies, Zed Books, Singapore 2001, p. 160, British control in Penang (1786), Singapore (1819) and Malacca (1824).

15. ibid., p. 161.

16. H Crouch, 1993, 'Malaysia: Neither authoritarian nor democratic', in Hewison, K, Robison, R, & Rodan, G, (eds), 1993, *Southeast Asia in the 1990s: Authoritarianism Democracy & Capitalism,* Allen & Unwin, St Leonards NSW, p. 136.

17. op. cit., (Kingsbury, D, 2002), p. 270.

18. ibid., pp. 168. At independence Malaya relied on primary products: tin, rubber, later palm oil, timber and oil from 1970s.

19. W Case, 2002, '*Politics in South East Asia – Democracy or Less'*, Curzon Press, Surrey UK. p. 102.

20. op. cit., (Funston, J, 2001), pp. 178. Several Laws and acts include: *The Emergency (Public Order and Prevention of Crime) Ordinance (1969)* and *Dangerous Drug (Special Prevention Measures) Act (1985)*, *The Police Act (1986), The Sedition Act (1948 & 1970), The printing Presses and Publication Acts (1948 & 1987), The Societies Act (1966), The Universities and University Colleges Act (1971 & 1975),* and *The Trade Unions Ordinance (1959).*

21. These include the ability to allow preventative detention without trial; unauthorised meeting of four or more people; the prohibition of all activities causing disaffection against the government or administration of justice in particular constitutional questioning; newspapers and printing presses to obtain annual licences, all societies and organisations

to be registered, provide annual reports and be under judicial review; forbidding of student clubs and societies affiliating with political organisations; and stopping union office bearers of political parties holding trade union positions.

22. Since independence in 1957 UNMO has remained in power, but changed its name to the National Front (*Barisan Nasional* or BN) in 1974.

23. D Kingsbury, 2001, *South-East Asia: A Political Profile,* Oxford University Press, South Melbourne, Australia, pp. 36–37.

24. ibid., (Kingsbury, D, 2001), p. 39.

25. op. cit., (Case, W, 2002) p. 103, includes indigenous Malays, Chinese and Indians and others.

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