



The Chinese Minority in Indonesia

Felix Da Silva
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The financial crisis in 1997 devastated the economy of Southeast Asian countries, causing a slump in their currencies and the devaluation of stock markets. Indonesia was one of the several countries in Southeast Asia that was hit hard by the crisis. The inflation of the Indonesian *rupiah* and the sharp increase in prices triggered a widespread riot in the capital city of Jakarta forcing President Suharto to step down after he had been in power for more than 30 years. Though many Indonesians suffered from the country's economic breakdown, the Chinese minority group was the most affected group of all people in Indonesian urban areas who became the target of violence for the sole reason that many of them were controlling businesses, both at the local and national economic levels. The Chinese minority has actively been involved in the Indonesian economy since the early establishment of the Republic, albeit, facing various political and racial discriminations from time to time.

The Chinese ethnic minority is one of several minority groups in Indonesia that has maintained its presence in the archipelago since before the Dutch arrived. According to Wirth (1941), the concept "minority" refers to a group of people or individuals who regard themselves as not being part of a larger group and because of their physical, social, and cultural exclusiveness, they are treated differently from others (p.415). The ethnic Chinese in Indonesia can be grouped into this category, as their Chinese heritage and traditions differentiate them from the majority of Indonesians. However, the different treatment that was given to this group of people has been varied. From privileges and favorable government policy to discrimination and political persecution, the ethnic Chinese have been categorized as the one of the controversial minority groups in Indonesia due to their economic dominance.

The evolution of the economic activity in the Chinese minority in Indonesia to what it is now has its own history. It is related back to the Dutch political and economic interest to maintain their control over today's Indonesian islands. The population was categorized into three stratification levels, according to race, in which the Europeans were the first, then followed by other foreigners from the east, dominated by the Chinese, and then the natives as the third class ethnic group

(Yau, 2007, para.8). The colonial rule then divided the Chinese into two groups known as *Totok* and *Peranakan* (Suryadinata, 2001, p.502). According to Suryadinata (2001), the first group refers to those who migrated from China to the colony and had no marital contact with the locals while the later were those who were born in East Indie to a Chinese father or by a Chinese mother to her indigenous husband (p.502-503). This essay will simply refer to the groups as Chinese, since both *Totok* and *Peranakan* have interchangeably played important roles in the Indonesian economy, ever since the Dutch colonial era.

For the most part, the Chinese had such a strong economic position that they could not be disregarded even by Dutch colonial rule. Kahin (1946) stated that in order to facilitate the trade with the local indigenous people, the Dutch depended largely on the middlemen and retailers, whose jobs were occupied by the Chinese (p. 327). Being aware of their importance to the trade, the Dutch granted the Chinese not only political privileges, but also extensive economic rights, which later become a burden on local commerce to an irreparable level despite a later gradual adjustment and finally abolishment (Kahin, 1946, p.327). One of the economic privileges was the monopoly lease system known in Dutch as *Pachtstelsel*, by which the Chinese were granted authority to lease large areas of land in Java (Kahin, 1946, p.327). Kahin (1946) argues that the system brought suffering to the native population, due to the fact that after the payment for the lease to the Dutch, the Chinese, aware of the Dutch support, exploited profits from the locals as much as they could (p.327). The situation at some point forced the peasant natives to depend on the Chinese who had control on the local agriculture in the so-called "debtor-creditor relationship" (Kahin, 1946, p.327).

The Chinese economic control continued to grow after the Independence of Indonesia in 1945. Besides the hard effort and political battle to find their identity in Indonesian nation-building, the Chinese were involved in a relatively large percentage of the country's business and trade. Siregar (1969) noted that in the province of North Sumatra, thirty-four point five percent of the industrial operations belonged to the Chinese, and thirty-five percent were owned by Indonesians, while the rest 0.5 percent belonged to other foreigners (p.344). In East Sumatra, seventy-two percent of the businesses were owned by Chinese, while in West Java, almost eighty percent of the motor transport enterprises were Chinese-owned (Siregar 1969, p.345). Chua (2003) illustrated that with only 3 percent of the Indonesian population by 1998, the Chinese dominated

the country's economy disproportionately (p. 43). In the same year, 70% of Indonesian private businesses were controlled by the Chinese (Chua, 2003, p. 43)

The continued growth of economic control did not come with the full participation of Chinese in Indonesian social and political life. Yau (2008) considered this situation as a paradox, where the Chinese were granted privileges to operate their business, but were halted in their access to social and political participation (para.11). The Chinese economic dominance was largely seen as a national problem (Yau, 2008, para. 11). Yau (2008) blames the Dutch for generating the seeds of hatred and stereotypes among Indonesians based on race (Para.9). The Dutch provided certain privileges to the Chinese by granting them control over some profitable businesses, but at the same time restricted them from interacting with the natives, specifically by limiting their movements out of urban ghettos (Yau, 2008, para. 9).

However, there was a time when ethnic Chinese in Indonesia did enjoy relatively less discriminative policies. This was during the early period of Indonesian independence, though they were still considered non-indigenous. Under the presidency of Sukarno and the parliamentary democracy system (1949-1958), the Chinese were allowed to establish organizations that could participate in cultural, social and political activities and even schools where instruction were given in Chinese (Suryadinata, 2001, p.504). A well known ethnic Chinese institution focusing in sociopolitical matter was established following the merging of several small Chinese organizations. The organization, known as *Badan Permusyawaratan Kewarganegaraan Indonesia (BAPERKI)* or Indonesian citizenship consultative body set its goal based on the idea of promoting equality among the citizens, regardless of ethnic origin, and they specifically fought for the Chinese minority's cultural rights (Suryadinata, 2001, p.504).

The relatively free environment for the ethnic Chinese as a distinguished minority group ended as new political power emerged. Suryadinata (2001) posited that the downfall of President Sukarno after a failed alleged coup by *Partai Komunis Indonesia (PKI)*, or Indonesian Communist Party led to the closure of *BAPERKI*, which had been in support of both *PKI* and the President (p.505). Lieutenant-General Suharto, who led the army operation to hunt down the members of *PKI* and its affiliates due to their role in the alleged coup soon became the next President with the support from the right wing group in the military (Suryadinata, 2001, p.505). Besides the millions of alleged communist supporters that died, tens of thousands of Chinese were also killed during the hunt-down operation (Johnston, 2005, para. 9).

The allegiance of a well-known Chinese organization to the former regime and the Communist Party created a distance

between the new government and ethnic Chinese. Fuelled by the accusation of being supportive to the Communists, the Chinese faced harshly discriminative policies during President Suharto's rule. During the period known as New Order (1966-1998), the ethnic Chinese were literally categorized as *non-pribumi*, separating them from the native *pribumi* (Yau, 2008, para.10). As *non-pribumi*, the Chinese were subject to assimilation measures, which included giving up their ethnic identity, enrolling in Indonesian schools, and changing their names (Yau, 2008, para.11). Groups and institutions affiliated with Chinese were suppressed if not banned, including Chinese languages, culture, and religion (Yau, 2008, para.12). Although some top Chinese became friends of Suharto and subsequently became the richest men in Southeast Asia, the New Order regime in fact was a tragedy for the relatively large number of ordinary Chinese (Johnston, 2005, para. 13-14).

In spite of the harsh assimilation efforts, the Chinese are still seen as "aliens" to the indigenous Indonesians. The failure of the efforts exploded in a large-scale anti-Chinese riot in 1998. President Suharto's resignation in May 1998, was accompanied by anti Chinese violence where for more than three days of violence, the rioters looted Chinese shops and gang raped more than 150 Chinese women (Chua, 2003, p.44-45). Chua (2003) reported that not only were thousands of people dead, but the mayhem also resulted in \$40 to \$60 billions of capital confiscation, most of which was controlled by Chinese, causing a huge economic crisis from which the country is still struggling to recover (Chua, p.45).

Since the Reformation Era, starting with the downfall of Suharto in 1998, the Indonesian government has taken several significant measures to address the issue of ethnic Chinese. Chinese Indonesians can now celebrate the Chinese New Year and use their Chinese name and symbols (Johnston, 2005, para.26). Since then, they are actively involved in political activities (Suryadinata, 2001, p.509-510). In terms of the civil society participation, ethnic Chinese communities are able to express themselves publically (Suryadinata, 2001, p. 522). Moreover, Confucianism was recognized as one of the official beliefs in Indonesia along with the other five major religions. Meanwhile, some Chinese *Totok* are able to reestablish their clan relationships (Suryadinata, 2001, p. 522). In another example, Suryadinata (2001) reported that the former President Abdurahman Wahid, a.k.a Gus Dur, was invited to deliver a speech during the opening of Indonesian Hakka association in Jakarta, in 2000, where the former president praised the ethnic Chinese, and pledged their support to continue to invest and help in the Indonesian economic recovery effort. It was during the presidency of Gus Dur that many of the discriminatory laws against the ethnic Chinese were revoked (Suryadinata, 2001, p. 521). The president also appointed a nationalist ethnic Chinese,

Kwik Kian Gie, to the position of coordinating minister for finance and industry, the highest cabinet post ever for an ethnic Chinese in the country's history (Suryadinata, 2001, p. 521).

However, reforms by the government seem to hardly penetrate to the bottom of ordinary ethnic Chinese. Many Chinese Indonesians still find it very difficult to enter public universities or become members of the military or police forces (Johnston, 2005, para. 34). Johnston (2005) also reported that it is still relatively very expensive for a Chinese Indonesian to go to school, to buy land or to get a passport where the required citizenship letter might cost up to 7 million rupiah to be processed (para.35). In addition, intermarriage between the ethnic Chinese community and local Indonesians rarely occurs, due to the fact that neither group is willing to encourage such marital relationships (Johnston, 2005, para. 36)

All the events and cases mentioned above conclude that the economic dominance of the Chinese minority in Indonesia has hardly been going in line with their social and political freedom. Albeit, facing various discriminations, the Chinese still maintain their economic dominance. I would say that the limited access to the cultural, social and political life of the majority have forced the ethnic Chinese to concentrate on commerce and trade, and hence, increases their ability in terms of entrepreneurship and business networking to a point that is relatively higher than that of the majority of people. Consequently the Chinese minority often become the target of social jealousy due to their well-established economic lives compared to the majority of Indonesians, a situation which can easily be manipulated to create chaos in society despite the fact that not all the ethnic Chinese are rich. The barely implemented assimilation policy by the New Order regime failed to achieve its aim and even created large resentment among the majority Indonesians towards the Chinese minority group. Without neglecting the complexity of the issue, it is a good idea to consider a different approach toward the relations between the ethnic Chinese and the Indonesians. Instead of considering the ethnic Chinese as foreigners who need to be assimilated to the local cultures, Indonesians also need to see the matter from the diversity point of view, where the ethnic Chinese must be considered equally as the other different ethnic groups that are spread throughout the archipelago with the rights to fully participate every aspect of the country's life. Likewise, not only do the Indonesians have to change their way of thinking about the Chinese, but also the ethnic Chinese themselves have to voluntarily give up certain degrees of their exclusiveness in order to meet the qualities demanded by the majority group.

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