From dissolution to preservation:
The state and the persistence of Indonesian small-scale farming

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In the post-Suharto era, the structure of Indonesia’s small-scale farming labour force remains consistently large rather than shows indication of substantive decline. This paper addresses why small-scale farming persists pervasively in Indonesia by examining changes to the state over six decades. During the New Order era (1966-1998), with President Suharto acting autonomously at its apex, the state accommodated rural strongmen and their kin with Green Revolution supports while pursuing policies aimed at the dissolution of the farming labour force. However, since the truncation of politicians’ efforts to pursue a reduction in agricultural labour towards the end of the New Order era (1966-1998), and especially since democratisation and decentralisation reforms, Indonesia’s state has not sought to pursue an agrarian transition again. Rather, a less autonomous and more fragmented state is forced to accommodate vast numbers of rural households, irrespective of their affiliation to ruling cliques, with increasing amounts of patronage. Moreover, leading politicians advocate that people should continue in small-scale farming in the context of limited opportunities for permanent work beyond the countryside. By bringing into focus the role of the state in a reconceptualization of a long referred to notion of ‘agrarian transition’ from rural sociology and geography, this paper foregrounds key political causes of the persistence of small-scale farming in Indonesia and offers a case for comparison with elsewhere.

¹ This paper is based on a chapter of my dissertation modified for the SEAREG conference at City University of Hong Kong, 1-3 July, 2024.
INTRODUCTION

In 2022, Indonesia had approximately 7 million more small-scale farmers and at least 3.4 million more farms under a hectare in size than in the mid-1980s when its agricultural labour force first began to experience substantial declines. These figures run against a more commonly referred to trend that depicts the diminishing scale of Indonesia’s small-scale farming labour force in proportional terms, and against claims from the government about the nation’s crisis of farmer regeneration. Yet with few exceptions, fluctuations in the structure of Indonesian small-scale farming over those four decades have been relatively gradual and are more suggestive overall of consistency than decline. Many scholars of rural society have assessed this sort of structural dynamic in the countryside occurring elsewhere across East, South and Southeast Asia as a puzzle about the persistence of small-scale farming (e.g., Bernstein 2003; Walker 2012; Rigg, Salamanca, and Thompson 2016; Rigg 2019; 2020; Friedmann 2019). Analysis addressing this puzzle propose varying explanations: some emphasise core-periphery relations of dependence in the world capitalist system, alternatively some focus on the agency of small-scale farmers and disincentives to leave their communities, others look to the effects of specific policy interventions that shape those incentives, or geographical limitations to the expansion of smallholdings. In such works, the deeper political roots of these issues are largely not the focus of analysis.

Why does small-scale farming persist pervasively in Indonesia? I propose that the Indonesian state no longer guides an ‘agrarian transition’, or what I conceptualise as a state guided process of capitalist development that involves the reduction of people persisting in, and feeling attachment with, agrarian communities to a small number in conjunction with a large expansion in the average size of the farmlands owned by those that remain.\(^2\) The dissertation project that this paper is part of examines how the persistence of small-scale farming in Indonesia is co-produced by the state and such communities. Analysing the persistence of small-scale farming at national and subnational (regency) levels, as well as from a village community in East Java where I undertook 18 months fieldwork, it finds the state is most responsible for the Indonesia’s agrarian ‘non-transition’ and in so doing brings

\(^2\) Further explanation of this conceptualisation of agrarian transition can be found in Graham (2023). ‘Agrarian’ refers to land that is cultivated, which can include activities beyond small-scale farming. For instance, Nancy Peluso (2017) offers an expansive interpretation of the term agrarian to include smallholder miners. The term also of course includes plantations. While this conception of ‘agrarian transition’ attempts to recognise and be inclusive of such activities, the dominant form of agrarian economic activity (at least in terms of the scale of people involved) in Indonesia is farming for food crop production and it is mostly in such a sense that I make use of the term in this work.
attention to broader, complex political causes to better situate the role of small-scale farmers themselves in ‘agrarian non-transition’. While earlier parts of the dissertation consider competing concepts such as ‘structural transformation’, ‘middle income trap’, ‘reproduction’, or ‘re-agrarianisation’, and rival explanations such as livelihood-based incentives or ‘premature deindustrialisation’ to argue for the usefulness of ‘agrarian transition’ as conceived above, this paper is especially concerned with the macro-level state guided process of capitalist development part of the conceptualisation in relation to Indonesia. It shows changes to the Indonesian state and in turn its relationship with the countryside in the decades post-independence have meant for periods in which it has attempted, with varying degrees of coherence and success, the dissolution of small-scale farming and conversely where it has more sought the preservation of the peasantry.

The structure of this analysis is in two parts. The first part focuses on agrarian transition in the authoritarian New Order era (1966-1998) in which Suharto progressively gained power from other influential social forces to act with an exceptional degree of autonomy to pursue national development. The second part concerns agrarian non-transition in the democratic and decentralised period after. To a significant extent, the state’s more regularly experienced incapacity to have ‘embedded autonomy’ is a by-product of complex historical lineages of officials’ practices in a colonial political economy heavily dependent on agriculture. Such issues of historical persistence have been of increasing focus in social sciences that privilege the precise estimation of how history matters (Cirone and Pepinsky 2022, p.244). In this paper, I leave aside the Indonesian state’s colonial origins for practical purposes, and different to searching for the specific policy causes of labour force and land reform outcomes I attempt a process tracing approach to examine evidence about more recent decades of state formation and its relationship to agrarian transition. Linking statistical labour force and farm size trends to analysis of evidence from archival material of the state-sponsored Indonesian Farmers Association (Himpunan Kerukunan Tani Indonesia, or HKTI), Green Revolution budgets, policy documents, existing scholarly analysis, parliamentary records, speeches, and various media, helps explain how changes to state capacity, its patterns of accommodation, and

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3 Peter Evans (1995) argues that successful cases of state-guided industrialisation, such as that which occurred in South Korea, are a consequence of autonomous government institutions with the capacity to limit rent seeking, produce coherent policy, and sustain policy implementation for the general public’s material interest because its officials exercise influence over elites instead of vice versa while remaining embedded in their networks, thus ‘embedded autonomy’. Contrastingly less successful attempts to industrialise stemming from state conditions that reflect the opposite: a patrimonial bureaucracy disembedded from society in which predatory corrupt elites hold sway over bureaucrats (Evans 1995, p.45-46).
politicians’ priorities across different political periods caused differing trends in the structure of Indonesian small-scale farming (Figures 1 and 2).


Figure 2. Number of agricultural landholdings by land size from five BPS agricultural censuses, 1973-2013. Columns in shades of grey are from Bachriadi and Wiradi (B&W) 2013 while columns in shades of green are from the 2013 Agricultural Census, or ‘AC’). As I argue elsewhere (Graham forthcoming), and especially in relation to 2023 Agricultural Census figures, the dramatic < 0.1 hectare reduction between 2003 and 2013 presented in the data misrepresents change because of issues of just comparison stemming from the questionnaire and changed definitions that influence that category in particular.
In brief, during the New Order, the state worked to reduce the agricultural labour force
Suharto consolidated his position and oil price shocks altered his regime’s approach to
development.\textsuperscript{4} Prior to the mass killings and detainments of communists and their affiliates,
the state accommodated a wide array of social forces. Under Suharto, this social base
narrowed substantially and the New Order regime had to accommodate only enough
supporters and rural bureaucrats, such as those in village administrations and the Indonesian
Farmers Association (HKTI), with patronage to sustain control as it promoted
developmentalist ideologies aiming at agricultural modernisation.\textsuperscript{5} Especially after oil price
shocks in the early to mid-1980s, Suharto began to pursue the dissolution of farm labour
(though not especially the expansion of smallholdings) and promote export-led
manufacturing. His regime did so within a conducive international trade context. This state
direction in the 1980s and early 1990s caused a reduction in the agricultural labour force even
as numbers of small farms continued to grow in number. Yet throughout this time, the state
did not substantively undergo institutional reform, and Suharto’s sultanistic behaviour
towards the end of his rule raises questions about whether the tyrannical regime could have
sustained large-scale structural reform had it survived.

Now more than two decades after Suharto’s downfall, the Asian Financial Crisis, and
ensuring democratisation and decentralisation that further curtailed state autonomy,
politicians and officials seek more to accommodate and preserve small-scale farming
communities than dissolve them. Contemporary political leaders’ developmentalist visions
include using state-owned enterprises to pursue massive infrastructure projects and drive
technological innovations. They do not include using the state apparatus to guide domestic
businesses for the re-employment of increasingly well-educated farm labour or to pursue the
amalgamation of smallholdings into bigger farms. Even new state laws apparently intended to
create jobs do not specifically focus on the re-employment of agrarian labour. Instead,
political leaders draw on an ideology of agrarianism long embedded in state formation that
glorifies small-scale farmers as crucial for the nation to justify rural patronage and
agricultural protectionism. State involvement in agrarian life especially increased under
President Yudhoyono, a leader who practised accommodation through patronage distribution

\textsuperscript{4} For this paper, I interpret the state more as a real organisation both surviving among, and with potential to
dominate, other social and political forces than its ‘image’, and more constituted by its officials’ practices than
being necessarily ‘well coordinated’ (Skocpol 1979; Migdal 2001). Here I focus on ‘accommodation’ especially
as a key state practice (see Migdal 2001, pp.58-94), among others such as coercion, co-optation, and repression.
\textsuperscript{5} In brief, patronage is a “material resource derived from public sources and disbursed for particularistic benefit”
(Hutchcroft 2014, p.177).
as a key guiding principle. His administration issued multiple regulations, laws, and decrees that significantly increased the amount of state capital in the countryside. The state’s practices of accommodation extend beyond a ruling party’s supporters. In the context of the manufacturing sector’s decline, this state largesse helped maintain the size of agrarian Indonesia and its bureaucracy, benefitted cronies, and cultivated new rural middle classes.

President Joko Widodo’s (Jokowi’s) administrations built upon his predecessor’s legacy. Politicians in Jokowi’s era, many of whom are part of a plutocracy, mostly do not envision an orthodox agrarian transition as a useful program of modernisation to aid class mobility. Instead, they encourage young people stay in or enter farm work instead of leaving it to avert purported crises in farmer regeneration. In effect, they encourage the persistence of small-scale farming and entrench further resources for the rural bureaucracy — a reversal of late New Order era policy aimed at the peasantry’s dissolution.

**LIMITED ACCOMMODATION AND DISSOLUTION**

This section traces the evolution of the state during the New Order in relation to its approach to agrarian labour and farmland transformation. Suharto’s regime undertook a “patchwork approach” to the direction of development as he managed relations with soldiers, cronies, along with technocrats to exercise control and personally profit at the apex of state power (Davidson 2015, p.68; see also Liddle 1991). This patchwork approach produced different objectives for rural modernisation at different periods of his 32-year rule. In the aftermath of the anti-communist violence, Suharto’s New Order accommodated its supporters with funds for agricultural development derived from the country’s oil wealth, without pursuing an agrarian transition of farm labour and land. When oil prices plummeted in the late 1970s and mid 1980s (see Winters 1996, p.100), the regime “changed gears” (Mackie 2010, p.89). Suharto, running one of the largest centralised countries in existence, opted to act on the advice of technocrats, and the state attempted to guide a more orthodox program of modernisation.

While the mid-1980s developmentalist agenda involved the growth of export-oriented factories that absorbed rural labour, it also involved orchestration of their movement from the countryside. In addition to the pull of the urban industrialising world, the state used officials and organisations in villages to push people to leave farming. Meanwhile, state policies had ambiguous objectives for farmland. While officials aspired for the amalgamation of
farmlands, the state itself did not actively pursue an expansion in average sizes but did not inhibit it either. This ambiguity about land reform, a highly contentious issue given the regime’s origins in an anti-communist purge, allowed the regime to maintain social control in villages. The state’s land reform ambiguity helped fortify authoritarian rule and was thus central to the type of rural development the Suharto regime pursued. The result was that even as the overall population grew, Indonesia’s growth in farm labour for the first time halted and then declined, yet the numbers of smallholdings increased (Figures 1 and 2). However, this pattern did not last. The regime’s direction agricultural modernisation waned in the final years of the New Order as Suharto’s interests changed. After Suharto fell, state institutions were unable to carry on with the program of development established in the 1980s as the subsequent sections explain.

Prior to late 1965, the state attempted to embrace a broad spectrum of social forces. From independence the state was, as Tuong Vu fittingly describes it, a “wobbly leviathan” (2010, p.55). It tried to juggle a vast array of interests, and accommodated to varying extents ethnic politicians, nationalists, communists, Islamic groups, revolutionaries, figures from the criminal underworld, village elites, and the peasantry (e.g., Kato 1989, pp.92-93; Cribb 2009, pp.89-90; Mackie 2009; Slater 2010, pp.111-113; Sidel 2021, p.201). Accommodating such a diverse array of organisations, ideologies, and groups with an extremely limited budget meant that even as the country’s leaders embraced developmentalist ideas, the state did not have the capacity to implement let alone sustain many of them (Vu 2010, pp.61-65; Fakih 2020).

This post-independence state attempted to accommodate farmers through party-linked cooperatives during times of widespread economic disruption. In the 1950s and early 1960s, the state funnelled credit for agriculture to farmers through an ever-shifting and bewildering array of agricultural banking institutions (often part of, or affiliated with, the People’s Bank of Indonesia, Bank Rakyat Indonesia or BRI) and backed by major political parties. These national-level institutions distributed capital through village cooperatives that were once part of the Dutch, and then Japanese, colonial-era rural commercial system. The Indonesian Nationalist Party (PNI) as well as the party of Nahdlatul Ulama (NU) variously backed the village cooperatives, as well as the war veteran organisation (Kesatuan Organisasi Serbaguna Gotong Royong, or Kosgoro) (Schmit 1991, p.101). Some state officials and these parties saw cooperatives in villages as means to curb “political unrest” caused by communist and religious movements (Schmit 1991, pp.90). As rural lending occurred through these politicised institutions, the state taxation apparatus inherited from the colonial era was unable
to cope with new demands placed on it for revenue and it became especially inefficient. As a result, there were few resources for the government to counter inflation, especially for skyrocketing rice prices, which caused severe financial strain across society (Mackie 2009, pp.23-24). These economic stresses fed into a highly charged political atmosphere and helped precipitate a catastrophic juncture in Indonesian history (Mortimer 2006, pp.386-387).

The rise of a powerful state apparatus occurred in the aftermath of the 1965-66 anti-communist purges and detainments. In the period after the pogroms and arrests, Suharto’s regime used the spectre of communism to legitimise the enactment of enormous political reforms and centralisation of the bureaucracy (Slater 2010, pp.180-188). This military-led state put “the civilians … in their place as never before” (Feith 1968, p.103). The state became highly centralised and larger, and its ability to extract resources improved. Similar to the late Dutch colonial regime, the New Order adopted the ideal of an efficiently run bureaucratic state that valued technical knowledge (a Beamtenstaat) to enable prosperity (McVey 2010, p.142). Akin to what Migdal describes for the “arena of accommodation” (2001, p.92), during the middle of the New Order, Ruth McVey observed the bureaucracy was the key “arena of politics” where, unlike in the parliament, contestation over resources and responsibilities actually occurred (2010, p.144). In this arena of politics, lingering institutions from the colonial era and their patrimonial modes of operation, from the national-level to village neighbourhoods, underwent “resurrection” and the state incrementally reformed them in line with its development and security agendas (Anderson 1983, p.487; see also McVey 1996, p.22; Lev 1996, pp.148-149).

Compared to the 1950s and 1960s, the state’s aperture for accommodation narrowed significantly and became limited to the new regime’s supporters. During the initial period of the New Order, the state planned, and attempted to carry out, an expansion of capital-intensive infrastructure and logistical projects, as well as patronage for the Green Revolution in agriculture (MacIntyre 2000, pp.255-260; Hart 1989). For these projects, which sometimes had “stunningly unsuccessful” outcomes, the state relied on oil revenue during a boom in prices and made regular use of off budget methods (MacIntyre 2000, p.255). Many projects were led and implemented by Suharto’s cronies, including potential rival senior military figures, members of his party Golkar, emerging oligarchs, and also rural elites, all of whom he needed to accommodate for both the state’s survival along with his own at the top (Hansen 1973; Crouch 1979; Liddle 1991).
The New Order regime replaced old methods for disbursing capital to the countryside. It abolished PNI and NU-controlled cooperatives as conduits for agricultural credit and inputs (Schmit 1991, p.108). It replaced them with general agricultural cooperatives (Koperasi Pertanian, or Koperta) that were decoupled from parties, and greatly expanded ‘mass guidance’ (bimbingan massal, or BIMAS) programs for intensified agricultural production that had been under development at universities prior to 1965 (Rieffel 1969; Hanson 1973). In the wake of the massacres, Suharto’s regime co-opted the BIMAS program as part of its ‘stabilisation’ and ‘rehabilitation’ efforts aimed at achieving food security along with reestablishing economic infrastructure and stripped them of leftist terminology (see Oei 1968, p.141; Kretosastro 1968; Rieffel 1969). Funded with oil revenue and support partners at the Bank of America, USAID and World Bank (e.g, Welker 2012, p.392; Angkatan Bersenjata 22 October 1976, p.1; Booth 1988, p.142), BIMAS involved the state disbursing subsidised credit, fertilisers, high-yielding seed varieties, and pesticides, and supervising peasants on how to achieve efficient agricultural production (Hansen 1971).

While many studies note that resources distributed through BIMAS principally benefitted elite farmers (e.g., Hansen 1973; 1978; Hart 1986), in the context of the Cold War, many tended to omit, or only briefly and carefully allude to, the fact that the state was dramatically increasing resources to agriculture and in some places more than others soon after one of the 20th century’s most egregious crimes against humanity. For instance, in 1967-1968 Mears and Affif, to take one example, describe the New Order regime’s disbursal of more resources for BIMAS in places where there was significant rice production, especially across Java, Bali, and North Sumatra, without any reference to the political situation of the time (1968, p.34). In these places with enormous numbers of small-scale farmers, the mass killings and detention of alleged communists and their sympathisers had also been most widespread (Robinson 2018, p.8). But this reactive state-building did not occur uniformly throughout rural Indonesia. Beyond such areas, there was less state penetration and consequently uneven rural spatial variation in the state’s capacities to enact change (see Tajima 2014, p.45). For

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6 Initial justifications for these small state agricultural support programs during the late Sukarno era included, for example, achieving revolutionary reform, defeating the old establishment, and realising class-consciousness (Rieffel 1969, pp.112-113).

7 Djatianto Kretosastro, an instructor at Institut Pertanian Bogor, proposed the concept that became BIMAS in the early 1960s, and appears to have initially justified it with revolutionary socialist language (Rieffel 1969, pp.106-113). He continued as an official in the New Order, and naturally removed such language from his later work on the subject (Kretosastro 1968).
present purposes, however, I put aside spatial variation in subnational agrarian transitions to focus on an overall trajectory.

The state used BIMAS to accommodate soldiers and participants in the conflict. Major General Sutjipto, the Minister for Agriculture in 1967 advocated for BIMAS in terms of helping younger farmers “control their emotions” and achieve happiness for their parents (Kretosastro 1968, pp.1-2) – a request suggesting the opposite was prevalent in traumatised rural communities.8 Moreover, from April 1966 and in the direct aftermath of the violence, the state utilised the National Logistics Command (Komando Logistik Nasional, or Kolognas) – an institution aligned with the army and with the capacity for transport – to finance and deliver supports for BIMAS (Rieffel 1969, pp.116-117). Scholarly descriptions of officials accommodating peasants eligible for borrowing, along with soldiers, and politicians (many of whom were also from the military) in this highly coercive context with various iterations of BIMAS and other rural support programs strongly resemble the politics of survival and accommodation in post-conflict state formation (see Hansen 1978; Hart 1986, p.190; Robison 2009, p.253; cf. Migdal 2001).

During the state’s implementation of BIMAS, there was an often-changing balance of power between peasants using the program and officials, with the latter often unable to ensure compliance or repayment from the former. Conditions of the program also changed to adapt to expectations of senior military officers who also took cuts from allocated resources (Hansen 1978, p.328), and their juniors. Even as the state gained more cohesion and power, it still lacked capacity to implement such a large program in line with its leaders’ vision. In around 1970, there were a mere 2,000 state agricultural extension officials for the provision of training and supervision about new crop inputs for “two to three million” eligible farmers (Hansen 1978, p.327). According to Gary Hansen, officials were encouraged to seek “accommodation” with peasants, and “wide variation began to appear between the provinces with respect to their commitment and compliance with Jakarta’s intentions” (1978, p.336).

Over the next decade, BIMAS and the networks of accommodation that stemmed from it implemented Indonesia’s Green Revolution and helped cultivate social control in rural society for relatively low cost. To be sure, in real terms, the cost of the Green Revolution “ballooned” (Davidson 2018a, p.197). Moreover, scholars have frequently stated that farmers

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8 Sutjipto had previously played a key role in mobilising civilians against communists but in government soon annoyed Suharto and lost his appointment (Roosa 2020, p.64; Jenkins 2021, pp.109-110),
used BIMAS resources inefficiently to infer it was a high cost and corrupt program (e.g., Hansen 1971, p.76; Booth 1988, p.148; Resosudarmo and Yamazaki 2011, pp.18-19). But such analyses tend to underplay the program’s political logic. Relative to state expenditure on civil servants and other development programs, the Green Revolution was an inexpensive means of securing control. BIMAS meant the regime’s elite rural supporters, who exercised significant social power in communities with millions of small farmers post 1965-66, gained resources and therefore had less potential reason to become oppositional. Even as state resources for agriculture significantly expanded in absolute terms towards the end of the 1970s (Davidson 2018a, p.197; Hill 2000, p.58), the agricultural development budget was approximately three times less than the routine budget expenditure on state personnel (Hill 2000, p.55-58). Thus, compared to the cost of expanding the formal presence of officials in the countryside, implementing Green Revolution programs such as BIMAS meant the regime could secure the nation’s social and political order relatively cheaply (cf. Migdal 2001, pp.90-91).

The state imposed new ideological conditions and transformed local institutions in rural society, aiming in its own terms, to cause villagers to better ‘function’ for the nation’s ‘economic development’. With the onset of the New Order, the state-imposed neighbourhood associations (RT/RW) more uniformly throughout the archipelago and purposed them for ensuring political stability and economic development (Kurasawa 2009, pp.64-67; Kato 1989, p.93). From 1972, the regime implemented a ‘floating mass’ (massa mengambang) policy and top-down mental guidance (pembinaan mental) programs to stymie rural threats to its legitimacy. Except for voting at election time, this program of depoliticisation effectively meant villagers could no longer affiliate with political parties and were not to think about ideologies the state judged to be at the root of political conflict. Instead, as architect of the program Major General Ali Moertopo described, villagers’ main preoccupation should be “wholly with development efforts” (Kusno 2013, p.81). The state’s agricultural programs imposed ideological interventions to shore up these efforts. For example, BIMAS promoted ‘rational’ decision-making so peasants would operate according to profitable cost-effective

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9 From 1969, the government had both a ‘routine budget’ comprised of civil servant salaries and state debt payments, and a separate ‘development budget’ for modernisation projects (Hill 2000, p.46). Though the allocation for agriculture decreased as a relative proportion of development budget expenditure (approximately 25 percent of the 1969 development budget on agriculture, by 1992 this amount had nearly halved to 13 percent) it increased in absolute terms (Hill 2000, p.58).
logics rather than following their supposedly irrational ‘traditional’ ways (Rieffel 1969, p.113).

In this context, the regime created a new institution, the Indonesian Farmers Association (HKTI), to facilitate developmentalist goals in rural society. Though often “ridiculed” (Liddle 1987, p.135) for not representing peasant interests in stark contrast with the banned Indonesian Peasant’s Front (Barisan Tani Indonesia) and PKI, examination of this organisation allows for insight into the New Order’s changing agendas regarding important aspects of the agrarian transition. In 1973, the same year made BIMAS a nationwide program (partly in response to a major rice shortage crisis), the New Order regime replaced fifteen surviving peasant organisations with HKTI (Setiyono 2011, pp.13-15). One of Ali Moertopo’s right-hand men, along with the State Intelligence Agency (Badan Koordinasi Intelijen Negara, or BAKIN), supplied ‘support’ and office space for HKTI’s formation (Setiyono 2011, pp.14-15). Senior HKTI leaders such as its head Martono were close to the president and in key ministerial positions involved in transforming the structure of the Indonesian economy. HKTI leadership purposed the organisation to serve as an ‘apolitical’ and professional intermediary organisation between farmers and the government, and to facilitate farmers “participation” as subjects in national development (Cheong 1974, p.97; Soeparto 2004, pp.108-110).

HKTI did not intend to be anything like prior popular mass peasant organisations. It had few cadre working in rural communities (approximately seven per village on Java), and they were comprised of elite landholders, leaders of farmer groups, as well as village officials (HKTI 1976, p.4; Tjondronegoro 1984, p.37) – categories of people the regime already sought to coopt. A founding member of HKTI and former provincial-level Jakarta

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10 In 1973, Suharto also reduced the remaining number of political parties from nine to just three – Golkar, the United Development Party (PPP), and the Indonesian Democratic Party (PDI) (Crouch 2007, p.363).
11 For instance, from its founding until 1990, Martono, who was variously head of the central executive of Suharto’s political party Golkar, the chair of national parliament’s Commission 4 on Agriculture, Labour, and Cooperatives, as well as Junior Minister and later Minister for Transmigration (1978 to 1983 and 1983 to 1988 respectively), led the HKTI. During HKTI’s founding, a team of nine anti-communist leaders from the remaining peasant organisations appointed Martono. He was the sole leadership candidate. Previously Martono was head of Kosgoro during 1964-1971. Benedict Anderson and Audrey Kahin suspected he was a leading member of the Republican Student Army (Tentara Republic Indonesia Pelajar, or TRIP) that later formed Kosgoro (1983, p.46), which in turn was one of the founding organisations of the Golkar party. He chaired HKTI until 1990 when he resigned due to illness shortly before his death. He could not have survived for so long in power were he not close to Suharto. He also represented Suharto at funding meetings, and international forums about agricultural development (HKTI 1975, p.2; Angkatan Bersenjata 22 October 1976, p.1).
12 In coordination with village administrators, they recommended each other for selection by military, police, and administrative heads at the sub-district level (Tjondronegoro 1984, p.37). The HKTI became increasingly bureaucratised, particularly after its founding leader Martono’s death in 1992 and under his replacement.
parliamentarian, Heroe Soeparto, claims its cadres were known as “farmers with ties” (*tani berdasi*) (2004, p.137). Thus, the organisation’s presence in rural society seemed “invisible” (White 1997, p.134). HTKI’s cadres did not need to seek popularity nor inspire mobilisation. Instead, as national HKTI leaders underlined, “participation is not mobilisation. Participation means responsibilities and initiatives from below while mobilisation comes from above” (HKTI 1982, p.25). The organisation’s cadre were involved in programs to become ‘motivators’ for this top-down rural development from the mid-1980s (Soeparto 2004, p.269-271). Its internal publications promoted farmers’ transit and transport especially for transmigration, the need to balance industrialisation with agricultural development, and having a more productive workforce in general (HKTI 1984b; 1986).

While stylised national development plans and “high modernist designs” typically result in “consistently disappointing results”, “failure”, and even national catastrophes (Rigg 2012, p.43; Scott 1998), examining HKTI policies of this era provides insights into what the Suharto regime desired, and purposed the governance apparatus to do, in the countryside. Overarching development plans themselves are not causal (Rigg 2012), but the state can cause major social changes through its accommodation, coercion, co-optation, support, and other actions. For example, during the New Order period, the rural bureaucracy played a key role in facilitating labour migration to towns and factory zones (Antlöv 1994, pp.80-89; Mather 1983, p.14). Moreover, local officials could generate wealth from businesses looking to recruit from villages, with several scholars highlighting the important role played by village officials as recruiters for factories, from which they received commissions (Wolf 1994, pp.113-114; Mather 1983, p.14; Willner 1963, p.561).

HKTI members were rural elites and deeply connected to the village governance apparatus overseeing these processes. It is therefore useful to examine HKTI’s changing development policies for two main reasons. Firstly, through its cadres and officials, rural labourers encountered the regime’s guidance and campaigns for agricultural modernisation (cf. Looney 2020), and secondly because HTKI plans over these decades show the timing of actual agricultural labour force declines (Figure 1), however “shallow”, occurred in line with explicit shifts in state priorities for farm labour transition. Moreover, HKTI policy documents show how the state was consistently ambiguous about possession of and rights over farmland—a tactic of political control which has been observed in other authoritarian states’

Muhammad Ismail’s tenure (a former general and Governor of Central Java) with cadres selected from local government departments (Soeparto 2004, pp.368-372).
land reform programs (Albertus 2021). The timing of the HKTI’s changing objectives for farm labour and how those new objectives map onto the trends in figures for the agricultural labour force suggest that state action did have a major impact, an interpretation further reinforced by, as we will see, the lack of sustained decline of farmers in future decades when there was an absence of state direction.

In its early years during the mid to late 1970s, the HKTI actually had goals that were against a farm to factory labour transition. HKTI development plans tended to align closely with the Broad Guidelines of State Policy (Garis-Garis Besar Haluan Negara, or GBHN) and five-year development plans (Rencana Pembangunan Lima Tahun, or Repelita) while also further elaborating its own perspective and agenda (e.g., HKTI 1982). The initial GBHN and Repelita of the New Order era (1969-1974 and 1974-1979) — issued at a time when the agricultural labour force was growing rapidly (see Figure 1) — did not prioritise agrarian transition, and thus nor did the plans of the HKTI. But importantly during this period, Suharto gave HKTI head Martono a “full mandate” to expand and strengthen the organisation beyond Java to across the archipelago (Soeparto 2004, pp.100-102). The organisation’s goals mostly concerned expanding access to and facilitating programs of accommodation such as BIMAS and KUD, various savings initiatives, as well as supporting floor and ceiling prices for main agricultural commodities (HKTI 1979, pp.9-10). Instead, HKTI documents in the late 1970s suggest the organisation saw the solution to rural Java’s overpopulation as reminiscent of the Dutch colonial agenda to suppress “the rate of population growth and improving the quality of the workforce” with family planning initiatives along with “implementing transmigration… to expand agricultural land use, employment, and welfare” (1979, pp.4-5; Tirtosudarmo 1999, pp.213-214). HKTI’s own five-year plan from February 1979 actually justifies the organisation’s participation in the implementation of transmigration in terms of “overcoming” and “limiting” urbanisation (1979, p.11).

However, the oil crisis of the early 1980s disrupted the nation’s prevailing pattern of crony driven capital-intensive development, which meant the state increasingly gave attention to rural modernisation and industrialisation as an alternative source of economic growth. Despite its economic struggles, the regime projected itself as “leading from a position of reinvigorated popular strength” (Emmerson 1984, p.136). In March 1983, parliamentarians

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13 Importantly, these were all activities that could position cadres to extract from members of their communities, creating a large ‘off-budget’ deviation from the state’s minimal official taxes on rural land and produce (see Booth 1974, p.68; Kelly 1993, p.93).
titled Suharto as the ‘Father of Development’ (*Bapak Pembangungan*) (Elson 2001, p.236). A few months later in June, the state implemented banking reforms with a more market-oriented and decentralised General Rural Credit program (Kredit Umum Pedesaan, or KUPEDES) replacing BIMAS. This new program aimed to lend to more small-scale farmers along with a broader spectrum of borrowers (including small traders and entrepreneurs) (Schmit 1991, pp.147-173; Fox 1999). KUPEDES involved higher interest rates, and the BRI aimed for its repayment collection to be much more efficient (Schmit 1991, pp.147-173). As Richard Robison argued of the period, the state used its own banks “to build a strong domestic capitalist class” (2009, p.244). Simultaneously, the state also began to direct reductions in farm labour.

HTKI objectives of the mid-1980s make the state’s prerogatives to lessen agricultural employment clear. The HKTI identified facilitating non-farm industrial work as a key priority for the organisation. Records of HKTI leadership thinking about prospects for the 1983-1988 GBHN show their preparedness to promote employment opportunities for farmers (1982, pp.20-21). Its 1984 Five Year Plan suggests the state became more explicit about pushing for rural structural change. As state leaders like Minister of Agriculture Ahmad Affandi talked up farmers exiting agriculture and farm size expansion (White 2005, pp.176-177), the HKTI (1984) dropped limiting urbanisation as a goal. Different to the earlier 1979 agenda, in 1984 the HKTI also said it should support labour intensive projects to absorb rural labour, conduct research on guiding farmers unable to be accommodated in agriculture into non-agricultural work, and help regulate seasonal labour mobility from villages (HKTI 1984, pp.18-26). Later HKTI and Ministry of Agriculture documents into the late 1980s and early to mid-1990s repeated these priorities and objectives (HKTI 1989; 1994; Kementerian Pertanian 1994).

Similarly, HTKI objectives about farmland became less explicitly about the protection of small-scale farmers between the late 1970s and mid-1980s. The first HKTI national-level congress deliberation in 1979 occurred as land reform became a renewed focus of Suharto’s regime after being off limits since 1965-1966 (Li 2021, p.617). Some HKTI land reform

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14 In the additional explanatory notes for the 1983 GBHN, the HKTI noted that policy for the labour force in general should be about better distribution and utilisation (1982, p.44). The explanatory notes also claim labour force improvement would require further coordination with the state controlled All Indonesian Workers’ Federation (Federasi Buruh Seluruh Indonesia, or FBSI) otherwise active in factories (1982, p.45). FBSI soon after underwent restructuring to become a streamlined state-directed organisation under the leadership of former Operational Command for the Restoration of Security and Order (Komando Operasi Pemulihan Keamanan dan Keteriban, or KOPKAMTIB) head and newly appointed Minister of Manpower Sudomo (Hadiz 1998, pp.113-114).
objectives at this time do appear at least superficially pro-smallholder. For example, the organisation claimed it wanted to “regulate the ownership, control and exploitation of agricultural land so that it does not harm peasants and rural residents,” and to “create an atmosphere” (terciptanya suasana) so that industrial developments did not cause agricultural losses. The then Chief of Staff of the Indonesian Army, Raden Widodo, even appeared in the HKTI Bulletin to claim the military was concerned about the diminishing scale of farms with ever more farmers and rising landlessness because people “should remember the events in history that caused very dangerous problems” (1979b, p.6). To address such issues, HTKI cadre were to help farmers register for land certificates and encourage clear and decisive land use planning (HTKI 1979, pp.7-8). Yet the statement also included vague objectives such as regulating for land use management to give “benefits” to farmers, without specifying what that may entail. Indeed, little in the organisation’s farmland-related objectives concern inhibiting rural elite supporters of the regime from accumulating land.

Later HTKI documents from when state more pursued structural reform perpetuate this ambiguity. From 1984, language concerning the prevention of harm for peasants and stopping losses in agriculture no longer appears. Instead, the organisation focused on farmers’ land certificate registration programs, improving production sharing agreements to give certainty to small farmers, and to prevent the emergence of “hidden landlords” (tuan tanah terselubung) (1984, p.28). But similar with the 1979 plans, these objectives do not make impositions on existing rural elites. There are, for instance, no provisions about obvious landlords, such as those among the organisation’s own membership. HKTI cadres were also to “vigorously carry out” (digalakkan pelaksanaan) state programs such as transmigration to “guarantee minimum amounts of land” without definition given to what minimum meant, and to respect the state’s power to claim land for development projects (HKTI 1984, pp.28-29). Such ambiguities about land in HKTI documents reflected vague state policy about agrarian reform generally (Sajogyo 1991, p.14). Elsewhere, scholars have shown authoritarian states deliberately keep land policy ambiguous to exert power effectively (Ho 2001; Albertus 2021). On the one hand, the state can say it supports smallholders to keep them on side, and on the other, it can disregard smallholder rights with ease. Holland?

Whatever the HTKI members did, in practice the state ramped up acquiring farms in specific areas for industrialisation. “Dispossession without development”, to adopt Michael Levien’s apt phrase, occurred during the 1980s and early 1990s in Indonesia with the emergence of market liberalisation, as it was occurring in other similar post-colonial contexts
such as in India, China, and throughout Southeast Asia (see Levien 2018; Rigg 2020, p.9; Sorace and Hurst 2016, pp.307-308). The state had gained expanded legal power to dispossess smallholders in a context of their depoliticisation and with little prospect of effective opposition (Lund 2020, p.81). Coercive state institutions such as the military and state-sponsored thugs conducted land acquisitions on the cheap on behalf of businesses and conglomerates run by regime cronies requiring legal certainty (Lucas and Warren 2013, p.14). If smallholders did not comply, they could suffer the prospect of physical violence from thugs and brokers, or labelling as ‘anti-development’, ‘subversive’, or as ‘ex political prisoners’, which could condemn their families and livelihood prospects indefinitely (Lucas 1992, p.86; Lund 2020, p.81; Kusno 2013, pp.88-91). The state converted their lands not for further agricultural production, but for factories, apartments, shopping malls, suburban real-estate, and mines owned by regime-connected tycoons.

State and state affiliated actors conducted what amounted to farmland grabs during the 1980s and 1990s especially in jurisdictions earmarked for industrial development. To encourage investment in jurisdictions zoned for industrial expansion such as around Jakarta and Surabaya, the government issued regulations that created customs exemptions, subsidised factory spaces, streamlined bureaucratic procedures, sponsored transport services, created tax exemptions, and it gave assurances that it would prevent labour strikes (Kusno 2013, p.87). Domestic capitalists owned 80 percent of industries in 1985, many of which partly derived their wealth from collusion with the state (Kammen 1997; Hill 1997a, p.154, p.368).15

The state also used substantial off-budget sources to fund industrialisation. Historian Robert Elson estimated off-budget revenues amounted to one-half of state income in the early oil boom years of Suharto’s presidency (Elson 2001, p.151), and they continued to be very large afterwards (Ascher 1998). Practices such as siphoning oil revenues away from official accounts did not cease in the 1980s period of ‘free’-market reorientation. Instead, the off-budget economy proliferated in the forestry sector (Ascher 1998). As rampant deforestation occurred and funds from it kept off the books, wood products emerged as one of the largest sectors of light industrial employment for farmers to enter. One of the key actors in the boom

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15 The conglomerates of oligarchs cultivated by the Suharto regime through the 1970s undertook a substantial proportion of this investment (Robison and Hadiz 2004). Among them were Mochtar Riady’s Lippo Group, The Nin King’s Argo Manunggal, Ciputra’s Jaya Group, Sinivasan Marimuthu of Texmaco, Bob Hasan’s Kalimanis, and Bambang Trihatmojo’s (Suharto’s third son) Bimantara. These conglomerates in turn helped foster a new class of industrial capitalists with smaller ancillary support businesses, which absorbed farm labour (PDBI 1997; Kammen 1997; Warouw 2004; Robison and Hadiz 2004).
in wood-related manufacturing was Suharto’s long-time friend Bob Hasan (since at least his days trading and smuggling sugar in the mid-1950s in Semarang, see Borsuk and Chng 2014, p.68) who controlled a monopoly over the plywood trade (Barr 1998). According to economist Chris Manning, the wood products industry along with textiles “accounted for just under two-thirds of all employment growth in large- and medium scale manufacturing in the period 1986-93” (1998, p.108).

Yet whether the state would sustain this push for the dissolution of agrarian labour (putting aside farm size expansion) was far from certain. From 1993, the Minister for Research and Technology B.J Habibie along with a group of engineers and technocrats under his leadership started to gain influence with Suharto (Amir 2007, p.95). They relentlessly promoted state intervention for developing high-end technology. Suharto, who was increasingly Sultan-like in his behaviour, found the idea appealing (Aspinall 2005, pp.217-218; see also Shiraishi 1996). For the economists who had Suharto’s ear over the preceding decade, Habibie’s influence was detrimental to the direction of economic development the country was pursuing. They saw investing lots of state money in high-end technology as premature, reckless, and not in the economic interests of the general public (Amir 2007, p.100).

Conflict among those vying for Suharto’s ear to influence the direction of development further reveals the lingering patrimonial features of state organisation originating in colonial rule (discussed earlier in the dissertation). Suharto’s prioritisation of high-end technology and its potential to derail the existing approach to agrarian transition, if only in terms of farm labour reduction, shows state institutions themselves had not gained capacity to constrain the influence of the president on behalf of society during the New Order. Though Suharto himself gained unprecedented amounts of autonomy due to the extremely coercive origins of his rule and through his influence over the oligarchy that he helped create, he did not pursue cultivating a more autonomous state apparatus. During the period in which agrarian labour declined, Suharto had “insisted on retaining key patrimonial features [of the state] which he saw as crucial to his continued political supremacy”, while teams of technocrats around him created an “impressive façade” of functional institutions (Elson 2001, p.247; see also Bourchier 2015, p.242; Crouch 1979). By the mid-1990s the state’s institutions and its officials were far from having the characteristics that define a developmental state (Davidson
As the next section explicates, the state’s institutions were not sufficiently capable of navigating the coming crises to sustain an agrarian transition.

Reflecting the ‘sultanisaton’ that beset Suharto’s rule in its later years, the state navigated the ensuing 1997-1998 financial crisis haphazardly. Suharto’s government first attempted to impose its own austerity measures and when they did not succeed, turned to the International Monetary Fund (IMF) for bailout money that meant agreeing to callous liberalisation proposals (Pincus and Ramli 1998, p.726). In late October 1997, Suharto and the IMF agreed to substantial deregulation to open Indonesia’s otherwise closed economy to world trade (Davidson 2018, pp.14-18). Soon after, however, and like a king, he became mercurial when it came to implementing IMF conditions (Aspinall 2005, p.211). He reneged on successive IMF agreements in January and again in April of 1998 (Pepinsky 2009, p.83). Repeatedly the New Order regime “shifted the burden [of IMF structural adjustment policies] onto the shoulders of poor Indonesians” (Pepinsky 2009, p.83). Suharto did so to protect elite allies along with family members from massive losses (Pepinsky 2009, p.92). As it manoeuvred to protect allies, the state was unable to bandage the “colossal financial haemorrhage” because of its long-term institutional problems stemming from the consolidation of patrimonial-style rule (Slater 2010, p.204). Suharto had gone from ‘Father of Development’ to ‘Father of Bankruptcy’ (Anderson 2008, p.40).

This financial crisis also set in motion regime change, with significant ramifications for the polity’s organisation. The economy’s nosedive “contributed to the rapid escalation of unrest and was crucial in determining the timing of the regime’s collapse” (Aspinall 2005, p.251). The state lost an autonomous actor at its apex, and it came under enormous pressure from multiple sources including the IMF, its domestic oligarchs, new civil society groups, and separatist movements to name a few. This extreme duress was enough for scholars to bring Indonesia’s very survival as a nation into question (Emmerson 2000; Aspinall and Berger 2001; Siegel 2002, p.208; Sidel 2012, pp.134-135).

In this tumult, successive presidents had to accommodate multiple competing forces present in society again to survive. They had to negotiate severe budgetary constraints that undercut their reform ambitions, and undermined autonomy of the bureaucracy and political parties. The state struggled to guide the recovery of industries that were employing rural

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16 Doner, Ritchie and Slater define developmental states as: “organizational complexes in which expert and coherent bureaucratic agencies collaborate with organized private sectors to spur national economic transformation” (2005, p.328).
labour in the context of China’s emerging trade dominance and newly assertive domestic labour movements demanding better conditions. Amidst these strong disintegrative stresses, Indonesia underwent popular democratic and decentralisation reforms that have been of great political benefit to the public but further curtailed the state’s ability to guide an agrarian transition. The way in which Indonesia’s democratisation occurred meant parties and politicians could not achieve much autonomy from businesses disinterested in mass re-employment of agrarian labour. Officials further entrenched personalistic patronage disbursal to accommodate major political and social forces as a main mode of governance for survival. In addition, decentralisation reforms devolved responsibility for undertaking structural reform to subnational governments, themselves often operating in a neo-patrimonial mode and with little capacity to act independently of powerful local business groups that had little interest in employing masses of farmers in new jobs.17

EXPANDED ACCOMMODATION AND PRESERVATION

The state now more seeks to preserve than dissolve the country’s vast agrarian communities. Lacking independence from powerful economic actors, and largely reproducing a pattern of ethnic segregation established in the capitalist agrarian transition, the state attempts to accommodate oligarchic interests while using state-owned enterprises to pursue developmentalist visions for better infrastructure rather than directing them to invest in labour-intensive employment that could alter the structure of the economy. State officials, often operating in a personalistic mode, unevenly regulate and disburse resources and patronage to a broader cross section of people in the countryside than regime supporters and the rural bureaucracy who were the main beneficiaries of largesse during the New Order (although they are still major beneficiaries as we will see below). Politicians, commonly using agrarianist tropes, advocate for the regeneration and preservation of small-scale farmers, not their dissolution as in the mid-1980s. Many of these politician-tycoons now actively encourage young rural people to take up farming. The state’s approach to the countryside now helps produce the expansion of rural middle classes (explained in an earlier part of the dissertation) while cultivating broader structural conditions of agrarian non-transition.

17 In my dissertation, I assess this transitory period more substantively.
The immediate post-Suharto governments of Habibie, Gus Dur and Megawati did little to legislate for the protection of farmers (see Danzer 2008). Post-1998 pushes for protection in agricultural commodity chains such as sugar actually came from established traders and their lobby groups who were seeking import bans and tariffs to prevent newer brokers undercutting them as a result of IMF-sponsored liberalisation programs (Danzer 2008, pp.123-161). Under Yudhoyono, however, pro-farmer protection regulation emerged more prominently. The introduction of this thesis noted the state’s accommodation of a variety of social forces, from Islamists to oligarchs, which scholars have observed in the post-Suharto democratic era. President Yudhoyono greatly enabled this pattern of state behaviour. He and his administration repeatedly intervened with decrees, laws and regulations in many social conflicts and the economy to promote what he saw as the “key role” of the presidency: as a moderator to accommodate multiple forces in society (Aspinall, Mietzner and Tomsa 2015, p.12). People in the agricultural sector were no exception.

For instance, rice price controls became an important instrument for accommodating small-scale farmers. Yudhoyono used decrees (Instruksi Presiden, or Inpres) throughout both his terms to raise the price of rice, both unhulled (gabah) and processed (beras) (Graham 2020), justified by the need to both address problems of poverty and rural-urban disparity, along with cronyism (Graham 2020). Officially, the decrees raised the price of rice in the name of “national economic stability, increasing farmers’ income, increasing food security, and developing the rural economy” (Inpres 7/2009, p.1). The president used the National Logistics Agency (Badan Urusan Logistik, or Bulog), which became a state-owned enterprise in the post Suharto era, to regulate minimum purchase prices that it would buy from farmers. This state-guaranteed minimum price in turn forced brokers and traders to increase their purchase prices so farmers did not sell to Bulog. In turn, brokers and retailers ratcheted up consumer rice prices to maintain and increase profit margins (Graham 2020). Indonesia’s domestic hulled rice prices became double world averages, and its unhulled rice prices, that producers’ received, rose substantially, too (Graham 2020). Meanwhile, Yudhoyono’s administration installed clients to run Bulog, one of whom was a man he had grown up with in rural Blitar in East Java, who in turn had networks of brokers within the rice trade that these interventions benefitted enormously (Graham 2020).

Yudhoyono’s administration also implemented numerous laws and regulations to accommodate the interests of small-scale farming communities. The Law on Agricultural Land Protection (41/2009), signed just as he was about to commence his second term in
office, outlines that Indonesia is an agrarian nation, prohibits the conversion of agricultural land, and obligates the government to protect farmers, particularly from commodity price fluctuations (Articles 44, 61 and 62 respectively). A series of subsequent laws in his second term further enabled and justified accommodation of people in the agricultural economy. For instance, the Law on Food (18/2012) makes further stipulations about the government’s obligations to protect farmers, and “food entrepreneurs” to promote national food production (Article 17). The Law on the Protection and Empowerment of Farmers (19/2013) included even more articles obligating the state to protect farmers with material supports. It outlines protection concerns central and regional governments’ assistance for farmers’ market inclusion, infrastructure, price certainty and the elimination of “high-cost practices”, along with crop compensation and insurance in relation to climate change (Article 7).

In national parliament, a pro-farmer disposition became prevalent even despite a seeming general lack of coherence among parties and their politicians on various agricultural policy issues. Different to other democracies, contestation over national policy in Indonesia tends to happen within eleven parliamentary commissions rather than in plenary sessions (Mietzner 2013, p.160). Politicians on commissions support policy for a variety of reasons, such as following their party position, because of their own convictions, pursuing the commission’s own prerogatives, promoting “the interest of their oligarchic sponsors”, and, alternatively, sometimes opposing such powerful interests (Mietzner 2013, p.163). Pro-farmer policies have passed through this potentially contentious process with strong support. For instance, members of the Agricultural Commission (Komisi IV) overwhelmingly supported the 2013 Law on the Protection and Empowerment of Farmers just mentioned. Critical feedback from party leaders about the law mostly concerns the inclusion of additional amendments to further benefit farmers, not the purpose of the law (DPR 2013c). Not all agricultural regulations receive such favour. Parliamentarians’ support for farmer protection contrasts starkly with their sometimes-conflict ridden discussions about food and crop input trade licenses (e.g, Kementerian Pertanian 2014). Whereas not all politicians benefit from agricultural trade policies, those on the Agricultural Commission, despite their divisions, shared an interest in using the 2013 law to argue for larger agricultural budgets that pass through their forums for discussion, approval, and potentially opportunities to skim.

Yudhoyono’s government rejuvenated state involvement in agrarian life. Two significant examples among several illustrate this point. First, Yudhoyono dramatically ramped up revenue flows to rural areas, and increased numbers of social protection programs (many of
which were explicitly intended for rural society), including those for welfare, healthcare and education (see McCarthy and Sumarto 2018, p.227). His government also substantially expanded possibilities for rural subsidised credit access with a presidential instruction (Inpres 6/2007). This intervention during the 2007-2008 global financial crisis meant the government reduced maximum interest rates and collateral requirements for borrowers (see e.g., Article 5, 135/PMK.05/2008) as part of its broader expansion of state-bank loans to the agricultural sector (or, in other words, a state-backed expansion of rural indebtedness). Between 2009 and 2012, the total amount of state subsidised People’s Business Credit (Kredit Usaha Rakyat, or KUR) loans to farmers doubled from Rp 17.2 trillion to Rp 34.5 trillion (Kementerian Pertanian 2013, p.40; BeritaSatu 2014). Herman Khaeron, a key Yudhoyono supporter and Deputy Head of the DPR Commission on Agriculture, claimed farmers’ expanded access to KUR capital, among programs, ran against “trickle down economic theory” which did not work and that the regulations aimed both to protect farmers from risk and to push them to go “all out” for production (Majalah Parlementaria 2013, pp.42-43).18

Second, towards the end of Yudhoyono’s presidency, the state enacted the Village Law (6/2014) partly for the purposes of accommodating and preserving rural communities. This law meant a massive re-allocation of state funding directly to tens of thousands of villages. Throughout parliamentary discussions leading to the Village Law’s formulation in 2012 and 2013, state leaders and politicians suggested that it must regulate for democratisation at the village-level for the purposes of accommodating otherwise neglected aspirations of rural people (e.g. DPR 2013a; 2013b). Further, among the Village Law’s nine primary aims that focus on rural welfare, “overcoming national development gaps”, and “strengthening village communities as the subject of development”, the law makes repeat references and stipulations about preserving village communities (Law 6/2014 Articles 4, 26 and 95). The law’s references to rural sociocultural preservation contribute to the impression its drafters maintained essentialised views of village society and agrarianism that had served anti-communist purposes in the New Order era (White 2017; see also Bourchier 2015, p.255). Different to New Order policies that had briefly guided the exit of small-scale farmers, however, this law outlines a vision for the state to fund the maintenance of village life while it, in principle, encourages democracy to accommodate the desires of people in agrarian communities.

18 Jamie Davidson (2021) further analyses public officials’ beliefs about state-owned enterprise projects in Indonesia and shows how their valuations deviate from standard neoliberal calculations.
The overall effect of the Yudhoyono presidency’s blend of accommodation, protection, and preservation in an otherwise fragmented political context enabled the maintenance of the size of agrarian Indonesia. As Yudhoyono’s administration deferred dealing with “underlying structural problems and tensions” such as reigniting the manufacturing sector and reconciling with the bloodshed of 1965-1966 (Sidel 2015b, p.57), the state, increasingly dependent on patrons and patronage to function, actively supported rural society's persistence with regulations and resources. The following era of President Joko Widodo or Jokowi (2014-2024) entrenched these supports for the countryside and added to them. If Yudhoyono was a “man on horseback” who left many droppings (Sidel 2015b, p.58), and especially so in the hinterland, Jokowi’s horse has dropped even more.19

Indications such a pattern would continue were present prior to, and within, the transition period between administrations. There were clear signs pointing to continuity during the 2014 elections, such as the incorporation of the Yudhoyono administration’s Village Law and its promised funding into Jokowi’s campaigning (Figure 3), but also beforehand. A good example concerns politicians from national parliament's Agricultural Commission using the questionable results in the 2013 Agricultural Census concerning the sub tenth of a hectare category (recall Figure 1, assessed more substantively in an earlier chapter) to talk up a crisis in farming requiring further state resources (Republika 2013; SindoNews 2013a; Bisnis Indonesia 2013). The then Deputy Chair of the Agricultural Commission and senior member of Golkar, Firman Subagyo, suggested the supposed decline in farming households undermined Indonesia’s status as an “agrarian nation” (SindoNews 2013a). He later repeatedly claimed the state should offer better support for farmers, and in the lead up to the new president’s inauguration criticised the government for not being “serious” about addressing the lack of funding for the agricultural budget (Buletin Parlementaria 2014, pp.8-9; SindoNews 2013a).

19 John Sidel (2015) uses the phrase ‘men on horseback’ to refer to the structural role of conservative military men such as Prem Tinsulanonda in Thailand (1980-1988), Fidel V. Ramos in the Philippines (1992-1998) and Yudhoyono in Indonesia (2004-2014) who become president and constrain political and social change in their respective countries. ‘Droppings’ refers to the “underlying social tensions, escalating political conflict and resurfacing challenges to the parameters of democracy” that these men on horseback leave behind (Sidel 2015, p.58). Although Jokowi is not technically a military man, the TNI embraced him as president, and he has a fondness for horses (Detik 2013; Honna 2020).
Another sign involved career statistician Rusman Heriawan, a friend of Yudhoyono and BPS Director before becoming the Deputy Minister for Agriculture (2011-2014) when the census was undertaken and published. Some observers found Rusman’s career transition puzzling because statisticians rarely enter formal politics. Perhaps it is less confusing when taking into consideration his relationship with the president. He along with Yudhoyono had gained doctoral degrees at the Bogor Agricultural Institute (Institut Pertanian Bogor, or IPB) in the same year. According to one BPS staff member, Rusman “greatly assisted” the preparation of Yudhoyono’s dissertation, and for a long time there was an “extraordinary closeness” (kedekatan istimewa) between the two (Kompasiana 2011). Rusman, too, claimed the 2013 census would form the basis for agricultural policy and would greatly assist the design of government programs (SindoNews 2013b; Kompas 2011; 2014).

The state did not receive much critical feedback about expanding resources and patronage for agriculture in this period. The interests of major agrarian civil society movements aligned

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Advocacy based on the purported declines in the 2013 census data continued well after the transition period, too. In July 2016, another Deputy Chair of the Agricultural Commission mentioned previously, Herman Khaeron, that purported declines in farms in the agricultural census data showed the need for better state support for farmers and to encourage rural youth to take up farming (Republika 2016). The pro Gerinda faction of HKTI, too, later used representation of declines of farmers from the under 0.1 hectare category to advocate budgetary prioritisation for agriculture (DPR 2016).
with those of state actors lobbying for more agricultural support in the transition between
Yudhoyono and Jokowi administrations (as did those of HKTI, but by this stage the
organisation’s influence had waned and it fragmented into rival factions, see Setiyono 2011).
During National Farmers Day on 24 September 2013, civil society leaders claimed declines
depicted in the agricultural census results reflected the fact the government did not care about
farmers, and justified threats of lawsuits against the government and president for not
fulfilling its own recently legislated promises of agrarian reform (BeritaSatu 2013). The
Indonesian Peasant Union (Serikat Petani Indonesia, or SPI), and the Consortium for
Agrarian Reform (Konsorsium Reforma Agraria, or KPA), two of the nation’s largest pro-
farmer organisations, used the census’s purported decline in ‘agricultural business
households’ with under a tenth of a hectare as representative of a broader crisis to lobby for
better support from the state (e.g. SPI 2014; Suara Pembaruan Agraria 2014, p.38). In pursuit
of their advocacy, these organisations passed over other BPS data, such as the National
Labour Survey that depicts more an equilibrium in numbers of small-scale farmers (including
landless labourers that agricultural censuses exclude) or the fact that for every other category
in the farm size distribution from the agricultural census depicts marginal, if any, change in
the context of millions of smallholdings (Figures 1 and 2). In short, an assemblage of state
and civil society actors coalesced to use the agricultural census as a political resource and
shaped a public narrative of decline (cf. Li 2021).

Jokowi’s government subsequently increased state flows of resources to rural society and
enacted further pro-farmer regulations. After Jokowi became president, state resources for the
countryside continued to increase before declining due to government austerity measures
implemented across the budget and in response to Covid-19 (Pikiran Rakyat 2016; Pangan
Data 2021; Graham 2023, p.120). However, amounts of state support for agricultural
producers during these cuts did not much sink below the greatly expanded amounts disbursed
in Yudhoyono’s second term. State leaders also prevented further pruning of resources
disbursed to the countryside. For instance, President Jokowi put pressure on state-owned
banks to increase allocations of subsidised credit available to farmers with limited collateral
requirements and even more flexible repayment terms through the KUR program during the
Covid-19 pandemic (Tempo 2020). At Rp. 90 trillion, the KUR budget targeted for
agriculture in 2022 was five times larger than Yudhoyono administration’s post-global
financial crisis 2009 allocation (Detik 2022). In addition, Jokowi’s government further
swelled the volume of funding for villages. His cabinet and party coalition also legislated for
further agrarian reform and social forestry programs that provide small-scale farmers living near state-owned forests with greater land access.\textsuperscript{21} Such supports, at least in name, further accommodate farmers’ material interests despite the simultaneous presence of illiberal articles in regulations that impinge on farmers’ freedom such as seed-related criminalisation.

A major long-run transformative consequence of increasing state resources in the countryside has been the growth of rural middle classes with even less incentives to undergo an upheaval of their lives for an agrarian transition. By 2022, the Ministry of Villages, Development of Disadvantaged Regions and Transmigration assessed 15 provinces as no longer having any ‘very left behind villages’ (its category for the most disadvantaged), with Bali, Yogyakarta, West and East Java, as well as the Bangka Belitung islands without any villages categorised as ‘left behind’ (Kementerian DPDTT 2022).\textsuperscript{22} Though relatively poor and precarious compared to formally employed middle class people in cities, people from rural middle class households propelling these changes of village categorisation derive greater wealth because of increased state supports, their diversified livelihoods, and have experienced far more education and travel than past generations. Yet members of Indonesia’s emerging rural middle classes often find their opportunities to move permanently to more affluent lives beyond their villages of origin constrained by having little comparative advantage with their urban counterparts despite greater educational certifications. They also have their incentives to do so curbed by better livelihood security and quality of life at home (White, Graham and Savitri 2023, p.80).

These issues are not to say labour migration in Indonesia is flatlining. Of course, there is enormous population movement throughout Indonesia. Such movement has long been the

\textsuperscript{21} New regulations include the 2018 Presidential Regulation on Agrarian Reform (Peraturan Presiden No. 86/2018), along with the 2016 National Strategy for Agrarian Reform (see Li 2021). There has also been the 2019 Law on Sustainable Agriculture (Undang Undang No.22/2019), which besides having controversial seed criminalisation provisions, further emphasises state prohibition on converting land designated for food production (Article 19), and that farmers should have incentives to protect and defend their land used for cultivation (Article 20). Also, from 2016, the state implemented a national social forestry program whereby small-scale farmers can ask the government permission for use of up to two hectares on designated forestland covering some 12.7 million hectares (Regulation of the Minister of Environment and Forestry [Peraturan Menteri Lingkungan Hidup dan Kehutanan] No. 83/2016). This regulation has enabled forestland brokers to extract levies, some of which have been used to support political party funding (Tempo 2022). In addition to these land related policies, in 2016 the Jokowi administration also implemented new food price regulations giving a more expansive scope for the state to intervene through Bulog (see Presidential Regulation [Peraturan Presiden] on Assignments for Bulog in the context of National Food Security [tentang Penugasan Kepada Perusahaan Umum Perum Bulog Dalam Rangka Ketahanan Pangan Nasional] No.48/2016).

\textsuperscript{22} The 15 provinces included Bali, Yogyakarta, West, Central and East Java, the Bangka Belitung islands, Gorontalo, West and East Kalimantan, the Riau islands, Lampung, West Nusa Tenggara, North, West and South Sulawesi (Kementerian DPDTT 2022)
case. In the mid-19th century, Java’s peasant population was very mobile (Ricklefs 2007, p.18). But over generations many rural people’s migratory experiences have been circular and episodic rather than permanent transitions (Hugo 1982; White 2020; Clendenning 2023). Such work experiences do not necessarily portend for migrants’ exit from farming but can in fact be purposed towards generating enough experience and capital to enable a farming future as people wait to gain access to family lands (White 2020, p.80; Griffin et al 2024). Some long-term case studies show small-scale farmers that migrated in the 1970s returned to their villages to work in agriculture and now watch their children reproduce similar circular migratory experiences (White 2020, pp.115-16). Overall, there has not been large enough permanent out migration to turn small fluctuations (relative to the size of the agricultural labour force) since the spike stemming from the Asian Financial Crisis subsided from the later Yudhoyono years onwards (Figure 1) into a consistent decline.

Another consequence has been greater patronage for politicians and officials who have reason to pursue popularity with voters, not antagonise them with policies that could force their exit. While during the New Order, fluctuating agricultural supports were part of a pyramid-like patronage network (Hansen 1973; Hart 1986), in Indonesia’s contemporary decentralised context they have become part of a more fragmented provisioning system for public resources in which politicians, administrators, and village officials vie for control (Aspinall and Berenschot 2019, pp.149-175). In this context, resources to link state and countryside often become patronage for officials in the very highest positions to the lowest. While promoting the government’s National Agrarian Program (Program Nasional Agraria, or PRONA), even President Jokowi controversially distributed land certificates to rural voters in packages that contained images of himself warning them to be careful with using it as collateral prior to the 2019 presidential election (which he continued to do since) (Detik 2018a; 2018b; Kompas 2018; CNBC Indonesia 2022). Political parties that have controlled the Ministry of Villages, Development of Underdeveloped Areas, and Transmigration under Jokowi, including PDIP and PKB, have used their cadres to extract from new village funds, and instructed them to be recruited as assistants for the implementation of village funds (Detik 2017; CNN Indonesia 2015).23 Perhaps most conspicuously for farmers themselves,

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23 Nahdlatul Ulama, the major Islamic organisation behind PKB, also has materially benefitted from a close relationship with the Ministry of Agriculture. For example, in 2018, the Ministry of Agriculture allocated Rp. 200 billion in resources to NU (Medcom 2017). NU also proposed it could more efficiently distribute microcredit to villages through the People’s Business Credit (Kredit Usaha Rakyat, or KUR) program (PasarDana 2016), but this proposal appears to have not progressed further.
officials at every level of the state, from the very top in national parliament to villages take advantage of decentralised regulation and skim from the state’s enormous chemical fertiliser subsidy (Kompas 2022b; Widodo 2003; Graham 2021).

Besides patronage, the lack of party institutionalisation inhibits the state’s ability to undertake, let alone sustain guidance of, an agrarian transition. In other countries, political parties have played a key role in shaping how the state directs agrarian transitions (such as in the United States and Japan [described in an earlier chapter]). As Erick Kuhonta (2011) argued in his comparison of Malaysia and Thailand, a key cause of state-directed economic structural change are political parties deeply institutionalised in society in favour of sustained policy implementation. Political parties can propose and sustain implementation of development policies the state conducts, and mobilise popular support for them (Kuhonta 2011, p.23). However, in Indonesia, political parties’ decreasing support in society undermine the state’s means to pursue an agrarian transition even if they dropped their pro-farmer ideological dispositions. Political parties rank among the least trusted institutions in society – a situation that has become worse over the last decade (Kompas 2022a). One leading political commentator and pollster identified, “…as many as nine out of ten Indonesians express that they aren’t close to any political party” (Muhtadi 2019, p.145). Political parties’ lack of institutionalisation and the rise of candidate-centred populist plutocrats thus undermine the state’s ability to sustain implementation of policy for large-scale and long-term structural reforms.

Nowadays, plutocrats who wield political influence have little interest in pursuing labour-intensive forms of employment for small-scale farmers. Instead, they outline visions of automated industrial futures and further job losses in manufacturing – traditionally seen as the most logical sector for farmer re-employment. For example, in April 2018, billionaire and former Coordinating Minister for Economics during the latter years of President Yudhoyono’s second term, Chairul Tanjung, outlined a vision of substantial employment contraction in manufacturing because of the uptake of automation to a group of business students at the prestigious Institute of Technology Bandung:

… everything is driven by the internet. All processes once carried out by humans will be taken over by automation. For example, factory goods moved using conveyors are still overseen by people but soon it will be automated and goods checked by barcodes. The era of automation. People will become replaced by robots… I’ll tell you a joke: people will even soon marry robots… But this has actually already begun in Japan… Technology is getting cheaper, people are getting
more expensive. For workers in Karawang the minimum wage is Rp. 3.8 million per month… With inflation 10 years from now it will be almost Rp. 15 million… If the workers are getting Rp. 15 million in wages, I am sure the factories in Karawang and Bekasi will replace people with robots… It is estimated that 5 million jobs will be lost (Institut Teknologi Bandung 2018, from 1 hour 23:50).

Oligarchs who hold sway over state power and see automation as inevitable are conscious about its negative consequences for the existing workforce. Even so, they prioritise a vision for automated progress. In December 2020, coal magnate, former Vice-Presidential Candidate and current Minister for Creative Economy Sandiaga Uno asserted, “Sometimes we regret jobs are lost due to automation because of robotics and so on, but actually the opposite is true” (meaning automation can create jobs). He went on to say he was optimistic because new types of jobs such as, for example, “coders”, “game developers” and “product endorsers” were emerging, and that the key for the labour market in future would be digital literacy (Liputan6 2020). He, among other tycoons such as powerful Coordinating Minister for Maritime Affairs and Investment Luhut Panjaitan or Suharto family crony and political aspirant Hary Tanoesoedibjo, talk up the possibilities for profit from automation while repeating ambiguous warnings about job cuts (Tempo 2017; Okezone 2019). Among their commentary, there appears little consideration of the potential for substantial numbers of young farm labourers to move into coding jobs and product endorsement.

This lack of attention is perhaps since such politician-tycoons’ see the agricultural sector’s future as one that must continue to absorb labour. At a national forum on the “Preparedness of the Indonesian Labour Force” on 14 January 2019, oligarch and then Vice President Jusuf Kalla (2004-2009 and 2014-2019) told an audience including various ministers and business association leaders “If everything is taken over by robotics, then who will work? If nobody is working who will want to consume? There is no debate. We have to create productivity [for jobs] elsewhere, in agriculture etc” (BCA Sekuritas 2019).

Agrarian transitions of labour and farm size are not part of the contemporary state’s recipe for economic growth. A telling example of the state’s lack of focus on re-employment of farm labour is in the 2020 law ironically named “Job Creation” (11/2020). The Job Creation Law aims to enable better conditions for investment to create economic growth and assumes job creation will occur as a byproduct (Lane 2021, p.8). The law, stemming from politico-tycoons’ wish list of reforms, attempts to cut regulation it sees as harming investment, thereby encouraging more financing and thus create employment. Yet as Aulia Nastiti (2020) reasons, using the government’s own data, there is no correlation between investment in
Indonesia and labour absorption. In fact, the opposite occurred between 2013 and 2019: the more investment increased, the more labour absorption decreased with most funding going to capital-intensive industries (Nastiti 2020). In any case, the target of job creation in the law is not specifically people in agrarian communities. The law instead articulates employment creation as a means to take advantage of Indonesia’s ‘demographic bonus’, a condition where the share of the working-age population becomes larger than those not working (UNFPA 2022), and involves people from anywhere in society (DPR 2020, p. 207).

Instead of regulating directly for structural change, the ‘academic explanation’ (naskah akademis) for the Job Creation Law upholds Indonesia is an “agrarian nation” (negara agraria) (DPR 2020, p.166). The notion of the agrarian nation revolves around deep-seated agrarianism in society, which is an ideology inherently at loggerheads with the dissolution of small-scale farming communities. Agrarianism involves a loosely-defined romantic “faith in agricultural economics, an affirmation of rural communalism, and a conviction that farming was indispensable to those qualities that made the nation unique” (Havens 1974, p.8).24 This ideal justifies the state’s accommodation of the nation’s small-scale farming communities. As the academic explanatory notes elaborate on the following page, “…it is necessary to create policy that can accommodate national interests of providing protection to farmers to achieve food security, and increase income and welfare of farmers…” (DPR 2020, p.167).

The state frequently draws on ideals of agrarianism to justify policy to accommodate and preserve idealised farmers unlike the initial post-Suharto period. State officials’ rationalise protectionist agricultural trade measures and other agricultural modernisation plans in the name of supporting and lauding small-scale farmers (especially during election times) (Davidson 2018b, pp.462-466). For instance, the Ministry of Agriculture’s 2017 “Food Self Sufficiency Success” Plan begins by claiming the government’s role in developing agriculture should be to “glorify the farmer” (memuliakan petani) (Kementerian Pertanian 2017, p.ix). Moreover, officials use agrarianism to justify the further provision of resources for farmers. Minister for State-Owned Enterprises Erick Thohir, for example, says his

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24 The post-Suharto state’s discourse about Indonesia being an “agrarian nation” has long-term ideological roots. During Japan’s rural imperialism on Java, the occupying force propagated agrarianism (nohonshugi) to emphasise both the spiritually righteous nature of agricultural work and the superior status of peasants irrespective of their poverty in order to make use of them for the war effort (Kurasawa 1988, pp.58-61; see also Chatani 2018, p.91). Agrarianism survived after World War Two among state officials and landlords engaged in the Green Revolution who used essentialised views about agrarian life, particularly about farmers’ nobility, hierarchy, and stability, to resist urban corruption, socialism and communism, as elsewhere (see Brass 1997; Hane 2016, pp.66-67).
sprawling institutional apparatus can create an “ecosystem” capable of offering better material supports to farmers because Indonesia is an “agrarian nation” (Republika 2022). Reducing the number of small-scale farmers would conflict with the widely held belief that they are a core aspect of Indonesia’s identity, and in turn what justifies the state’s rural patronage.  

In addition, agrarianist beliefs among parties and their leaders described earlier in relation to Yudhoyono-era enactment of pro-farmer regulation continues into the present. Unlike issues over which parties are different ideologically (such as the role of Islam for the nation: see Fossati et al 2020), major parties and their leaders share similar visions and objectives for agriculture and farmers. Their goals do not include goals explicitly for agrarian labour dissolution or farmland expansion. Instead, key themes of party leaders include prevention of agricultural land conversion, the regeneration of agriculture by encouraging youth to enter farming, and restricting food imports. For instance, on the campaign trail in Indramayu, West Java during the 2019 elections, the head of country’s largest political party PDIP and former president (2001-2004), Megawati argued against the farm-to-factory transition and said that instead rural youth should want to take up farming and join farmer groups (Detik 2019a). She also referred to Dutch colonists’ attempts to convert sawah as a cause of hunger and peasant rebellion to justify her support for prohibiting agricultural land conversion to non-agricultural purposes (Tempo 2019). A younger generation of politicians share these views, suggesting the state’s preservation of agrarian communities will continue into the future. Agus Harimurti Yudhoyono, the 44-year-old leader of the Democrat Party and son of former President Yudhoyono in tepid opposition to PDIP, proposed: “we have to find solutions to address the declining trends of agricultural land and reduced labour in the agricultural sector” (Detik 2019b).

These pronouncements are not anomalies. Senior political leaders and officials regularly suggest the nation is on the verge of a farming crisis and advocate for regenerating an apparently declining population of farmers (Kementerian Pertanian 2021; Kompas 2021;  

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25 Economist Peter Timmer claims countries such as Indonesia have used agricultural protectionism deliberately to “prevent the movement of labor [sic] out of agriculture from being “too fast”” (2007, p.28)  
26 While some politicians make the case for expanding labour-intensive employment opportunities, their views do not necessarily have much influence or focus much on agrarian labour. For instance, just before the 2019 election and the Job Creation law, PKB’s Minister of Manpower Hanif Dhakiri, amidst a pitch for flexible neoliberal labour regulation for more investment, argued “…investment has tended to be capital intensive. But we need labour-intensive investments that absorb labor and solve unemployment” (PKB 2019). This argument did not explicitly concern agrarian labour.
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Republika 2021). Former Minister of Agriculture and agrochemical mogul Amran Sulaiman (2014-2019) looked to agriculture to absorb better-educated rural youth: “We encourage young people to work in agriculture. They are becoming interested because there has been a transformation from traditional to modern agriculture… Whatever their education level the important thing is they want to work, though on average they have [been through] high school and university” (Merdeka 2019). Similarly, in 2019, the Minister of Agriculture Syahrul Yasin Limpo promoted farming as a means to achieve labour absorption, with messaging meant to counter the stereotype of farmers as poor such as “if you do not want to be poor, take up farming” (Figure 4). Subnational officials across the country reproduce similar types of messaging (e.g., Antara 2021; Pemerintah Sulawesi Selatan 2019). President Jokowi, too, regularly supports such initiatives and does not promote a vision for a nation with less farmers. Instead, he asks that rural millennials become a “driving force” (motor penggerak) of the agricultural sector (Jawa Pos 2021).

Figure 4. “Minister of Agriculture to millennials: if you do not want to be poor, take up farming”. February 23, 2022. Source: https://www.instagram.com/p/CaTrl07FQ_K/

Meanwhile, Jokowi’s government emphasises a “mental revolution” (revolusi mental) in agriculture to improve farmer competitiveness and entrepreneurial spirit (Merdeka 2014). Although the mental revolution is broad in scope and not limited to agriculture, it has striking resonances with a previous era’s approach to state intervention in the countryside. Jokowi’s mental revolution echoes the “mobilisation comes from above” agenda adopted by the IKTI during the New Order. But in fact, nationalist leaders advocated top-down mobilisation to
“discipline the people” even in the decades before independence (Lengkeek 2018, p.119). These efforts resembled the “revolutions from above” similar to those undertaken by German and Japanese states in their rural societies prior to the Second World War (see Moore 1967, pp.433-452). The contemporary goal of the mental revolution in the countryside is not for there to be less farmers but to have smarter more entrepreneurial ones. This approach reproduces longstanding urban condescension towards rural “little people” (wong cilik) (see Herriman 2010; Koentjaraningrat 1988), and disregards obvious improvements in education throughout rural society. It suggests that the state and its populist plutocrats, projecting beneficence, must continue accommodating farmers’ purportedly backward ways with capital.

Instead of directing an agrarian transition, the state has prioritised infrastructure development. Over Jokowi’s decade in power, state-owned enterprises have become “agents of development” and provided with substantial government finance to build massive infrastructure projects and natural resource ventures (Kim 2021, p.428; Warburton 2016).27 Such infrastructure projects are numerous in the countryside where, for instance, local governments and subnational state-owned enterprises aim to construct ‘agropolitan’ zones that involve improving infrastructure such as roads and irrigation to improve farmers’ market access in places the state predicts will have agricultural economies into the future (Kementerian PUPR 2012; 2020). The pursuit of infrastructure projects, which sometimes can take decades to complete (Davidson 2015), suggests state officials are not necessarily put off by long-term national development planning — rather it suggests creating new jobs for farmers is simply not attractive to entrepreneurial politicians as toll road procurement tenders.

CONCLUSION

This paper has explained that changes to the Indonesian state over the last half century have shaped its guidance of the structure of small-scale farming. Following the logic of earlier studies of developmental states in industrialisation, the relative degree of a state’s embedded autonomy has important implications for its ability to direct an agrarian transition.

27 State-owned enterprises do not pursue these goals unimpeded. Large private conglomerate competitors, state owned enterprises’ own institutional incapacities, and the state’s budget allocations to them that may fluctuate, ultimately produces what Kyunghoon Kim (2021) calls “Indonesia’s restrained state capitalism”. Meanwhile the state itself remains without the ‘embedded autonomy’ necessary to resemble a ‘developmental state’ (Davidson 2017). Illustrative of this point, even the current Minister of State Owned Enterprises Erick Thohir, is one of Indonesia’s wealthiest tycoons (Mudhoffir and A’yun 2021, p.2664).
It is after all the state that has the potential to overcome economic, environmental, and social conditions that may inhibit structural reform because of its ability to be coercive with ‘legitimacy’, control territory and uphold (or selectively ignore) rules for society (Skocpol 1979; Evans 1995; Migdal 2001). The trends depicted in Figures 1 and 2 align with developments in the state and its relationship with the countryside. During the New Order era, the state — which came to have a relatively autonomous leader in Suharto because of the exceptional violence preceding his rule — attempted to accommodate strongmen and other elites in rural society. Eventually, this powerful albeit patrimonial governance apparatus pursued the dissolution of the farming labour force when its resources were threatened by oil price shocks. While state guidance of an agrarian transition faded towards the end of Suharto’s time in power, the political and economic crises in 1997-1998 decisively ended its guidance of the pre-existing pattern of modernisation. After that juncture, the state reconstituted itself with much less autonomy, becoming dependent on tycoons for resources, and with political leaders needing to respond to electoral pressures. It also experienced a new international trade context less favourable for labour-intensive manufacturing. The state expanded the scope of its accommodation following democratisation and decentralisation reforms as its leaders struggled on multiple fronts to ensure their own and that of the nation’s political survival.

Since then, the state has increasingly justified new regulations and resource flows in the name of preserving agrarian communities. The post-1998 state’s politics of survival set a trajectory for agrarian non-transition. Political tycoons with power to influence how the state directs development are not substantively concerned with promoting the absorption of farming labour into other sectors of the economy. Instead, such politicians (and civil society actors) decry relative declines in the agricultural labour force along with anomalous figures. They mostly continue to look to agriculture to absorb young rural labourers. Political parties prioritise patronage and the image of their candidates rather than trying to sustain structural change. Politicians, their cronies, and rural bureaucrats benefit from pro-farmer regulations that justify state involvement in rural society because it enables them to extract from, expanding amounts of patronage. Even if actors at the apex of the state apparatus wanted to pursue an agrarian transition, the fragmented condition of the polity undercuts their means to do so. Decentralisation has made capitalist development a key responsibility of subnational governments, which often lack the capacity to sustain structural reform themselves, and whose actors can benefit more from the preservation of small-scale farmers than from their
dissolution. Whereas studies of Indonesia’s political economy have regularly focused on the emergence of elite capitalists from within the state apparatus (in particular stemming from Robison’s (2009) analysis of the rise of capital during the New Order), this paper has foregrounded the expansion of rural middle classes dependent on state resources who do not necessarily have neat incentives to leave their communities.

Though this paper has focused on aggregated national-level factors about Indonesia, studying the state’s role in agrarian transition has comparative benefits that help show the importance of embedded autonomy both at a subnational level where there is spatial variation in the degree to which provinces, regencies, sub-districts and village communities have experienced diminishing farm labour and farm size expansion, as well as internationally. For example, between 2014 and 2021, Vietnam, which has a relatively autonomous and embedded state intent on job creation and economic growth to maintain legitimacy (see Vu 2014, p.37; Truong 2021; Rama 2023, p.134), experienced a reduction of just over 9 million people (or a third) from its agricultural labour force unlike elsewhere in the larger countries of Southeast Asia (Graham 2023, p.514). Moreover, understanding the politics of agrarian ‘non-transitions’ allows for insights into the roots of rural-urban cleavages that can become dominant features of populist mobilisations, high city food prices that emanate from government attempts to address disparity for large numbers of food producers with resources (that often becomes patronage), or governments’ justifications for agricultural trade protectionism in the name of supporting small-scale farmers (and mostly to the benefit of a coterie of officials), and how they differ between cases. For long, scholars studying developmental states tended to leave aside the countryside and scholars studying rural society tended to overlook the state. Exceptions to that observation had been intermittent, but studies bridging the gap appear to be increasing in recent years. This paper has offered a conceptualisation of ‘agrarian transition’, and in relation to one part of it, an analysis of Indonesian politics at the national level, to contribute.

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28 Some examples of works concerned with the state in agricultural land and labour reform include, Grindle 1986; Hart 1986; 1989; Fox 1993; Thawngmung 2008; Borras 2001; Davis 2004; Walker 2012; Ricks 2017; You 2017; Thomson 2019; Looney 2020; Albertus 2021; 2023; Dyzenhaus 2021.
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