

IRIAN JAYA

The transformation of a
Melanesian economy

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Preface

We have shared an interest in the economic problems of Indonesia and of Papua New Guinea for some time and have been impressed by the almost complete absence of analysis of recent developments in Irian Jaya. With the encouragement of Professor H. W. Arndt we began collecting material for an article in the *Bulletin of Indonesian Economic Studies* in mid-1972. After we had each spent a month in Irian Jaya the article had grown into two and we had gathered additional information that seemed to hold interest for a wider audience. This book is the end product of that growth.

The book is mainly about Irian Jaya. But we also look at economic change in the similar natural environment in Papua New Guinea. The first chapter looks at how Irian Jaya is part of a larger geographical unit in both physical and human terms. A later chapter looks at the economy that has emerged under colonial administration in Papua New Guinea, paying special attention to the different uses to which similar resources have been applied. The main part of the book deals with various aspects of Irian Jaya development. Several chapters take up historical themes, describing the Dutch colonial period, administrative changes associated with the transfer of sovereignty and the fundamental economic changes that have occurred through integration into Indonesia. Two chapters deal with the general questions of budget policy and transport and communications and three discuss in some detail recent economic changes in the towns, enclaves and villages. A final chapter assesses Indonesia's success in achieving its economic objectives in Irian Jaya and draws some policy implications from the study as a whole.

The collection of material on the Irian Jaya economy is difficult, and such success as we had was made possible by the strong support of many people. Professor Arndt, Professor Sukisno, Rektor of Cenderawasih University, and Brigadier General Jusuf Singedekane facilitated our visits to Irian Jaya. Brigadier General Acub Zainal assisted us in collection of official data. Drs Anwas Iskandar, Professor Malcolm Walker, Drs Sareko and the staff of the Lakbangda secretariat, Mr Berndt Bernander and other UNDP staff provided us with considerable assistance in Jayapura and Dr Makaliwe helped us with

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some very useful material. We are grateful to these and many other persons who assisted in the collection of data. Howard Dick, Lance Castles and Anton Ploeg assisted with useful comments on the manuscript and Peter McCawley contributed a great deal with a detailed critique of an earlier draft.

At the time when the book was put together, one of the authors was employed by the New Guinea Research Unit of the Australian National University in Port Moresby and the other by the Economics Department of the Australian National University's Research School of Pacific Studies in Canberra. The study was made possible by the support of these two institutions.

Owing to the shortness of our visits to Irian Jaya, considerable use had to be made of secondary materials. Presentation of quantitative data about Indonesian economy and especially about Irian Jaya is hazardous. Wherever possible we have checked statistics against alternative series and against the judgment of persons close to the realities we are describing. Whenever sums are quoted in dollars, the United States dollar is meant unless otherwise stated.

We ourselves see the book as an introduction to the complex and unusual problems of Indonesia's largest province. We hope that it will help put Irian Jaya back on the map of social scientists, who have had difficulty obtaining reliable information in the past decade. It is by no means a definitive work, and we hope that it will stimulate others to undertake more detailed studies.

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Map drawn by the Cartographic Section, Department of Human Geography,
Australian National University

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Abbreviations and Indonesian Terms

ADB	Asian Development Bank
AMA	Associated Mission Aviation (flying organisation run by the Catholic missions in Irian Jaya)
Bappenas	Badan Perencanaan Nasional (the national planning agency)
Bupati	Regent. Civilian head of the <i>kabupaten</i> administrative unit
DPR	Dewan Perwakilan Rakyat (the Peoples Consultative Assembly in Jakarta. The DPRD I is the Provincial Peoples Consultative Assembly and the DPRD II is the <i>Kabupaten</i> Peoples Consultative Assembly)
Fundwi	Fund for the Development of West Irian (contributed by the Dutch government and administered by the United Nations)
Golkar	Golongan Karya (the government-backed political party composed of 'functional groups')
ICA	International Coffee Agreement
<i>Kabupaten</i>	Second level administrative unit (Regency), directly below the provincial government
<i>Kecamatan</i>	Third level administrative unit (District), directly below the <i>kabupaten</i> government
<i>Koteka</i>	Penis sheath worn in the highlands
KPPD	Kursus Pelopor Pembangunan Desa (courses for agents of village development, offered to primary school graduates in the highlands)
KPS	Kepala Pemerintah Setempat (refers both to the head of the third administrative level in Irian Jaya and to the administrative unit itself)
Lakbangda	Pelaksana Pembangunan Daerah (Executive Agency for Provincial Development)

Abbreviations and Indonesian terms

MAF	Mission Aviation Fellowship (flying organisation run by the Protestant missions in Irian Jaya)
Muspida	Musyawaharah Pimpinan Daerah (council of regional leaders, containing a high proportion of high-ranking military and police personnel)
NNGLM	Nederlands Nieuw Guinee Luchtvaart Maatschappij (Dutch airlines company operating in Irian Jaya prior to 1962)
NNGPM	Nederlandsch Nieuw Guinee Petroleum Maatschappij (the only large oil exploration and production company during Dutch times)
Operasi Koteka	The special operation for highlands development – one of major aims is the removal of the <i>koteka</i> (penis gourd) and the clothing of the people
(Re) Pelita	(Rencana) Pembangunan Lima Tahun (the five-year development plan)
Perumtel	Perusahaan Umum Telekomunikasi (National Telecommunications Authority)
PLN	Perusahaan Listrik Negara (National Electricity Authority)
PN	Prefix to name of state corporations
PT	Prefix to name of private corporations
<i>Putera daerah</i>	Indigene to a particular region of Indonesia (literally 'son of the region')
RAPBN	The national budget
Sektor Khusus Irian Jaya	Special section within the Department of Internal Affairs concerned with Irian Jaya
Task Forces	Special program for highlands development
Transmigration	Official term for government sponsored resettlement from Java to the outer islands
UNDP	United Nations Development Programme
WIFI	West Irian Forest Industries Development Corporation, planned by Fundwi to assist in development of forest industries