

Research Summary

The research has demonstrated that before the 1930's and the 1990's crisis, Java had been a growing market for import products from overseas. The 1930s and the 1990s crisis brought radical changes in the import market of Java. Benefiting from the shift in people's preference to cheap products, Japan's position in the import trade market of Java grew rapidly. The success was facilitated by the establishment of the Japan-owned business networks handling import activities, transportation and distribution system, and the well understanding of the psychology of the buyers. The emergence of Japan as the major supplier of Java's import and the growing presence of the Japanese traders were increasingly felt as a real threat to the Chinese. The Chinese traders found that their position in the import trade market was undermined. Consequently, some showed their hostility to Japan-related business by launching anti-Japanese boycotts and terror actions, although a few Chinese traders maintained commercial relations with the Japanese. Unlike in the 1930s crisis, during the 1990s the imports from China rose steeply and soon exceeded those of Japan. Very quickly China has been able to take over the position of Japan as the Indonesia's largest import supplier.

The 1930s and the 1990s crisis impacted differently on the Japanese and Chinese business. The 1930's crisis made cheap products from Japan a desirable alternative to the European ones in the import trade market of Java, which was suffering a drastic decline in purchasing power. The European producers, Importers and their Chinese partners selling branded products lost their market because many customers were no longer able to afford them. In the 1990s crisis the situation was the opposite. Japan's products that have long-dominated the import market of Java became increasingly unaffordable because of the decline in purchasing power of the inhabitants. As a newly-industrialized country, China offered cheap products. With this advantage, China found her way to advance into the Javanese import market, which had a strong desire to cheap priced products. It can be concluded that the changing responses of the customers in Java during the 1930s and the 1990s crisis were primarily linked to the economic considerations. Similarly, as the case of Japan in the 1930s, benefiting substantially from the free trade policy of the Dutch colonial government, the advancement of China's import trade into Java, and elsewhere in Indonesia, from the late 1990s crisis also occurred under the political regime which more or less adopted a free trade policy. One major difference stands out from the historical comparison. In the 1930s crisis the Chinese was under the Japanese threat, but in the late 1990s the opposite prevailed. It is the Japanese-related interests which were and still are under the Chinese frowning threat. It still needs to be seen, how the import trade competition between the two parties and their related business interests in Java and elsewhere in Indonesia would evolve in the long run. One thing for sure, China has been a fastly emerging economic giant which is capable of changing the world market in which Japan has long been one of the major players.

Publication of the Results of Research Project:

Verbal Presentation (Date, Venue, Name of Conference, Title of Presentation, Presenter, etc.)

Thesis (Name of Journal and its Date, Title and Author of Thesis, etc.)

Book (Publisher and Date of the Book, Title and Author of the Book, etc.)

1. Ombak Publisher, Yogyakarta 2009/2010, *Matahari terbit dan trirai Bambu: Persaingan Perdagangan Impor Jepang-Cina Dalam Era Krisis 1930-an dan 1990-an*. Dr. Nawiyanto

2. Galang Press Yogyakarta/UPT Jember University Press, 2010/2011, *The Rising Sun and the Bamboo Curtain: Japanese and Chinese Trade Competition in Java during the 1930s and 1990s Crisis*. Dr. Nawiyanto