

Chapter 5: Indonesia



The overall theme in this chapter: Identity

- Does nationality matter?
- How do we define ourselves?

Section A: Let's learn about Indonesia!

Population	258.1 million (2019)
Land Mass	1,905 km ²
GDP per capita USD	3,336 USD (2019)
Religion	Islam

The World Bank Development Indicators



Find Out More About Indonesia

Choose one theme from the following and research it in detail on the Internet or at the library.

1. Research the historical relationship between Japan and Indonesia.
2. Research the current relationship between Japan and Indonesia.
3. Find out what kind of country Indonesia is today.
4. Let's look deeper into the culture and society of Indonesia.

Indonesia at a Glance

Indonesia, officially known as the Republic of Indonesia, is a republic located in southern Southeast Asia. The country is made up of more than 10,000 islands of various sizes. The capital is Jakarta, located on the island of Java, is the largest city. The population is

271 million, the fourth largest in the world. The official language is Indonesian. It also has the largest Muslim population in the world. It is a multi-ethnic country, with different languages and religions in different regions. The currency is the rupiah.

On the diplomatic front, Indonesia is the unifying force of the Association of Southeast Asian Nations (ASEAN), with its headquarters in Jakarta. It is the only country from Southeast Asia to participate in the G20.

In terms of history, European countries came to Indonesia to trade in spices during the Age of Discovery in the 16th century, and the Dutch established the East India Company in Jakarta in the 17th century. Since then, Indonesia has been a colony of the Netherlands, but in the 1910s, the residents of the colony started an independence movement. During World War II, Indonesia became a colony of Japan, but gained independence in 1945, and despite the anti-Japanese movement of the 1970s, relations between Japan and Indonesia are currently good. In recent years, Japanese culture, such as sumo wrestling and anime, has been booming, and the number of people learning Japanese is increasing.

On the economic front, the country's GDP in 2019 was 1.192 trillion dollars, ranking 16th in the world. On the other hand, the GDP per capita is \$3,871. The country has a variety of industries, but it is basically an agricultural country. In addition to rice, the country produces a large amount of cocoa, cassava, cabbage, coconut, coffee beans, sweet potatoes, soybeans, tobacco, tea, natural rubber, corn, pineapples, and peanuts. In terms of industry, in addition to light industry, food industry, textiles, and petroleum refining, chemical fiber, pulp, and nitrogenous fertilizer industries are flourishing.

Section B: Let's Learn About Japanese Entrepreneurs Working in Indonesia

Pre-Reading Discussion Questions

1. Have you ever been to Indonesia? When and where did you visit? What was the most memorable thing about your visit?
2. What do you know about the history of Indonesia? Please tell us what you know.
3. Is there anything you would like to know about Indonesia?
4. What kind of image do you have of Indonesia?

Main Task: Read the following Cases 1-3 and answer the questions about the career paths. Don't forget to visit the homepage(s) listed at the end of each profile to learn more about the business.

Case 1

Mrs. Emi TAKEYA

Profile

Born in Jakarta, Indonesia. Married. Educated at a Japanese school and an international school until after graduating from high school. After dropping out of college in Los Angeles, studied Indonesian at the University of Indonesia and worked for Japanese companies for several years from the age of 25 and then moved to a restaurant. After that experience, she began to study real estate management in earnest. She is currently engaged in marketing and management consulting and has offices in Jakarta and Cikarang, Indonesia. She is the President Director of PT TAKEYA Consulting.

Homepages:

MAISON MAP: www.maisonmap.com

ARCS: www.arcsquesthouse.com

Mrs. Emi Takeya was born in Indonesia to a father who was dispatched from Japan to a Komatsu Corp. subsidiary in Indonesia. Her mother and father met there. Thinking that she would eventually return to Japan, she did not receive an Indonesian-style education as a child but attended a Japanese school in Singapore from kindergarten to third grade, then moved to Mishima City in Shizuoka Prefecture from third grade to junior high school, and Jakarta International School (JIS) in Indonesia from first year to graduation of high school.

In 1989 she began learning Indonesian when her father was reassigned to Indonesia. After graduating from high school, she enrolled in a university in Los Angeles, U.S.A. but dropped out at the age of 21 to attend the Indonesian for Foreigners Course (BIPA) at the University of Indonesia from the age of 23 to 25.

At the age of 25, she started working as a general administrator at Hirose Electric, an electronics manufacturer in the Jakarta suburb of Cikarang. Later, she worked as a secretary to the vice president of Sanyo Compressor in Cikarang, helping with general affairs and accounting.

Emi decided that working in a factory was not for her, so she moved to a western-style restaurant with branches in Jakarta, London, Thailand, and Shanghai, serving Indian and Thai food. She also worked as an administrator in charge of PR and event promotion during the day and worked at the bar "Face" at night (for about a year, until age 27).

At the age of 27, she founded Maison Map Real Estate, a real estate company that brokers apartments for Japanese expatriates. The company started with two employees and three other support staff. At the time of our interview in 2018, the company had 35 employees. In addition, she provides consultation services at Arcs Guest House, a guesthouse for single Japanese expatriates owned by an Indonesian owner.

At the age of 28, she opened a bar with about 10 investors, using her experience working in a restaurant. The bar failed due to her lack of bar experience and knowledge in running a company, including inventory management and taxes. She ended up selling it to her future husband after a couple of years. After this failure, she began to study business management and real estate.

Later, she got married and gave birth to two children, and in 2010, her husband started a fairground festival, which led her to meet the cosplay community. While pregnant she took night classes in digital studies. Through a documentary class, she learned that the World Cosplay Summit, an annual cosplay convention held in Nagoya, can only be attended by groups who have won competitions in their home countries. As of 2018, 35 countries have participated. Since there was no such competition in Indonesia, she started the Indonesian version of the contest and it became part of the World Cosplay Summit in 2012; in 2012 and 2014, the Indonesian group was ranked third in the world, and in 2016, won the Grand Champion title.

In 2018, she founded a new makeup (foundation) company, but later withdrew from the makeup business. Her business connection with her husband is limited to weekly accounting meetings and running the office for the Japan festival ENNCHISAI. She had no mentor in her first job yet cites her current mentor as her husband.

Her professional network is with a Japanese real estate developer and an Indonesian conglomerate. Emi's personal life network is completely integrated with her work, and she has met many different people through her work, many of whom are related to the pop culture industry. The real estate business has enough local staff and four Japanese staff who can be trusted, but the event field requires a lot of time in her personal life because she must be constantly looking for new things. Her children go to a Japanese school in Indonesia at the strong request of their parents.

She ranked her job satisfaction, life satisfaction, and overall satisfaction as 5 out of 5 and she thinks she is happy and blessed, and her work and life are integrated. Her work experience in Japan is limited to a part-time job, helping a friend set up a live music club in Numazu City, Shizuoka Prefecture for about four months before quitting the bar and starting a real estate company.

Emi doesn't have a career anchor. As a woman, she doesn't aspire to any position, but she does want to be the best in her field. She said that she doesn't really like to compete with a lot of people. All her current work is done in niche areas. Work has become a part of her life and she doesn't like to be bossy at work or have unhappy staff.

As for money, she believes that it is better to have it, but it needs to be managed. She also believes that it is better to have no money when starting a business. She had almost no money to start a real estate business (only a car and a fax machine).

When she was starting a business, she didn't initially think she would go into business with her husband. At that time, she felt she had been working too much and was not

actively thinking about getting married or having a baby, but her parents offered to help her raise her child, so she got married and had a baby. She is an optimistic person who does not worry. Her husband and her are basically on the same page. She stated that it was good that they did not interfere with each other and support each other.

Mrs. Takeya's Career Path

21	Dropped out of college in Los Angeles
23-25	Attended the Indonesian Language Course for Foreigners (BIPA) at the University of Indonesia
25-26	Began working at Hirose Electric in Cikarang, a suburb of Jakarta
27	Moved to Sanyo Compressor in Cikarang
27	Moved to a restaurant. Worked as an office worker (PR, promotion) during the day and worked at the bar of the restaurant at night
28	Established Maison Map Real Estate, an apartment brokerage company for Japanese expatriates. Using her experience at the restaurant, she opened a bar with about 10 investors, but it failed
33	She established a cosplay convention in Indonesia, winning first place in the world in 2016
Present	Continuing to expand her business



Questions about the Case

1. Emi received her education mainly overseas. Please think about and explain the positive and negative aspects of getting an education abroad.
2. Why do you think Emi dropped out of college in the U.S. to study Indonesian in Jakarta, Indonesia?
3. Emi attended evening classes in digital technology while she was pregnant, and acquired skills in the web field. Based on this information, what kind of person do you think Emi is?
4. How does Emi connect cosplay/world conventions with business? What kind of preparation do you think is necessary to hold a festival like the ones she hosts?

Case 2

Mr. Daisei TAKEYA

Profile

Born in Jakarta, Indonesia. Married. Lived in Jakarta until the age of 10 with his father, who was dispatched by Sanyo to their subsidiary in Indonesia. Attended a local Japanese school in Jakarta. At the age of 10, he was sent to live with his grandmother in Yokohama and graduated from a general education course at a private commercial and industrial high school. After graduating from high school, he aspired to become a Japanese chef. After working as a chef in Japan, at the age of 26 he visited his mother in Jakarta, where she lived, and helped her with her restaurant. He started his own business in Jakarta. Currently, he is the CEO of DAISEI GROUP, operating 17 restaurants including Kira Kira Ginza and Jakarta Market. He has also obtained Indonesian citizenship.

Website:

DAISEI GROUP: <https://daiseigroup.info>

After graduating from a private high school, Mr. Takeya chose to become a chef at the age of 18 and spent two years working as a live-in chef at a popular Japanese restaurant in Totsuka, Japan, and one year training at a kaiseki restaurant in Ginza, Tokyo.

After that, he moved to a fugu restaurant in Azabu Juban to learn the basics of management, such as bookkeeping and cost accounting, etc. In his second year, he was appointed as the manager of the branch.

He worked at the above restaurant for a total of five years but found that there were few opportunities for Japanese chefs to become independent and felt limited in Japan.

After working as a head chef for 8 years, he decided to go backpacking for a year to recharge his batteries. During this trip in 2001, he visited Kira Kira Ginza, an izakaya, a Japanese-style pub, that his mother had started the year before after returning to Jakarta by herself. As a result, the restaurant's reputation as a great place to eat spread among the local Japanese, and he experienced an increase in the number of customers and the gratitude of the employees.

Although he had dreams of going to New York, he was tired of the competitive society of developed countries and thought that his mission was to be appreciated by people in developing countries, so he chose the latter way of life and started business development in Jakarta in 2002.

In Indonesia, foreigners are not allowed to establish a company, so it is common to open a store with a nominee (named agent). However, in 2003, at the age of 28, he started RAMEN38 as a PMA (foreign capital company) without a nominee, using his own funds. The initial investment was 10 million yen (6 million yen from his own funds and 4 million

yen from two co-owners). The company opened new stores using profits from sales and did not share profits. At one point, the company had expanded to 42 stores (all food and beverage), but as of 2018, the year of the interview, the number of stores has shrunk to 17.

In opening stores, he once solicited investments from Indonesians, but the franchise development did not go well, and he also experienced the difficulties of running a business using royalty rights when he opened a mall in 2010. However, he used these learnings to create his current food (restaurants), retail (wholesale retail of raw materials, import of seasonings), and logistics businesses (joint venture transportation business with Daisei Group in Aichi Prefecture). He also founded the supermarket called Jakarta Market.

Currently, the company has tenants that include a Japanese-owned grocery store and fish shop, a DAISEI bakery, retailer of Nishi Awa beef from Tokushima Prefecture, and a prepared food business. In order to develop his e-commerce business and to protect himself and his 450 employees, he applied for naturalization, which was granted in 2019.

Mr. Takeya's mentor in his first job was his master when he was a chef. His current mentor is his wife (a real estate agent and consultant whom he met and married in Jakarta).

His professional network is a 15-member management team (5 Japanese, 10 local staff), and his personal network is his family, he enjoys spending time on the weekends with his children, his network at the fairground festival, karate, Japanese drumming, and softball.

He rates his job satisfaction as a 4 out of 5, life satisfaction is a 4, and overall satisfaction is a 4. Of these, he considers high job satisfaction to be the most important. He also believes that his work experience in Japan was beneficial. Mr. Takeya's career anchor is "to be independent, self-respecting, and selfless." When it comes to working, income is not so important, but rather the satisfaction and human relationships he can cultivate. He consulted with his wife about starting his own business and he has no current concerns and feels that he has overcome the difficulties of the past.

Mr. Takeya's Career Path

18	Graduated from high school and worked at a restaurant in Totsuka
20	Worked at a Japanese-style kaiseki restaurant in Ginza, Tokyo
21	Worked at a fugu restaurant in Azabu Juban
23	Appointed as head chef of the Yotsuya Sancho branch of a fugu restaurant
26	Visited Jakarta to visit his mother
27	Began developing a restaurant business in Jakarta
28	Became a PMA (foreign investment company) and started "RAMEN38" with his own funds. Expanded the business to a maximum of 42 stores.
Present	Expanding business a CEO of DAISEI GROUP CO.

Questions about the Case

1. Mr. Takeya was born and raised in Indonesia, but his parents left him with his grandmother in Japan when he was 10 years old. What do you think was the reason for leaving him with his grandmother in Japan?
2. Why did he decide to quit his job as a chef in Japan and travel as a backpacker? What is "backpacking"?
3. Why did Mr. Takeya stay in Indonesia instead of going to New York?
4. Normally, when you start a company in Indonesia, the president must be Indonesian. How do foreigners set up a company in Indonesia? Please explain the method. Please also explain what kind of problems might occur with this method.
5. Mr. Takeya changed his nationality to Indonesian (naturalization) to expand his business in Indonesia. Now that he is a naturalized citizen, how do you think he maintained his identity as a Japanese citizen? Why do you think identity is important?

Case 3

Mr. Tatsuya MIYOSHI

Profile

Born in Shimonoseki City, Yamaguchi Prefecture. Spent his high school years in Yamaguchi Prefecture. Entered and graduated from the Department of Management Systems, School of Science and Engineering, Waseda University. Worked as an Internet marketing strategist for three and a half years at irep, an Internet advertising agency in Tokyo. At the age of 27, he met his current co-partner through a senior colleague and started his own business in Ho Chi Minh City, Vietnam (semi-independent while learning from him). Currently, he is CEO or co-owner of three media businesses in Indonesia, Vietnam, and Singapore, including co-ownership of Lifenesia in Jakarta.

Websites:

INDONESIA PT Kluplat Media (Lifenesia): <https://lifenesia.com>

VIETNAM Sunrise Advertising Solutions Co Ltd: <http://www.wkvetter.com/>

SINGAPORE Fifty One Media Pte Ltd (Singalife): <https://singalife.com>

After graduating from university, Mr. Miyoshi worked at an advertising agency, and three and a half years later, he met his co-partner and started his own business in Ho Chi Minh City, Vietnam. His business is publishing a weekly free newspaper. At that time this was the only Japanese language weekly newspaper published in Ho Chi Minh City, Vietnam. His first employees were a colleague from irep, two other Japanese, and three Vietnamese. The startup capital was 10 million yen (\$100,000). The co-owner of the company in Hawaii invested 100% in the business, and later he bought out a portion of the company. He stayed in Vietnam for two years until 2012.

He viewed his two years in Vietnam as an apprenticeship period and decided to learn by following his co-owner's instructions, he wanted to use what he learned to implement the same business in a different country.

In 2013, at the age of 29, he moved to Jakarta because there were not many free newspapers in Japanese in Jakarta, and he wanted to run a successful business with his own capital. In addition, he wanted to be like his co-owner who was very successful in New York, Shanghai, and Hawaii.

The reason why he chose Jakarta was based on a casual conversation with his co-owner. At that time, he borrowed money from his parents to start the business, which has now been paid off. The company has 15 employees (3 Japanese and 12 Indonesians).

The business is the publication of a weekly free newspaper, which is largely composed of business and lifestyle information, including local news, restaurant, and beauty information. The business is characterized by the fact that the company has a license to publish the paper and specializes only in advertising sales, while outsourcing the editing (article writing). In other words, there is only sales, delivery staff, and back office required

to run the business. The reason for this is that the customers of a free newspaper are the advertisers, and they want to inject their human resources into the business. Ultimately, the paper is composed of advertisements first, and then articles are placed in the leftover space.

By 2018 (at the time of the interview), five years had passed since its launch. In the second month of its first issue, it was profitable for a single month; in 12 months (one year), it became profitable cumulatively, and in a year and a half, it had recouped its investment.

Mr. Miyoshi's mentor in his first job was his direct supervisor at irep, a man five years older than him who joined the company as a mid-career hire from a foreign company. He is grateful to his former boss, and the advice he gave him is still important today. They still have an email connection.

Currently, Mr. Miyoshi has three mentors:

- 1) His business partner who lives in Hawaii is twelve years older than Mr. Miyoshi and graduated from high school and university in the U.S.A. He returned to Japan after graduating and started working for Recruit Co. After working at Recruit for two years, he returned to the U.S.A. His way of thinking and ideas are different from Japanese.
- 2) His second mentor is the owner of a long-established Japanese restaurant in Hanoi, Vietnam. Through this mentor he learned a lot about how to get along with and recruit local people, which is important for Japanese people doing business in Asia.
- 3) His third mentor is a Japanese who runs his own business in Indonesia. He gives him strong advice, which he really appreciates.

Mr. Miyoshi's professional network is made up of entrepreneurs in Indonesia, half Japanese, and half Indonesian. His personal life network is also full of business owners and is integrated with his work.

He rates his job satisfaction as 2, his life satisfaction as 3, and his overall satisfaction is 2.5, because there are many things he still wants to do.

Although he did not need to have worked in Japan, he is glad that he met his first mentor in Japan. He also thinks that if he can meet similar people overseas, there is no need to work in Japan. He also answered that it would have been useful to know at least some business manners, which he thinks he could learn overseas.

Mr. Miyoshi's career anchor is "accumulation of a small amount of trust will become a big business." In terms of compensation, he believes that "a company making money from business = someone being happy" and that "more compensation = more contribution to society." The idea that more rewards equal liking money means he believes it is

necessary to contribute to society. He wants to return the favor he has received to the next generation.

He needed startup costs of 10 million yen (\$100,000) to start his business in Indonesia, of which he raised 5 million (1 million yen from his savings and 4 million from his parents) and the remaining 5 million was raised from his co-owner in Hawaii. The loan has already been paid off.

Mr. Miyoshi has a written agreement with the co-owner regarding the start of the business. The dividend is 50% each. The division of roles is also agreed upon in writing. The idea is that the more profit the company makes, the more dividends each person will receive. When he started the business, he only consulted with his co-owner. Currently, he doesn't have any pending issues which worry him.

When he was in university, he studied abroad in New Zealand for three weeks, and when he was 13, he home stayed in Chicago and Toronto on his mother's recommendation. He believes that this experience led him to work abroad later in life. From a young age, he has always wanted to do things that no one else is doing and go places that people don't want to go.

As an aside, in 2018, when we interviewed him, he said he wanted to establish a company in Vietnam. In fact, he did establish a company in Vietnam in 2020 and is currently operating it successfully.

Mr. Miyoshi's Career Path

19	Entered Department of Management Systems, School of Science and Engineering, Waseda University
23	Began working at irep Inc.
27	Became independent. Started a free paper company in Ho Chi Minh City, Vietnam
29	Moved to Jakarta, Indonesia and launched Lifenesia
Present	Expanding and continuing business in Indonesia, Vietnam, and Singapore



Questions about the Case

1. Why did Mr. Miyoshi start his business in Vietnam?
2. Foreigners living abroad often use a "free paper" in their daily lives. What is a free paper? How does the publisher make a profit?
3. How did Mr. Miyoshi finance his business when he started the "free paper" business? Please explain the mechanism.
4. Please explain Mr. Miyoshi's career anchor "Accumulation of a small amount of trust will become a big business" in detail.
5. What kind of mentor does Mr. Miyoshi have? What has Mr. Miyoshi learned from his mentors?



Section C: Deepen your Understanding

Write a report or prepare a presentation on the following topic:

Think about the meaning of “identity,” what does it mean to you? How do you identify yourself? What is the importance of identity?

English Supplementary Reading

Basri, C. and van der Eng, P. (eds) (2004) *Business in Indonesia: new challenges, old problems*, Singapore: Institute of Southeast Asian Studies.

Bowie, A. and Unger, D. (1997) *The politics of open economies: Indonesia, Malaysia, the Philippines, and Thailand*, Cambridge: Cambridge University Press.

Chalmers, I. and Hadiz, V.R. (eds) (1997) 'The politics of economic development in Indonesia: contending perspectives', Routledge, London.

Dick, H. et al (eds) (2002) *The emergence of a national economy: an economic history of Indonesia, 1800-2000*, Leiden: KITLV Press.

Djidi, D.A. (1997) 'The Political Economy of Indonesia's New Economic Policy', *Journal of contemporary Asia.*, Vol 27(1), pp 14-36.

Rodan, G. et al (eds) (2001) *The political economy of South-East Asia: conflicts, crises, and change*. Chapter 4.

Japanese Supplementary Reading

地球の歩き方編集室(編)(2020)『地球の歩き方 インドネシア 2020-2021』地球の歩き方。

キムデソン(2013)『インドネシアのことがマンガで 3時間でわかる本』明日香出版社。

佐藤百合(2011)『経済大国 インドネシア』中公新書。