

# Making Manpower: The Ford Foundation's Building of Postcolonial Political Economy in India and Indonesia

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My dissertation analyzes the International Labor Organization's (ILO) postcolonial development activities in India and Indonesia based around productivity and its relationship to economic inequality. Accordingly, I zoomed in on the Ford Foundation's collections that were connected to the ILO, India, and Indonesia. Neither the Ford nor the Rockefeller Foundation had a sustained connection to sponsoring the ILO, and the documents were scant. Thankfully, Ford granted considerable funds and expert guidance to both India and Indonesia. This researcher's report will begin with an introduction to the climate of political economy and development that infused Ford's notions of manpower and political economy. It then transitions to a description of my findings for India and Indonesia. Indonesia's fractured history is well displayed by the timing of the Ford Foundation's technical assistance, in spite of the limited archival material for my dissertation. It closes with a meditation on the meaning of development, capitalism, and shifts in international political economy at the end of the twentieth century.

Generally speaking, the leading conclusion from the documents can be synthesized into a few main points. The Ford Foundation's attention to manpower reveals Ford's insistence on disseminating a vision of manpower that mirrored Western, industrial political economy. Experts from the Ford Foundation collaborated with the state as an exclusive partner to erect bureaucracies to handle postcolonial states' push to establish sovereignty by increasing productivity. Unlike future development work, the state was the primary conduit and improved governance was the aim. Ford viewed the state as a means to an end and was an exemplar of its times in ways that differed from contemporary non-governmental organizations (NGOs). Ford did not shudder at the prospect of training bureaucrats. The Ford Foundation was a mirror for then-leading practices on industrial political economy that could advance a country's governance and development goals.

One of more prominent examples of this trend can be traced to Ford's financing of the 1954 Inter-University Study of Labor Problems in Economic Development. The

study's principals consisted of Clark Kerr, Frederick Harbison, John Dunlop, and Charles Myers. All were leading lights of political economy that hailed from elite American universities and also transitioned seamlessly between academia, policy, and labor. Their report culminated with Myers's article that asked, "The American System of Industrial Relations: Is it Exportable?" Myers's answer was, no, for the most part. The lone exceptions were American forms of management and productivity that could be adopted locally throughout the world and be exported via technical assistance by an American post-war liberal coalition of government, business, and labor.<sup>1</sup> Myers arrived at this conclusion after examining the matter in India, and Ford representative Douglas Ensminger lauded Myers's visit for contributing to a groundswell within India to analyze industrial relations to boost productivity and dampen labor strife. Ensminger advocated for a boost of Ford financing in this subject area, commenting that these matters would stimulate India's crash development program. Ultimately, it furthered the ties between India and the Ford Foundation.<sup>2</sup>

India's relationship with the Ford Foundation has been thoroughly covered in the historical literature, and with good reason. Their partnership yielded an abundance of rich documentation from the myriad projects undertaken during India's first few decades of independence.<sup>3</sup> India's sovereignty came freighted with a mammoth array of postcolonial dilemmas. Unlike many other soon-to-be autonomous states at the time, India benefited from a higher degree of colonial development and political networks born of anticolonial resistance. India's urgent needs, nevertheless, snowballed as the nascent state required immediate solutions to govern a population of almost three hundred and seventy million people in 1950. The world's second largest population was also spread throughout a nation that was reeling from the Second World War and the Indo-Pakistani War of 1947. Prime Minister Jawaharlal Nehru and his government embraced the Ford Foundation's development assistance, and their partnership centered on constructing an administrative and technical assistance apparatus that became a laboratory for development.

For historians of India and development, one of the Rockefeller Archive Center's (RAC) obvious jewels can be found in Sherman E. Johnson's report, "The Ford Foundation in India 1951-1959." The document chronicles one of the most dynamic periods of the Ford Foundation's activities in India. Clocking in at roughly 400 pages with eleven chapters, the exhaustive report dissects the foundation's dive into development work in India. Researchers will undoubtedly benefit from the official in-house history, and its contents evade an easy summary. Dams, power plants, and steel mills were not Ford's targets in the 1950s. Nehru, Johnson wrote, invited Ford's experts and financial assistance to target "India's social and human side of national development."<sup>4</sup> The report details these matters with impressive nuance. Although many of RAC's holdings on India will call to researchers, Johnson's book-length treatise is indispensable.

My dissertation's analysis of political economy, industrialization, and productivity led me away from the well-covered topics of community development, family planning, and agriculture. Accordingly, none of the subsequent paragraphs will explore those subjects. Several trends are readily apparent from an analysis of the Ford Foundation's projects. As I discovered from my own work on the ILO's cooperation with India and Indonesia, development assistance and stabs at modernization excelled at generating the state's corporality: bureaucrats and managers. This top-down push was an essential state-building activity to establish postcolonial sovereignty via productivity, and to do so in a jiff. Ford collaborated in assembling institutions that broadcast the state's control via the modern governance apparatus of the bureaucrat and manager. This person wielded social scientific knowledge from the West to remedy the dilemmas of postcolonialism. Raising productivity by controlling manpower served as a principal target, for without generating steady economic growth a nation could not achieve sovereignty. Indian elites in and outside of government and bureaucrats collaborated with experts from the Ford Foundation to create the intellectual infrastructure that could coordinate and study productivity, manpower, and industrial relations.<sup>5</sup>

A second and equally salient topic is India's pursuit of a cogent manpower policy that also closely aligned with Ford's core strengths. The various reports written by Ford experts chart the Indian government's responses to skilled manpower shortages and labor disputes during the Five-Year Plans. Ford's initial strategy in the mid-to late-1950s consisted of funding educational trips for Indian steel engineers and the consultation of experts such as John Hilliard. A report written in 1967 credited Hilliard with "developing much of India's early machinery for manpower planning" in the official Manpower Directorate. This pattern continued into the 1960s, with a Ford grant of \$350,000 to open the Institute of Applied Manpower Research (IAMR) to facilitate data collection and disseminate information to policy makers.<sup>6</sup> Additionally, the Ford Foundation approved grants to the Shri Ram Centre for Industrial Relations and the Small Industry Training Center in Hyderabad.<sup>7</sup> In its totality, and emanating from Indian requests, the Ford Foundation's manpower assistance built lasting institutions and trained bureaucrats and managers in the United States.

Perhaps one of the most trenchant analyses of Ford's labors in this field can be found in Charles V. Kidd's 1970 "Manpower and Employment as Ford Foundation Programs in India - End of Tour Report." Uneven data, or the complete lack thereof, hampered policy solutions in the eyes of Ford experts and Indian officials. Centralizing data collection, Kidd proposed, was a critical step for deriving a holistic, nation-wide approach to coordinating production. Nevertheless, training of local officials via technical assistance resulted in "expanding the privileges of limited occupational groups, *rather than a machine for securing more equitable distribution of income.*"<sup>8</sup> Development reified preexisting hierarchies of power while it fueled inequality, rather than opening routes of upward mobility. He closed the report by arguing for a novel approach to manpower and soul searching on its meaning. More importantly, Kidd astutely identified a global reality in the evolution of local experts via development assistance. His report's conclusion embodies many of the realities of inequality that were laid bare in the 1970s with a global drive to reach full employment, such as with the ILO's World Employment

Program. At the beginning of a new decade, his report anticipated a host of political economy and economic predicaments that manifested in the 1970s and 1980s.

Indonesia's relationship with the Ford Foundation is fraught, mapping on to the troubled nature of Indonesia's post-independence history. Prior to the late 1960s, Ford's projects were limited primarily to the country's dire teaching needs in economics and English. (Historian Bradley Simpson has chronicled the instruction of Indonesian economists at universities in the United States with Ford Foundation monies.<sup>9</sup>) The reasoning was simple. Routine political instability and the near absence of Indonesian counterparts in the professional and technical sectors circumscribed most development schemes. With this in mind, according to Ford expert J.A. Quinn, "it seemed best to concentrate on helping to organize and strengthen the kinds of institutions which could ultimately hope to produce the people who might rebuild their country. This effort is still under way."<sup>10</sup> Quinn's report accurately depicted Indonesia's dismal reality as civil society and the economy stuttered under Sukarno's authoritarian Guided Democracy (*Demokrasi Terpimpin*). The ILO and the United Nations Development Program (UNDP) reported similar headwinds, especially as Sukarno withdrew Indonesia from the international sphere as the country tilted toward implosion.

A botched coup that was partially led by the Indonesian Communist Party's (*PKI*) leadership on September 30, 1965, and the crushing military response led by General, and soon-to-be president, Suharto marks a turning point in Indonesian history.<sup>11</sup> The slaughter of communists and Chinese Indonesians cemented the military's undisputed control. The massacres birthed an authoritarian government that is associated with horrendous crimes during its roughly thirty-two-year reign. Suharto secured his control via brutality and institutionalized corruption, dubbing his government the New Order. In an unpleasant irony, Western development agencies found a climate of increased operational capacity in New Order Indonesia. Ford launched multiple new development programs to assist in the process of remedying the fecklessness of Sukarno's Guided Democracy. Ford could

best modernize Indonesia only with the existence of a state that welcomed international aid and was intent on action.

A survey of records through the RAC's Dimes online catalog chronicles this transition. Search results since 1965 span a variety of topics: public administration; agriculture; education; governance; and manpower and economic planning. Many of those were unachievable under Sukarno's Guided Democracy. Sukarno's distrust of foreign aid and investment was a fixture of Indonesia's economy and life by the mid-1960s. This was not the reality in the era of the New Order. Simply put, Ford's modernization efforts blossomed in New Order Indonesia and played a role in rebooting Indonesia to become a productive, functioning state.

Manpower and development were central preoccupations for New Order Indonesia. Unfortunately for my research, Ford expert Edgar McVoy provided only a fleeting consultation to the Ministry of Manpower and its head, Dr. Awaluddin. McVoy's reports from 1967 and another in 1968 exist as the only peek into Ford's advising on questions of manpower. The New Order's opening gesture toward development took place with the First Five Year Plan, slated to begin in 1969. McVoy identified several key impediments to maximizing labor in the patchwork first years of the New Order. "Idleness, misery, and a feeling that government is not concerned with their plight," he cautioned in 1967, "could lead people to unrest and even violence." Economic growth was the likeliest path to averting discord. His advice to Awaluddin was simple: first, focus on increasing labor productivity to fuel wage growth; second, undertake vast, accurate surveys of Indonesian workers in order for policy to coalesce around precise data to meet the development goals of the Five Year Plan.<sup>12</sup>

The following year in 1968, McVoy found little progress to celebrate. Scant resources had been allocated to the Ministry of Manpower and the lack of foreign capital investment hampered activities to lower unemployment. "I see no prospect of a reduction in the unemployment rate within five years." He predicted that the unemployment rate would hover at 10 per cent by the end of the Five Year Plan.

He encouraged Awaluddin to “plan as you go” and sink the Ministry of Manpower’s limited funds into its core competencies of pre-vocational education and vocational training.<sup>13</sup>

Although the documentary record is thin, McVoy’s reports to Awaluddin illuminate Indonesia’s disarray in the late 1960s. I certainly hoped to have found more on Ford’s involvement in Indonesia’s manpower planning. The paucity of evidence points to another conclusion. Attention to manpower faded among the Indian documents in the 1970s, as well. I am left to conclude that in my two case studies, at least, the terrain shifted and manpower was no longer the pressing concern it once represented in the 1950s and 1960s. Perhaps this dwindling interest maps on to tectonic shifts transpiring within capitalism and the world economy. The model of industrial relations and political economy founded in the cauldrons of the Second World War collided with rupture and capitalist innovation during the 1970s. For instance, participants at a 1973 Ford Foundation seminar held in Bogota noted that the model of explosive, industrial growth, drawing on the United States’ experience, “seems to have had its day.” The participants also remarked that the import substitution industrialization (ISI) pattern had matured and should be replaced by an export-oriented economy.<sup>14</sup> A search in Dimes supports this conclusion, and one could draw from this lesson that Ford represented a broad consensus on the demise of the old foundations of industrial political economy in the West. Ford’s trajectory was symptomatic of the world at large. Thinking back to Kidd’s 1970 report, possibly the notions of manpower organization underpinning this system could no longer sustain itself in the face of economic headwinds that also fractured the field of development.

As keen as I am to burrow into development history, Ellen Barry’s 2017 New York Times article “How to Get Away with Murder in Small-Town India” provides an important corrective for historians. In an otherwise sobering article on local politics, murder, and the failure of police to enforce the rule of law, it is worth remembering that politics remains the principle driver of life in India. Barry’s piece on a village in Uttar Pradesh recounts the murder of a young woman, Geeta, by her



husband. A local politician named Jahiruddin Mewati ordered a cover-up of Geeta's murder. When justifying his actions, Jahiruddin's hard-nosed political calculus dispenses with weightier imperatives and forces driving politics: "In India, there is no vote in the name of development."<sup>15</sup> Political coalitions and votes matter most.

Certainly, Jahiruddin's stance is not symbolic of all Indian politics, yet it forces the historian to grapple with the distinction between the archive and lived experience. One must exercise caution in losing sight of the political realities that exist outside of the archive and the evidence it houses. The developmental state may have tried to smother local practices that it deemed traditional and outmoded, bearing the influence of modernization theorists such as Daniel Lerner.<sup>16</sup> Modernization's failures can only be grasped when interwoven with a judicious incorporation of local histories. Authors of reports for the Ford Foundation were candid when recounting why a project suffered. Nevertheless, when stacked next to Barry's piece, the limits of these documents point to the necessity of respectful analysis of development's limits when facing the legacies of colonialism and entrenched local actors. The latter's resistance to centralizing impulses evokes the work of James C. Scott and Frederick Cooper. Much like colonialism, to lean on Cooper's pithy phrase, Western and local development agents frequently suffered from "long arms and weak fingers."<sup>17</sup>

Reflecting on Ford's place in the history of development unleashes a tidal wave of questions on development and capitalism. Arguably, one might point to the intervention of neoliberal capitalism and its technologies that function outside of the state—unlike development assistance funneled through its state-based conduit—to accomplish more in terms of obliterating local culture in a globalized era. Development and modernization's mid-century zenith deservedly receives scholarly attention. Yet a survey of its track record begs the question if consequential transformations succeed beyond the state and the bureaucracies that development manufactured. Are NGOs adept at working outside the state and creating avenues for eroding inequality? Does contemporary capitalism engender

upheaval at a more rapid pace than development assistance that operated within the parameters of the state? Is an elite or upper-middle class state with designs on a planned economy solely a vehicle to preserving inequality and choking off legitimate means of upward mobility? Jahiruddin's remarks raise unsettling questions that may illuminate development's and capitalism's protean nature in the twentieth-century. Benefitting from a mutable form, capitalism and its history since the 1980s may explain why the state slowed growth and the market annihilates in the name of productivity and growth with a significant buy-in from local actors.

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<sup>1</sup> Charles Myers, "The American System of Industrial Relations: Is it Exportable?" Inter-University Study of Labor Problems in Economic Development, folder L7-290, box 17, files of John Howard, Ford Foundation Records, (hereafter FFR), Rockefeller Archive Center (hereafter RAC), Sleepy Hollow, New York. I wish to thank the Rockefeller Archive Center for funding my research trip to RAC, and the archivists for their assistance. RAC is an ideal place to conduct research and I highly encourage researchers to use their collections. Norine Hochman displayed incredible patience as I reeled from a hard drive failure that threw a wrench in my research life while in Jakarta. Laura Miller reviewed the document and suggested corrections, and I am grateful for her tips and encouragement.

<sup>2</sup> Douglas Ensminger to John Howard, March 6, 1957, folder L7-290, box 17, files of John Howard, FFR, RAC.

<sup>3</sup> Most prominent among these is Matthew Connelly, *Fatal Misconception: The Struggle to Control World Population* (Cambridge, MA: Harvard University Press, 2008); Nick Cullather *The Hungry World: America's Cold War Battle against Poverty in Asia* (Cambridge, MA: Harvard University Press, 2010); Nicole Sackley "The Village as Cold War Site: Experts, Development, and the History of Rural Reconstruction," *Journal of Global History* (2011) 6, pp. 481–504; Daniel Immerwahr *Thinking Small: The United States and the Lure of Community Development* (Cambridge, MA: Harvard University Press, 2015); and David Engerman's forthcoming book on development in India.

<sup>4</sup> Sherman E. Johnson et al, "The Ford Foundation in India 1951-1959," folder 002531, box 109, Catalog Reports, FFR, RAC.

<sup>5</sup> One of the more representative texts in addition to Johnson's chapter four "Industrial and Business Development" is Robert F. Byrne, March 1964, "Report on the Steel Industry in India to the Ministry of Steel, Mines and Heavy Engineering," folder 000370, box 21, Unpublished Reports, FFR, RAC.

<sup>6</sup> George Tobias and Robert Queener, July 22, 1967, "India's Manpower Strategy Revisited 1947-1967," folder 001680, box 66, Catalog Reports, FFR, RAC. IAMR exists today under the name National Institute of Labor Economics Research and Development.

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<sup>7</sup> Fred C. Munson, June 29, 1966, “The Shri Ram Center of Industrial Relations,” box 383, folder 009244, Catalog Report, FFR, RAC; George McRobie, August 9, 1967, “A Report on the Small Industry Extension Training Institute, Hyderabad,” folder 009234, box 383, Catalog Reports, FFR, RAC.

<sup>8</sup> Charles V. Kidd, December 1, 1970, “Manpower and Employment as Ford Foundation Programs in India End of Tour Report,” folder 001895, box 72, Catalog Reports, FFR, RAC. Emphasis is mine.

<sup>9</sup> Bradley Simpson, *Economists With Guns: Authoritarian Development and US-Indonesian Relations, 1960-1968* (Palo Alto, CA: Stanford University Press, 2008). Simpson’s next book will explore the bilateral relationship between the United States and Indonesia during the New Order period.

<sup>10</sup> J.A. Quinn, January, 1961 “Notes on Indonesia and Burma,” folder 371 box 21, Unpublished Reports, FFR, RAC.

<sup>11</sup> John Roosa’s *Pretext for Mass Murder: The September 30<sup>th</sup> Movement and Suharto’s Coup D’Etat in Indonesia* (Madison, WI: University of Wisconsin Press, 2006) remains one of the best books on the topic. Tamao Zhou’s 2014 article “China and the Thirtieth of September Movement” in *Indonesia* reveals that Aidit informed Mao and other Chinese leaders in early August 1965 that the PKI was readying a coup. Although Mao had no idea when the coup would be staged—or under what circumstances, such as after a coup by the military—Aidit’s and the PKI’s leadership was clearly culpable and had been planning the coup with sympathetic elements of the military long before September 29, 1965. Robert Cribb’s opinion piece “Behind the Coup that Backfired: The Demise of Indonesia’s Communist Party” lays out some of the basic facts and alternative explanations in a clear, concise manner. <http://theconversation.com/behind-the-coup-that-backfired-the-demise-of-indonesias-communist-party-47640>. In 2018, two new books are slated for publication that will likely complement Roosa’s account on the bloody processes of enacting slaughter. Most notably Jess Melvin’s *The Army and the Indonesian Genocide: Mechanics of Mass Murder* appears to offer the most impressive historical examination based off of sources from Aceh. I have not yet read the book and this comment is based on advanced press. Similarly, Joshua Oppenheimer’s two films *The Act of Killing* and *The Look of Silence* are scalding treatments of the violence that unfolded in 1965 and 1966.

<sup>12</sup> Edgar McVoy, May 17, 1968, “Notes for Brig. Gen. Awaluddin Djamin, Minister of Manpower,” folder 002948, box 129, Catalogued Reports, FFR, RAC.

<sup>13</sup> Edgar McVoy, September 9, 1967, “Memorandum for Brig. Gen. Dr. Awaluddin, Minister of Manpower, Indonesia,” folder 002949, box 129, Catalogued Reports, FFR, RAC.

<sup>14</sup> Henry Burton, February 21-23, 1973, “Employment Process in Developing Countries,” folder 002301 v.1, box 96, Unpublished Reports, FFR, RAC.

<sup>15</sup> Ellen Barry, “How to Get Away with Murder in Small-Town India,” *New York Times*, August, 19, 2017, [https://www.nytimes.com/2017/08/19/world/asia/murder-small-town-india.html?mcubz=0&\\_r=0](https://www.nytimes.com/2017/08/19/world/asia/murder-small-town-india.html?mcubz=0&_r=0)

<sup>16</sup> Daniel Lerner, *The Passing of Traditional Society: Modernizing the Middle East* (New York, NY: Free Press, 1958).

<sup>17</sup> Frederick Cooper, *Colonialism in Question: Theory, Knowledge, History* (Berkeley, CA: University of California Press, 2005), 197.