

# Indonesia

## Asia's perestroika: regime change and transition from within

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Transition is a long, hard journey with many opportunities to get lost along the way. Fifteen years after the fall of President Suharto's authoritarian New Order in 1998, Indonesia is still trying to consolidate its *reformasi* ("reformation") process of political transition.

### New Order

A regime that begins and maintains its legitimacy with blood may end with blood. The violent end of Sukarno's "Old Order" in 1965 and 1966 marked the beginning of a new era of intense state control by a small elite headed by Suharto and backed by the military. The military dominated the political sphere and used carefully orchestrated elections to ensure the dominance of the pro-regime Golkar party, with voters co-opted with guarantees of development assistance, career advancement and special privileges.

The military justified its political authority with a historical narrative of its role as national redeemer set against a latent threat of communist resurgence and separatism. The regime introduced the dual function doctrine (*dwi fungsi*) of the army as both political and security guarantor, which it sold to the public as the best way to ensure political and economic stability. In practice, the military was omnipresent in all aspects of political and economic life in Indonesia and held key positions at every level of government.

The military's parallel structures mirrored the civilian administration from national down to village levels. The military was paramount and maintained veto power over all civilian decisions. Dissenters faced quick and punitive action, as experienced by numerous opposition movements since the 1950s. By the 1990s Indonesia had very high numbers of political prisoners.

Power was dispensed locally among loyal central government appointees. Labour unions, teachers, civil society and opposition parties were largely co-opted into

the system. The New Order mantra of *gotong royong* and *musyawarah* (collectivism and consensus) was used to manufacture public consent.

### Mobilising for reform

Opposition groups and movements began to challenge the legitimacy of the New Order, despite the risks of opposing the authoritarian regime. Democratic, Islamist and progressive groups and parties led the resistance nationally. The student movement, trade unions and non-government organisations were the staunchest advocates for reform in Java. In Timor Leste, Aceh and Papua, opposition took the form of armed struggle led by local nationalist leaders fighting for autonomy or independence.

Early mobilisation for reform of the New Order came from inside the system. Some within the regime began to look for ways to advance gradual change as it became increasingly apparent that the New Order was becoming more and more authoritarian. In 1980 some prominent Indonesians, including former prime ministers and military generals, issued the "petition of fifty". They objected to Suharto's abusive co-option of Indonesia's *Pancasila* national ideology of faith, humanity, national unity, democracy and social justice, which he had personified to the extent that any to challenge his person was a challenge to Indonesia itself.

However, the pace of reform was too slow for Indonesia's youth and student movements who were agitating for much more rapid and radical change. Momentum for reform gathered speed in the mid-1990s as various groups mobilised to demand the end of military interference in politics and reform of the state. Dissenting groups

took various forms, including national movements for reform and social change led by students and progressive intellectuals, political and human rights movements led by NGOs, and nationalist groups in the peripheries challenging their relationships with the centre. In the early 1990s the labour movement also became a key force for change, and it grew through the decade, gathering, expanding and consolidating public support.

Relative economic success mitigated the political frustration of many middle class Indonesians, who might otherwise have reacted more strongly to political oppression. For some, economic gain seemed more important than liberal democracy or political freedom. Indonesia was an emerging economy and the epitome of an autocratic state with strong growth and a liberal economic system.

But things changed dramatically when the Asian economic crisis struck Indonesia in 1997. Indonesia was the hardest-hit Asian country. The Rupiah fell by 83 per cent in one year (July 1997–June 1998). Many businesses collapsed and millions of Indonesians were plunged beneath the poverty line. The legitimacy of the state disintegrated along with the currency. The rapidity of economic decline provoked middle class Indonesians to become some of the most vociferous advocates of reform.

Protests gathered pace, especially in urban areas, as students and intellectuals swelled the ranks of demonstrators. The regime responded by dramatically scaling up its efforts to suppress dissent. The killing of students by security officers in May 1998 proved a pivotal moment. The eyes of the public were on the military – would it side with the protesters or the regime?

The overwhelming unpopularity of Suharto, the depth of the economic crisis and the breadth of demonstrations across the country convinced the military to back the reform movement, if only to ensure its own survival. Faced with no option but to resign or risk a bloodbath, Suharto conceded office on 21 May.

From the outside, the collapse of the New Order regime looked like the explosive result of economic collapse. In reality it was the culmination of a long evolutionary process of pressure for reform – although the economic crisis was a decisive trigger. The end of Suharto sparked an Indonesian perestroika led by the transition government of acting President Habibie who began to lay the foundations for press freedom, free elections, military reform and political decentralisation.

The success of the reform movement spurred existing armed resistance movements in Indonesia's periphery:

in Timor Leste, where people were demanding an end to illegal annexation; and in Papua and Aceh, where people were challenging not only the brutal and exploitative policies of central government, but also its legitimacy to rule *per se*.

## Military reform

The hardest but most important challenge for the post-Suharto *reformasi* process of political transition has been to reform the military – to extract it from the political sphere and to enact civilian rule. Driven by popular demand, the process began quickly after the end of the New Order with the dismantling of the *dwi fungsi* doctrine and the end of military privilege in the legislative and executive branches of government.

In 1999 the Indonesian National Police (POLRI) was officially separated from the Republic of Indonesia Armed Forces (ABRI), which was renamed the Indonesian National Defence Forces (TNI). POLRI had had a military structure, including military ranks and salaries, and a 1997 Police Law had embedded the police formally within the ABRI's integral command structure.

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In an attempt to assert civilian control, oversight of the military was transferred from the presidency, where it had sat under Suharto, and brought under the control of the civilian leadership. The defence budget was increased in an attempt to halt the military's illegal economic activities. Military reform was navigated through tactics of divide and rule with prominent reform-minded military officers being promoted and hardliners marginalised, allowing reformist officers to articulate their agenda and doctrine. Civil society groups, meanwhile, strengthened by the success of the reform movement, used the opportunity to initiate dialogue on the professionalism of the armed forces. Finally, the law was reviewed to clarify civilian oversight of the military, with the defence and police acts revised in 2004.

By 2002 the pace of the reform process had slowed significantly. Efforts to remove military business interests had stagnated. A major setback was the failure to reform

the territorial command structure of the TNI through which the military was able to shadow civilian government in provincial and local politics. The close involvement of senior military leaders in the post-Suharto transfer of power undermined the ability of the civilian leadership to scrutinise the military and several generals were included in Habibie's transitional government. The old military wine managed to transfer itself into the new civilian bottle.

Political elites, weakened by politicking, made concessions to military leaders who had hung on to considerable influence and power. Today the military still maintains a significant political role all the way down to local levels, although no longer with veto power. Politicians disagreed vehemently about almost everything during the presidencies of both Abdurrahman Wahid (1999–2001) and Megawati (2001–04), who had been the symbol of reform in 1998 but who chose to surround herself with conservative military advisers during her tenure. Indeed, Megawati's military advisers were instrumental in the policy to terminate peace talks with the Free Aceh Movement (GAM) and impose Martial Law in Aceh 2003.

But despite the problems and setbacks, by and large Indonesia's post-New Order civilian leadership has been able to assert control over the army. The military has been forced to accept the civilian primacy in decisions on many affairs of the state, demonstrated emphatically when President Yudhoyono secured the military's acceptance of peace process and accord with GAM in 2005. Overall, military reform has opened possibilities for different peacebuilding approaches and responses to conflict in Indonesia's periphery, and has gone some way to repairing the legitimacy of the state.

### Political and constitutional reform

Prior to 1998 the role of political parties was largely symbolic – a stamp of legitimacy for the regime. The two political parties allowed to contest elections alongside Suharto's Golkar party – the Islamist United Development Party and the Indonesian Democratic Party – provided no meaningful opposition. Dissent was either discouraged, as the regime glorified homogeneity of opinion through an ideology of "Asian Values" of unity and harmony, or suppressed it, as when the state brutally cracked down on the leftist youth group the People's Democratic Party and other student activists accused of fomenting riots in Jakarta in July 1997.

The post-New Order reformasi process of political transition, with its regular and direct elections, has provided Indonesian people with the opportunity to participate in a more meaningful political process. While the concept of opposition has still to be fully comprehended



in Indonesia, the reform process and the emergence of many political parties has made the country one of the most prominent democracies in Asia. It is seen by many as the second biggest democracy after India, and the most democratic country with a Muslim majority.

Constitutional reform was a major demand of protestors during the fall of Suharto and in 1999 the People's Consultative Assembly, the Indonesian legislature, began a review of the country's 1945 constitution. One of the first things on the agenda was to transfer power from the executive to the legislature, undoing the presidency's hold on supreme political power. Amendments to the constitution limited the presidency to two terms and ruled that the president be directly elected. A key change was establishing the role of parliament in controlling the national budget, creating legislation and representing constituencies.

The growing strength of parliament was categorically demonstrated with the impeachment and removal from office of President Wahid by parliament in July 2001 (previously unimaginable), although at the time some Indonesians opposed this as unconstitutional. Corruption remains rife among Indonesian parliamentarians and political parties, but voters can now eject them, as they have done regularly through elections over the last ten years. While democracy is still messy in Indonesia, the election process remains the best vehicle for the public to participate and to control its politicians.

Political transition further introduced the “big bang” of decentralisation. This began in 1999 with the introduction of *otonomi daerah* (regional autonomy) for both administrative and financial authorities in provinces and districts in Indonesia. Taking Suharto’s highly centralised state apart was a major challenge. Regions were provided with district heads and elected parliaments and local governments were empowered to manage their budgets and decide development priorities. In some places, the process has led to the decentralisation of corruption and mismanagement, and the rise of local oligarchs. Overall, though, it has been positive as local people have exercised their political right to remove incompetent local politicians.

Significantly, the reformist government started to engage with rebel groups in the periphery – albeit a stuttering process with very mixed results. In Aceh, after an unsuccessful attempt at a settlement in 2000, a Memorandum of Understanding between the GAM and the government was agreed in 2005 through which Aceh secured self-government. The bravest decision by Habibie’s transition government in Jakarta was made in 1999 with regard to Timor Leste, where a UN-supervised referendum was offered to decide its status. On 20 May 2002 the Timorese seceded from Indonesia to become the first new nation of the millennium.

In the case of Papua, decentralisation has been highly inadequate. The ongoing conflict has distinct historical roots with many Papuans rejecting their incorporation into Indonesia through the 1969 “act of free choice”. Indonesia is accused of seizing the province through an orchestrated referendum process which entailed no choice at all, free or otherwise. The current military operation against Papuan nationalist groups, including human rights violations against local people and exploitation of natural resources, has seen the tragic toll of the conflict in Papua continue today.

### **Reformasi, national legitimacy and peacebuilding**

*Reformasi* in Indonesia is incomplete and ongoing. But despite its problems, it has gone a long way to rectify the social contract between the state and its citizens and has laid the foundation for a more legitimate government. Decentralisation, feared by some as the start of the “Balkanisation” of the country, has in fact strengthened state legitimacy. Timor Leste’s referendum and Aceh’s peace process are the two biggest examples of reform, as post-New Order press freedom exposed Indonesians to the abusive power of the military and central government against people in the provinces.

The legitimacy of elected leaders has put them in a stronger position to negotiate political settlements. Jakarta’s concession to peace talks with the GAM came in response to public demand. Despite objections to Timor Leste being given a referendum on independence, many Indonesians came to feel that this was the right decision, especially after human rights groups had uncovered the brutality of military repression there. Indonesia now needs to acknowledge the urgency of building peace in Papua too.

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Peace processes have not only broken the cycle of war and violence in some parts of the country, but they have also promoted the cycle of national reform. This is the case both at the local level – as in Aceh, where governors and political parties are now elected locally as a result of the peace process – and at the national level – as in the case of military reforms that resulted from Timor Leste’s political settlement, which triggered public demands for wider military and state reforms.

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