

INDONESIA'S DEMOCRATIC DIFFICULTY: THE CENTER WILL NOT HOLD

by Catharin E. Dalpino
Fellow, The Brookings Institution

Since the political demise of President Suharto in 1998, Indonesia has been pre-occupied with a complex, often messy, process of democratization. Some progress has been made, through a combination of measured change and, more often, political convulsion. Yet despite the scope of reforms thusfar, and the obvious need for further reform, democratization in Indonesia has primarily been a backdrop for bitter in-fighting among Jakarta elites. Into this battle the most volatile groups are increasingly drawn: the armed forces, Suharto-era power brokers in search of a new, if more democratic, role in national affairs; and Muslim groups facing a surge in political Islam, both within and outside Indonesia. The world's largest Muslim-majority country, Indonesia had traditionally been a source of Muslim moderation, whose population were inclined to describe themselves as "paper Muslims." As internal conflicts have intensified, however, political Islam has risen, if only for instrumental purposes. These client groups, the military and Muslim organizations, are involved in their own internal power struggles which themselves have bearing on the prospects for democratic development in Indonesia.

The cost of this wheels-within-wheels struggle is increasingly apparent as a distracted central government finds it difficult to stem separatist movements in critical provinces; halt communal violence; address abuses of the past; and meet domestic and international demands for recovery from a five-year long economic crisis. To this daunting list must now be added the demands placed upon Indonesia by the United States and the international community in the wake of the events of September 11, 2001.

Beneath this crowded policy agenda is a more fundamental struggle, first to define and then to put into practice the concept of democratic legitimacy in Indonesia.¹ In the thirty-year

era of Suharto's New Order, authoritarian rule was wrapped in the self-styled ideology of *pancasila*. Ostensibly based in ethnic harmony and decision-making by consensus, *pancasila* was the ideological rationale for Java-centric rule, with the military as the enforcer and guarantor of internal security, and ultimately of national unity. Indonesia's democratization is made more complicated by the legacy of *pancasila* and the separate but inter-linked tasks involved in moving toward greater democratic legitimacy: balancing power more equitably between the executive and legislative branches; building a stronger and more independent judiciary; devolving greater authority and resources to provincial and local levels; and changing the tenor and terms of civil-military relations. In each of these processes, the central government must broker dynamics between winners and losers with effective but democratic rule.

At present, however, there is little understanding of the concept of democratic rule, or of the implicit strength it requires, in the Jakarta elite or in the broader Indonesian society. In this sense, Indonesia's democratic experiment reflects a post-cold war conceit, which reflexively (if inaccurately) equates a weakening of government with democratization. But the recent sharp increase in separatist struggles and communal conflicts in Indonesia, and in several other democratizing countries from Eastern Europe to Africa, suggests that dismantling authoritarianism is no guarantee of democratization. Indeed, that process may seriously damage the prospects for democratization with the delicate and dangerous timing of the transition. In pragmatic terms, if Jakarta cannot establish democratic legitimacy and effective democratic rule within the decade, the longer-term prospects for Indonesian democracy, and even the territorial integrity of the Indonesian nation, are dim.

LOOSENING THE LYNCHPIN

The most obvious efforts to roll back New Order rule, and possibly the most successful, have been in changes to the formal system. These have centered in legislative reform and decentralization of administrative structures. A constitutional reform process initiated in 1999 has begun to separate executive and legislative powers and to strengthen those of the latter.² The President and appointed cabinet are legally now more accountable to the parliament, and the

number of elected seats has increased. A legislative body whose only rationale in the Suharto era was to rubber stamp executive branch appointments and decisions has become considerably more assertive and more central to the policymaking process. However, although the parliament has passed key pieces of legislation, including new human rights laws and autonomy packages for Aceh and West Papua, the overall pace of the legislative process is turgid. This creates a breach which invites the executive branch to govern by fiat, if only in the interim.

A second weakness, of a parliamentary system out of synch with itself, could be ameliorated if constitutional amendments to elect the President and Vice President directly are implemented. At present the indirect process of electing the top of the executive invites crisis between the two branches. When President Abdurrahman Wahid fell out of favor with the Jakarta political structure, the relatively small percentage his party held in the parliament doomed his presidency. Megawati Sukarnoputri, Wahid's Vice President and successor, stands in better stead with the legislature because her party hold the plurality. However, the possibility of another Wahid-like crisis in the future cannot be ruled out into the new constitutional practices are in place.

These changes in the national political structure, as well as the Wahid crisis, have kept the political community at the national level focused inward, away from the urgent problems of the provinces. Nevertheless, credible progress has been made in decentralizing administrative structures, albeit in the first stages, although the political battles over decentralization and autonomy in the provinces with strong separatist movements clouds this issue considerably. In January 2001 Laws 22 and 25 went into effect, giving local governments new responsibilities and new powers. However, this reform is caught in the lingering national economic crisis. Although decentralization assigns additional tasks to the local level, the central government is not yet able to increase local budgets to cover the costs of added staff and support services to accomplish these tasks.³ The denouement of the political exhilaration which has accompanied decentralization is likely to be rising discontent and disputes over resources.

In recent weeks, a second vicious circle has become apparent, when local authorities have sought to block the central government's privatization plans. The best short-term hope of economic recovery is the sale of roughly US \$80 billion in Indonesian state assets. However, local politicians and their parliaments oppose this policy in jurisdictions where state enterprises are based, and national politicians are beginning to pay heed to these local sentiments.⁴ That this position may ultimately, and ironically, weaken the ability of the central government to cover the costs of decentralization is lost in the debate. This dilemma underscores the perils of decentralization when change at the local level precludes or prevents policymaking at the center. If the national and local levels spiral away from each other, Indonesia will lose the structural base upon which to resolve many of the pressing local conflicts which threaten cohesion across the country.

CONTRADICTIONARY CONFLICTS

And yet if decentralization is a peril, it is also a political imperative in Indonesia at present. Indonesian and foreign observers alike see a rough causation between the breakdown in governance at the center and the rise of local conflicts and secessionist movements. Underlying this increase in conflict is also a rise in radical Islam,⁵ due in part to fundamentalist support for independence in Aceh as well as to communal tensions between Muslims and other religious groups. Despite the obvious danger in loosening the reins in the midst of heightened conflict, in the pro-separatist provinces this is the only likely long-term solution. However, in provinces where conflict is fueled not by disagreement with Jakarta but by rivalry with other local groups, greater central government control may be the only hope. Obviously, this creates difficulties for Jakarta on the drawing board.

Of greatest concern to Jakarta are the pro-independence movements, and related insurgencies, in the provinces of Aceh and West Papua (formerly Irian Jaya). If these conflicts originated in disagreements over such economic issues as resource allocation and sharing, it is of little importance at this point. In these provinces, such grievances have metastasized to the point

of political crisis and outright military conflict, and they are not likely to be solved with economic policy alone, however generous.⁶ As noted before, separatism has been exacerbated in Indonesia with the rapid political and economic change of the past five years, and Jakarta's resulting self-absorption. However, it has also been emboldened with the precedent of East Timor, Jakarta's capitulation to a referendum there, and the province's subsequent and successful move to independence, albeit under international supervision. The push for independence in Indonesia's separatist provinces, post-East Timor, has provoked Jakarta into tightening controls on them. Each side has moved further away from the other in the past few years.

The crucial difference is in Jakarta's view of these provinces. East Timor proved to be peripheral to Jakarta's interests, and to the Indonesian nation as a whole. Never fully recognized by the international community as under Indonesian sovereignty, East Timor was acquired in 1975 after Portugal's sudden decolonization of it, to pre-empt the presence of a Marxist government there. The end of the cold war and the normalization of relations across Southeast Asia removed much of the imperative for Jakarta to hold onto the province. If East Timor was periphery, however, Aceh and West Papua are core.

In the post-Suharto era, Jakarta's response to the separatism in Aceh and West Papua has been two-pronged. First, new autonomy laws have been passed for both provinces which promise greater political, cultural, and economic benefits, including the right to retain greater shares of oil and gas revenues.⁷ In Aceh, significant moves include the implementation of *shari'a* (Muslim) law and the promulgation of an Islamic dress code,⁸ both considered by Jakarta to be concessions to Muslim fundamentalism. It therefore comes as a surprise to Jakarta that these seeming improvements have not been well received by many in these provinces. There are two reasons for this. First is the perceived difference between content and its delivery. Some provisions of the autonomy laws, such as the *shari'a* law clause for Aceh, are resented because they appear to be imposed upon the province by Jakarta, rather than having been achieved through negotiation.

Second are the tightened military controls, in Aceh in particular, imposed by the Megawati administration which confirm suspicions in the provinces that Jakarta has chosen a military solution over a political one.⁹ A new military command was approved for Aceh in February, 2002 and a Presidential decree legalizing the military campaign in Aceh was extended. The new military commander for the province has declared his intention to eradicate the Atjeh Sumatra National Liberation Front (commonly known as GAM) in a year's time, which would seem to preclude any possibility for a political settlement. The military campaign, and its resulting constraints on civil rights in the province, seem to negate the notion of greater political rights under the new autonomy law. In the wake of September 11, this policy is not likely to change, since some GAM guerillas were trained in the Middle East in the 1980's, inviting suspicions of links to foreign terrorist groups.¹⁰ Many Acehenese insist that GAM, and the political movement for independence in Aceh, are unfairly conflated with Muslim extremism and terrorism, but they are clearly swimming against a tide of growing domestic and international concern. Although the need for political dialogue and an eventual political settlement in the separatist provinces becomes increasingly apparent, for reasons on both sides the chances of there being such a credible process in the near future are diminished.

Nor has Jakarta been more successful in dealing with provinces blighted by communal violence. In Kalimantan (Borneo) and the Maluku islands in particular, internal violence, which is increasingly defined as religious conflict, was the result of attempts during the Suharto era to forcibly balance ethnic and religious populations with transmigration policies. In the Malukus, for example, Christians resent Muslims who resettled under state programs and have prospered economically because they came with commercial, rather than agricultural, skills. A similar dynamic was created in Kalimantan, between the indigenous Dyaks and the Madurese migrants.¹¹ In these provinces, the complaint is not that Jakarta wields too heavy a hand in security, but that it does not offer sufficient controls. Military forces dispatched to respond to violence are perceived by some as indifferent to casualties and, worse, open to partisan intervention on either side in exchange for payment. There is little sign that Jakarta will rectify

the situation in the near-term, and tensions may in fact rise. The government has announced that it will stop assistance to internally-displaced refugees who fled the violence in these provinces in an attempt to force them to return.¹² If and when this happens, it is almost certain to ratchet up tensions in those areas.

Another serious consequence of these communal problems is the rise of militia with ties to Muslim extremism. For Jakarta, the most worrisome of these is the Laskar Jihad, a Java-based army of a few thousand insurgents which was dispatched by its leaders to the Malukus. Although the group has no known ties to foreign extremists, Jakarta fears it could easily form alliances with them and provide an entry point for terrorism, as well as ratchet up the danger in local conflicts. Many Indonesians, on the other hand, view the Laskar Jihad as the natural, if unfortunate, consequence of Jakarta's apparent indifference to violence in the Malukus and elsewhere.¹³ They also point out that it is merely an institutionalized form of a phenomenon which is festering in Indonesia, of vigilante violence.

A DANGEROUS DIVERSION?

Possibly the most far-reaching effect of the use of the armed forces in these conflicts, in particular Megawati's military solution for Aceh, is the implicit re-institution of the military as the primary instrument of internal security. On paper, Indonesia had been making progress in reforming its approach to internal security. In 2000 Wahid signed a decree removing the police from military oversight, making them accountable to civilian authority. This separation was formalized in a subsequent constitutional amendment and a new police law.¹⁴ In practice, however, there continues to be confusion over division of labor between the two forces. In Aceh, West Papua, the Malukus and Kalimantan, the security situation all but sweeps away the impact of these reforms, at least for the time being. Military officers point out, with some justification, that they have been re-deployed to these areas and returned to their formal roles under orders from a democratically-elected government and cannot be considered themselves to be reclaiming their former authoritarian role.¹⁵

However, although the military has conspicuously absented itself from national-level political fights in recent years, seen in their restraint during Wahid's presidential crisis, the transition to democratic civil-military relations will be a long and difficult one for both sides. As in every aspect of Indonesia's political development, military reform is hard hit by the continuing economic crisis. Military businesses continue to provide the armed forces with as much as 75 percent of the military budget.¹⁶ Downsizing the military would, of course, lessen its impact on the national budget, but this is unlikely as long as severe threats to internal security remain, particularly in the separatist provinces. Moreover, military budgets are usually sacred cows well into the democratization process: the armed forces will often tolerate greater civilian rule over the national polity, in exchange for which it is tacitly understood that civilian politicians will not exert oversight of the military itself. This was a breaking point for the military in Thailand in the early 1990's, when the newly-invigorated parliament sought to reduce military funds and gain some control of promotion processes in the armed forces, and considered by many to have contributed to the coup of 1991.¹⁷ And in its weakened economic state, Indonesia is ill-prepared to offer top military figures "golden parachutes" in return for departure from politics, as was the case in South Korea and Thailand.

For Megawati or any democratic leader at this point in Indonesia's political development, civil-military relations are a fundamental issue. By utilizing the armed forces for counter-insurgency and control in unstable provinces, Jakarta is reinforcing the traditional power base for the Indonesian military, the territorial system,¹⁸ and the source both of its political and economic power. She is not likely to challenge this in the near-term, out of fear for her own political longevity and because she shares a genuine concern for national stability and unity with the military. But the limits of civilian oversight are obvious at this time, pulling Jakarta up short in one more area of national control.

ACCOUNTABILITY: POLICY OR PANACEA?

In the face of numerous and profound policy challenges, and rising domestic and international pressure to resolve them, it is tempting for the government to seek one binding theme with which to approach them. Within well-defined limits, Jakarta has embarked in recent months upon a series of trials and other accountability exercises, designed to curb corruption, widely perceived to be the underlying cause of the economic crisis, and to punish human rights abuse, which continues to draw unfavorable international attention to Indonesia, particularly from the U.S. Congress. That several of the accused are also symbols of the Suharto New Order is probably not a coincidence. Beyond the circumstances behind each individual case, the rash of prosecutions is no doubt meant to dispute growing perceptions, domestically and internationally, that the Indonesian judiciary is hopelessly ineffectual and corrupt, and that impunity is widespread to the point of being unstoppable.

Most important for human rights, a small number of police and military officers have been charged in connection with violence surrounding East Timor's independence vote in 1999, a trial which Megawati is clearly hoping will stave off international pressure for a war crimes tribunal administered by the international community. It is as well intended to signal Jakarta's concern for human rights in the provinces, the military crackdown on Aceh notwithstanding. To address corruption, two high-ranking officials have been charged with embezzlement or misuse of government funds, one of whom was found guilty in a surprise verdict.¹⁹ By far the trial with the greatest popular interest is that of Tommy Suharto, President Suharto's son, charged with masterminding the murder of a judge who found him guilty of graft. But the most politically charged trial is that of Akbar Tandjung, the sitting parliamentary speaker and chief of the Golkar Party, which had been Suharto's political machine. Although he is charged with misuse of funds when he headed the state food agency, Bulog, Akbar's indictment is also viewed as a surrogate prosecution against Suharto himself, who could not be tried for corruption because of failing health.

The administration is playing a very high stakes game with these prosecutions, particularly in the Akbar trial. A conviction, if warranted, would likely create greater public

pressure to put a rash of other highly-placed figures on trial, opening a Pandora's box,²⁰ although it would no doubt shore up and vindicate the government's faltering anti-corruption campaign. However, in recent days, the government has pulled back a House inquiry team intended to investigate the charges against Akbar, claiming it wanted to avoid political interference. Observers speculate that the real motivation is to prevent such the team from uncovering other abuses, including those of the current administration.²¹ Without credible accountability exercises in these high-profile cases, and credible verdicts, the administration risks worsening the very perceptions it had sought to counter. If the Akbar trial in particular is, as some have claimed, wired from the beginning for acquittal, it will not only create the impression of a show trial, a favorite mechanism in previous authoritarian regimes, but also signal that impunity remains unchecked. However, if these exercises are, for the most part, seen as credible they could serve as a benchmark in judicial independence and proof of the government's dedication both to good governance and sound economic policy. In either event, it is the central government that is on trial as much as any of the individual defendants.

DEMOCRACY, TERRORISM AND THE U.S.

Without question, the events of September 11, and the resulting U.S. counter-terrorism juggernaut, only add complications to Indonesia's multi-layered democratization effort and to Jakarta's policy problems. They affect not only U.S.-Indonesian relations, but accelerate the impetus (and increases the pressure) for more attentive and effective government, to bring political Islam to heel and to apprehend extremists. Prior to September 11, American support for Indonesia's democratization process was steeped in free-floating post-cold war idealism; now, it has a more vested interest in it.

But Washington and Jakarta's short-term interests may be sharply at odds. Simply put, Washington's increasing focus and pressure is now on those individuals and groups that Jakarta is most reluctant to crack down on. It is no exaggeration to suggest that both sides stake vital national security interests in their respective positions on this issue. In practical terms,

Washington believes that arresting Indonesian extremists -- such as members of the Jemmah Islamiah -- who are believed to have links to foreign terrorists is the only way to apprehend a critical mass of Al-Qaeda affiliates and reduce the threat of terrorism to the United States and its allies. For Jakarta, this very action could be tantamount to declaring open war on Islam in Indonesia, and pushing millions of the country's "paper Muslims" toward extremism. Even discourse between the two nations on this subject has a potential inflammatory effect. Here the snapshot-and-soundbite nature of U.S. foreign policy, inclined to dwell on worst case scenarios, may only exacerbate the situation.

U.S. interests and U.S. policy in this situation are clearly tied to Jakarta's ability to manage these issues. This creates pressure on both sides to find ways to reconcile diverging short-term interests and to cooperate more fully toward a satisfactory long-term solution. Given the intricacies of political Islam and the nature of internal conflict in Indonesia, helping Indonesian to establish effective democratic rule is clearly in the U.S. interest. However, a high-profile U.S. "hearts and minds" campaign to affect the internal debate on political Islam is likely to backfire, destabilizing local hot spots and further weakening Jakarta's ability to handle these situations effectively. Paradoxically, the best approach for the United States to ameliorate the threat of terrorism in Indonesia may be to continue its pre-September 11 policies of promoting democratic change at the institutional level, and in secular civil society, both of which are needed to secure democratic legitimacy for Indonesia. For the United States and Indonesia both, continuity is the best path, if it is sometimes the most difficult one.

Catharin Dalpino is a Fellow at the Brookings Institution and a former Deputy Assistant Secretary of State (1993-97). She is the author of *Watersheds and Wake-Up Calls: The Political Consequences of the Asian Economic Crisis* (Brookings, 2002 forthcoming).

ENDNOTES