

## 1 Introduction

On May 21, 1998, Indonesian president Soeharto shocked the country when he announced his resignation, after some thirty-two years of authoritarian rule, in a brief televised speech. Following constitutional procedure, the former army general immediately transferred power to B. J. Habibie, a civilian, whom Soeharto had handpicked as vice president months earlier. Broadcast from the presidential palace in the nation's bustling capital of Jakarta to tens of millions viewers across the country and out into the world, Soeharto's resignation suddenly thrust Indonesia onto an arduous journey toward an unknown future. Democracy was one likely direction – certainly a desired direction for millions of Indonesians. To some surprise, slightly more than a year after Soeharto's resignation, Habibie oversaw the implementation of Indonesia's first national, democratic elections since 1955. Few predicted then what is hardly disputable today: that Indonesia would become Southeast Asia's freest democracy for the better part of two decades.

Shortly after leading a massacre of a half-million or more members and supporters (both real and suspected) of the powerful Communist Party of Indonesia in 1965 and 1966, Soeharto became president (Roosa 2006; Kammen & McGregor 2012; Robinson 2018; Melvin 2018<sup>1</sup>). During his long tenure, he survived a number of challenges to his authority. By 1998, however, the combined successive pressures of a regional economic collapse, student protests, urban middle-class dissatisfaction, elite defection, urban riots, and a polarized military overwhelmed the septuagenarian leader. The post-Cold War context also affected his staying power. With the disappearance of the international Communist "threat" from the early 1990s on, the United States had far less need to support local, rightwing strongmen. Instead, it was inclined to promote freedom and free trade, encouraging the removal of other countries' (not its own) domestic protectionist barriers and allowing US companies wider access to foreign markets. Indonesia, with its 200-million-plus population, was a prime market.<sup>2</sup> Under Soeharto's regime, capitalists, including foreign ones, had long thrived. But the former general also promoted and protected companies belonging to friends and family members. Although the economy grew, as these companies transformed into conglomerates they began to crowd out foreign investment in lucrative sectors. Corruption also ran rampant. With Soeharto at the helm, neither

<sup>1</sup> See also Joshua Oppenheimer's two compellingly controversial films, *The Act of Killing* (2012) and *The Look of Silence* (2014).

<sup>2</sup> Today Indonesia's population has topped 260 million and is expected to surpass the 300 million mark by 2035, which will make it the world's third most populous country.

Indonesia's economy nor its government would ever be as open as the United States now wanted. All told, given the regime's domination of the country's politics, economy, and society, for Indonesians Soeharto's political demise meant fundamental changes would ensue. In 1998, however, the extent of these changes, and whether they would be for good or ill, were anyone's guess. The period was marked by palpable uncertainty.

It has now been two decades since Soeharto left office and democracy replaced dictatorship. Elsewhere scholars have deemed twenty to twenty-five years an appropriate point in time to look back and assess the many facets of regime change (Hanson 2017). This Element will explore how Indonesia has changed, and how it has not. Employing what I hope is a productive framework, I advance three principal arguments.

The first argument suggests that Indonesian democratization looks strong in comparative perspective, but that it looks much weaker when viewed up close. As of 2018, post-Soeharto Indonesia has held four national parliamentary elections, three direct presidential elections, and more than 1,000 local elections. Democracy across this sprawling 17,000-island nation has shown resilience. The rotation of elites through office has been largely peaceful, and most Indonesians view the electoral process as fair and legitimate. Remarkably few citizens have been killed in direct connection to elections as they (especially journalists) have in the older democracy of the Philippines. There also has been nothing comparable to the extrajudicial killings of civilians by state agents – as many as 13,000, according to human rights groups – that President Rodrigo Duterte has encouraged with his war against drugs. Disproportionately, this spree of state violence has targeted the urban poor.

Indonesia's press is relatively free, and none of the post-Soeharto presidents has been embroiled in corruption scandals like that in nearby Malaysia, where former prime minister Najib Razak has been accused of misappropriating more than US\$700 million in state-related funds. Electoral manipulation there in favor of the ruling United Malays National Organization has been rampant, with severe gerrymandering a favored ploy. The manipulation helped this party and its electoral allies maintain parliamentary control from the 1950s, when elections were first instituted, until 2018, when the opposition won a stunning electoral victory. In neighboring Singapore the domineering People's Action Party has used similar tactics to win elections uninterrupted. Meanwhile, Vietnam does not even hold national-level elections; it remains a one-party authoritarian state. And in Thailand, the military, unlike its Indonesian counterpart, continues to stage coups whenever it perceives political stalemates as insurmountable. The military staged its latest coups in 2006 and 2014, and has

applied draconian laws to stifle dissent. This includes the extensive execution of the kingdom's infamous *lèse majesté* laws and the insertion of a provision (Article 44) in the temporary constitution that gives today's ruling junta near absolute powers.

To Thailand's west, Myanmar's military, in power since 1962, took the world by surprise when it initiated a transition toward democracy in the isolationist country. Here, however, political liberalization has helped to ignite a virulent form of Buddhist nationalism that has resulted in the murder of thousands of Muslim Rohingyas and the forcible displacement of hundreds of thousands more from their home province in the country's west. Refugees have recounted horrifying atrocities. Farther afield, Turkey (and Indonesia) had been celebrated as a model of Muslim democracy – until its Islamist president, Recep Tayyip Erdogan, made a power grab as a result of a failed military coup in mid-2016. More than eighteen months later, the country remains in a state of emergency, and Erdogan's regime has arrested some 50,000 opponents. Post-Soeharto Indonesia also has not experienced the sharp reversals (at least not yet) that have plunged countries of the Arab Spring (except Tunisia) back into harsh authoritarianism. Indonesia's democracy, however flawed, has also outlasted efforts of institutionalizing open politics in another vast, multiethnic polity with a marked despotic past: Russia. Who said making democracy work was easy?

The counterpoint to these observations, however, is that by shifting one's gaze from this broad comparative perspective to a county-specific vantage point, some of the luster on Indonesia's democracy is lost. State institutions, weakened by decades of overbearing interference and a crippling politicization, are compromised and corruptible; this is especially so for those institutions tasked with upholding the rule of law. Inequality is on the rise, poverty alleviation too slow, and the creation of jobs in the formal sector slower still. "Money politics" infects elections and legislation-making at all government levels. While the country's multiparty system has proven more robust than that of the Philippines or Thailand, the system is cracking under the weight of corruption and the rise of vote-buying. Although much of the ethno-religious and separatist bloodshed that marred Indonesia's transition to democracy has thankfully waned, everyday security remains uncertain for too many Indonesians. Decentralization, designed to empower local communities, has contributed to the country's continuing corruption and to many incidents of collective violence. Local elites have built their power by skimming off government transfers instead of by improving service delivery and development outcomes. Growing sectarianism threatens civility and civil rights, especially of minorities. And although the military no longer determines policy on

most civilian matters, its informal power rightly worries advocates of civilian democracy.

These deficits might give pause to classifying Indonesia as a democracy, but not for this author. My second argument contends that democracy, and its related process of democratization, is the most appropriate overarching framework for studying Indonesia, as this Element does in examining complex, interlocking developments in post-Soeharto Indonesia across political, economic, and societal realms. Changes in each of these aspects condition changes in the others. Most observers do concur that the country is a democracy. But glancing over a list of modifying adjectives offered by these scholars indicates what they think of the quality of this democracy: young, defective, electoral, weak, illiberal, procedural, patronage, or patrimonial.

By insisting that Indonesia is a democracy, however wobbly, I do not mean to stifle debate – quite the opposite. Democracy is notoriously difficult to pin down and define appropriately. Rightly or wrongly, it means different things to different people. Even among scholars there is no consensus over democracy’s definition. My central focus is on tensions, inconsistencies, and contradictory puzzles of Indonesia’s democracy. I could have chosen to explore Indonesia through a different lens: globalization versus nationalism, corruption versus good governance, sectarianism versus secularism, economic growth versus equitable development, oligarchy versus pluralism, or decentralization versus recentralization. But each of these dueling themes will be addressed in relation to the successes and deficits of Indonesia’s democracy throughout this Element.

Using the workings and failings of Indonesia’s democratic order as my analytical schema, I do not mean to imply that Indonesia’s democracy is consolidated, or “the only game in town” (a popular saying among political scientists). Fixating on consolidation closes debate, foregrounds static outcomes, and ignores the dynamic processes of and challenges to democracy in current Indonesia. Today, nowhere is democracy safe. It is always threatened with rollback or attenuation, and its quality everywhere is always open for improvement. Indonesia is no exception.

Making democracy the central focus – but conceived as an unfinished process replete with conflicts over power, resources, ideas, and institutions – also allows us to consider how the impact of regime change twenty years on has affected the dizzying diversity of Indonesians across the vast archipelago. Indonesia is a “super diverse” country (Goebel 2015). Its islands stretch across a distance slightly greater than New York to Los Angeles; those islands are home to some 300 ethnic groups, who together speak more than 700 languages,

eighteen of which are classified as institutionalized.<sup>3</sup> Any analysis of politics, economy, and society must account for the unevenness of democracy's impact and quality within Indonesia and the immense variation in the ways people experience it in everyday life. Democracy has been a boon for some, a bane for others. Many of its outcomes have been unanticipated or unintended (if not, in some cases, unwanted).

My third argument moves beyond the primary comparative project of assessing whether today's Indonesia has or has not changed from the Soeharto (or New Order) period. A "change and continuities" framework has dominated post-Soeharto Indonesian studies. Scholars identify or show how specific legacies of three decades of dictatorship have survived the transition or, conversely, demonstrate how emergent developments and dynamics have since overwhelmed or buried such legacies. A typical answer often is that there has been "a bit of both" – hence the approach's other moniker: "changing continuities." But, to my mind, after two decades of fruitful findings, this analytical exercise has run its course. Twenty years after Soeharto gives us ample time, context, and evidence to establish discrete temporal periods *within* democratic Indonesia.

The changing continuities schema mistakenly conceives the New Order and post-New Order periods as monolithic, glossing over the deep changes that occurred within each historical era. For example, there is little appreciation of the evolution of methods and tactics Soeharto deployed to dominate the country for more than three decades. This framework commits a similar mistake in portraying the post-New Order era.

Scholars also have fixated on "changing continuities" more than in post-communist Eastern Europe or the post-Marcos Philippines, for example, because of the decades-long expansion of the economy under Soeharto. The economies of the Soviet bloc and the Philippines under Marcos stagnated or floundered. This contrast has given rise to a contested normative question over whether the New Order proved good or bad for Indonesia.

Differing interpretations of Indonesia's economic growth have divided the country's scholars. Those on the right believe that the political stability Soeharto imposed is responsible for the considerable economic expansion and for lifting millions from abject poverty. Scholars on the left insist the macroeconomic numbers did not change the lives of the masses as much as is claimed. Economic growth was in any case predicated on a culture of fear and violence, the killing of hundreds of thousands, the hollowing out of rule-of-law institutions, the enabling of a culture of corruption, and the rapacious degrading

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<sup>3</sup> Taken from the informative website [ethnologue.com](http://ethnologue.com).

of the environment and the country's natural resources. These polarizing views persisted to the regime's very end.

A similar debate has spilled into the post-Soeharto period with contrasting understandings of the Asian Financial Crisis of 1997/98, which precipitated Soeharto's downfall. The right saw the financial crisis as an aberration and stressed that its origins were outside the country (in Bangkok, to be more precise). The crisis therefore was not the regime's doing, and was beyond its control. Achievements of the post-Soeharto period are then attributed to legacies of the Soeharto years – fiscal discipline and good economic growth, to name just two examples. Furthermore, the problems of today are products of the new democratic order, including a worsening investment climate caused largely by an unsteady policy environment and a chaotic diffusion of corruption enablers and opportunists. For left-leaning scholars, the financial crisis only exposed the true rot of the New Order regime. That it all began in Thailand and spread throughout Southeast Asia does not explain why the economic crisis in Indonesia was so profound and why it swiftly led to the downfall of a regime that appeared to be entrenched in every aspect of the life of Indonesians. Many of the challenges to Indonesia's democracy are thus Soeharto's legacies.

I make the case that the post-Soeharto era can be divided into three main periods, which correspond to the divisions of my sections in this Element. Each section is further divided into three subsections: a politics subsection scrutinizes party politics, electoral outcomes, changing rules of the electoral and party systems, and the local politics of decentralization; a political economy subsection examines contestation over how Indonesia's trillion-dollar economy is managed and by what means groups access state benefits and the country's trove of natural resources; a third subsection grapples with the rise of old and new identity-based mobilizations of marginalized groups and their impact on local society and national politics.

Section 2, Innovation, covers the transition from authoritarianism. It shows how the period's fluidity bred a myriad of reforms, some successful, others less so. The uncertainty of the transition – the uncertainty also of its direction – thrust millions back into economic despair on Java and contributed to separatist-related and communal bloodshed in the country's outer islands. But it was also a period of ferment and optimism – perhaps above all an optimism that a new democratic order was consonant with the country's complex social fabric.

Section 3, Stagnation, demonstrates how optimistic aspirations were dashed.<sup>4</sup> Indonesia's two-term president Susilo Bambang Yudhoyono (2004–9, 2009–14)

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<sup>4</sup> Describing the Yudhoyono period as a time of stagnation was first used by Tomsa (2010).

was a victim of outsized expectations. Juggling the competing interests of an avaricious and unruly parliamentary coalition, but buoyed by strong economic growth thanks to a commodity boom, Yudhoyono slowed the pace of reform to a halt. Procedurally, Indonesia remained democratic, but Yudhoyono's governments failed to improve the quality of that democracy meaningfully. In fact, attacks against minorities indicated that some gains were being reversed.

Section 4, Polarization, details how a potentially destabilizing divide has emerged in the post-Yudhoyono period. Indonesia's current president, Joko "Jokowi" Widodo, is both cause and effect of the severing of political Islam and pluralism and their division into opposing camps. Of course, any dichotomy misses cross-cutting alliances and obscures rifts within each bloc. For example, leaders on both sides claim to be ardent nationalists.

While struggles over material resources in democratic Indonesia has been unceasing (if not debilitating), these sections explain the progression from contestation over the design and control of governance institutions to fierce politicking over state ideology, national identity, and citizenship. This conflict will amplify as Indonesia prepares for its fourth direct presidential election in 2019. The conclusion (Section 5) examines the sources of threats to Indonesia's hard-won democracy and suggests a research agenda to help better explain and understand the country's possible futures.

## 2 Innovation

This section charts Indonesia's early transition period (1998 to 2004), a time of uncertainty, ferment, hope, and despair. The country's institutional political and economic landscape underwent significant changes. Politicians, civil society activists, and other reformers sought to liberalize the country's political system – most concretely expressed in holding free and fair elections, amending the constitution, and decentralizing the country's governance framework. In response to economic collapse, the International Monetary Fund dictated the direction of reforms to open up the country's economy. As millions of Indonesians were thrust back into poverty, elements tied to the New Order regime ensured that resistance to political and economic liberalization remained stiff. Just how much regime change there was at this point was open to question – for example, the army was still a formidable actor, although its influence in the public sphere was on the wane.

Meanwhile, dynamic identity-based mobilizations accompanied the institutional innovations of this unstable and permissive period. In particular, three minorities which had suffered acutely under Soeharto's rule – conservative Muslims, ethnic Chinese, and outer-island indigenous peoples – made claims



on resources and sought to elevate their status in society before the window of opportunity shut. Some of this contentiousness touched off horrific violence, although its extent varied considerably across the archipelago. In all, while Indonesia “was a laggard in the wave that saw procedural democracy restored across much of Latin America, the Soviet bloc and Sub-Saharan Africa by the mid-1990s, along with the toppling of dictators in the Philippines, Korea and Taiwan” (Kuddus 2017, 45), the country was now seeking to move away from decades of authoritarianism to join the world’s club of democracies.

## 2.1 Politics

As a Soeharto protégé, President Habibie surprised observers by the steps he took to bring democracy back to Indonesia. During his brief tenure (May 1998 to October 1999), the German-trained engineer lifted press restrictions, released political prisoners, and oversaw the crafting of the rules for Indonesia’s foundational legislative election of 1999. In this electoral contest, which received ample financial and technical support from the West, forty-eight parties participated (Anwar 2010). Only three had been permitted to run in the New Order’s scripted ballots.

Subsequently, the selection of the president was made via a supreme parliament that, as an institution, had “chosen” Soeharto as president six times between 1967 and 1997.<sup>5</sup> Although the Indonesian Democratic Party of Struggle (Partai Demokrasi Indonesia-Perjuangan, PDI-P) topped the 1999 polls, with only one-third of the votes it would need allies to rule and to capture the presidency. The Islamic parties, led by Amien Rais of the National Mandate Party (Partai Amanat Nasional, PAN), conspired to deny Megawati Sukarnoputri, PDI-P’s chairwoman, the presidency. Parliamentary deal-making resulted in the selection of Abdurrahman Wahid, also known as Gus Dur, a blind Muslim cleric from the Islamic National Awakening Party (Partai Kebangkitan Bangsa, PKB). Wahid had a reputation for unstinting commitment to religious pluralism. By any account or measure, the 1999 election was a triumph of democracy in a country known for being not democratic.

There were reforms elsewhere. The army, under pressure from civil society organizations regarding the human rights abuses its soldiers committed during the New Order, agreed to reduce the number of seats it held in the supreme parliament; by 2004, it removed its representation altogether. The military also renounced its doctrine of dual-function

<sup>5</sup> It is known as the People’s Consultative Council (Majelis Permusyawaratan Rakyat, MPR).



(*dwifungsi*) and its policy of seconding officers to civilian positions (*kekar-yaan*), both of which had allowed it to play a pivotal role in the country's social and political affairs under Soeharto. Finally, the military released the police from institutional control. The now autonomous police was expected to take the lead in domestic security matters.

A series of constitutional amendments, debated and adopted by parliament from 1999 to 2002, led to further institutional innovations (King 2003; Horowitz 2013). Some amendments sought to guarantee Indonesians a range of freedoms and democratic rights that were lacking in the country's short 1945 constitution. Then there was the introduction of a five-year presidential term with a single second possible term. This mechanism was intended to prevent any political leader from bringing back dictatorship. In 2002, the third round of constitutional amendments introduced direct presidential elections.<sup>6</sup> Initially, President Megawati, who had been elevated from her vice-presidency position in 2001 after parliament impeached Gus Dur over corruption allegations, had opposed direct presidential elections.<sup>7</sup> Civil society organizations and most parties advocated the change. The former insisted that it empowered the people. The political parties felt leaving the presidential selection to parliament – whose powers had been enhanced to counteract the executive-heavy governance of Soeharto's New Order – had produced excessive uncertainty and division (Crouch 2010). Three presidents in less than two years was proof of that.

The same constitutional amendment process also established a Constitutional Court. Its subsequent implementing law gave it the power of judicial review – an authority that in theory runs counter to Indonesia's civil law tradition (Lev 2000).<sup>8</sup> One motive for establishing the court included the emasculation of the existing Supreme Court. Drowning in a vast backlog of cases, the Court still had not recovered from decades of institutional decay and overbearing political interference; it was incapable of taking on a new responsibility of impartially protecting the people's new constitutional rights and freedoms (Pompe 2005). Parliamentarians also desired to follow in the footsteps of other new democracies, including Thailand, South Africa, and South Korea, where constitutional courts had been established (Davidson 2009; Mietzner 2010). Since its founding, the court has forced the state to uphold its

<sup>6</sup> A weak and ineffectual upper chamber of parliament was also created, largely to placate regional aspirations.

<sup>7</sup> Wahid also had antagonized the army over involvement in key personnel decisions.

<sup>8</sup> The Constitutional Court was granted the power to hear cases concerning the constitutionality of laws and the authority of state bodies, the dissolution of political parties, electoral disputes, and impeachment. Its decisions are binding.

obligations to provide access to a fair trial, to protect its citizens from corruption, and to guarantee other rights. In accord with new human rights principles enshrined in the constitution, it lifted the ban on political participation by those associated, or those thought to be associated, with the banned Communist Party of Indonesia (Butt 2007).

If the Constitutional Court is conceived as a corrective to the New Order's disregard of the rule of law, then the 1999 constitutional amendment devolving significant administrative and fiscal powers to local government units was a similar measure addressing the coercive centralization of the New Order regime (Malley 1999). Historically, there was precedent for decentralizing authority to the regions (Booth 2011). The regions certainly desired it. Local elites salivated over the resources, which came in two main forms: block grants from the central government, and greater proportions of revenue generated from local resource extraction. But a supply-side argument also suggests that regional autonomy came to fruition because an Indonesian team of US-trained technocrats who designed its framework convinced Habibie of the political necessity to pass such legislation (Smith 2008). Decentralization was codified in two subsequent parliamentary statutes passed in 1999 (one on administration, the other on fiscal matters) and put into effect in 2001.

When this new regional autonomy began to take effect, it created new possibilities, but also concerns about the weakened powers of the Indonesian state (Aspinall & Fealy 2003; van Klinken & Barker 2009). Decentralization's promoters maintain that autonomous local governments improve development outcomes by bringing officialdom closer to the people and by increasing the efficiency of the provisions of local goods. Regional autonomy laws thus devolved responsibilities for health care, education, land use, spatial planning, and other powers to rural districts and urban municipalities.<sup>9</sup> More than two million national civil servants, mostly teachers, became regional civil servants. Decentralization is also supposed to bolster "good governance" by galvanizing local citizen participation, including that by nongovernmental organizations, which are expected to partner with local governments to find creative solutions to governance problems. On the other hand, decentralization, in theory, relieves the central government of the heavy financial burden of paying for such key welfare services as health and education, and favors technocratic, non-redistributive approaches to what are in fact political problems (Hadiz 2010). While decentralization placed matters pertaining to land

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<sup>9</sup> The central government retained competency over foreign affairs, monetary and fiscal policy, religious affairs, defense and security, and the judiciary.