

Reproduced from *Political Reform in Indonesia after Soeharto*, by Harold Crouch (Singapore: Institute of Southeast Asian Studies, 2010). This version was obtained electronically direct from the publisher on condition that copyright is not infringed. No part of this publication may be reproduced without the prior permission of the Institute of Southeast Asian Studies. Individual articles are available at < <http://bookshop.iseas.edu.sg> >

POLITICAL REFORM IN INDONESIA AFTER SOEHARTO

The **Institute of Southeast Asian Studies (ISEAS)** was established as an autonomous organization in 1968. It is a regional centre dedicated to the study of socio-political, security and economic trends and developments in Southeast Asia and its wider geostrategic and economic environment. The Institute's research programmes are the Regional Economic Studies (RES, including ASEAN and APEC), Regional Strategic and Political Studies (RSPS), and Regional Social and Cultural Studies (RSCS).

ISEAS Publishing, an established academic press, has issued more than 2,000 books and journals. It is the largest scholarly publisher of research about Southeast Asia from within the region. ISEAS Publishing works with many other academic and trade publishers and distributors to disseminate important research and analyses from and about Southeast Asia to the rest of the world.

HAROLD CROUCH

**POLITICAL REFORM
IN INDONESIA
AFTER SOEHARTO**



INSTITUTE OF SOUTHEAST ASIAN STUDIES
Singapore

First published in Singapore in 2010 by
ISEAS Publishing
Institute of Southeast Asian Studies
30 Heng Mui Keng Terrace
Pasir Panjang
Singapore 119614

E-mail: publish@iseas.edu.sg

Website: <http://bookshop.iseas.edu.sg>

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the Institute of Southeast Asian Studies.

© 2010 Institute of Southeast Asian Studies, Singapore

The responsibility for facts and opinions in this publication rests exclusively with the author and his interpretations do not necessarily reflect the views or the policy of the publisher or its supporters.

ISEAS Library Cataloguing-in-Publication Data

Crouch, Harold A., 1940–

Political reform in Indonesia after Soeharto.

1. Indonesia—Politics and government—1998–

I. Title.

DS644.5 C95

2010

ISBN 978-981-230-920-4 (soft cover)

ISBN 978-981-230-921-7 (E-Book PDF)

Typeset by Superskill Graphics Pte Ltd

Printed in Singapore by Utopia Press Pte Ltd

CONTENTS

<i>Preface</i>	ix
1. INTRODUCTION	1
2. THE FALL OF THE NEW ORDER AND THE “REFORMASI” GOVERNMENTS	15
The New Order and the Fall of Soeharto	16
Chaotic Transition under Habibie	21
The Erratic Rule of Abdurrahman Wahid	28
Megawati’s Holding Operation	32
Political Consolidation under Yudhoyono	35
3. REFORMING THE CONSTITUTION AND THE ELECTORAL SYSTEM	43
Constitutional Legacies	44
The Beginning of Reform and the 1999 Elections	46
The Constitutional Amendments	52
Renewing the Electoral Laws and the 2004 Elections	62
Political Stability and Corruption	68
Conclusion	75
4. STRUGGLES OVER REGIONAL GOVERNMENT	87
Soeharto’s Centralized Government	88
Habibie’s Regional Autonomy Laws	90
Revising the Laws	102

Local Democracy: Money Politics and Elections	110
Conclusion	115
5. MILITARY REFORM: WITHDRAWING FROM “PRACTICAL POLITICS” AND STEPS TOWARD CIVILIAN CONTROL	127
The Military in the New Order	129
The Habibie Presidency: The Impetus toward Military Reform	130
The Abdurrahman Presidency: The Loss of Impetus	136
The Megawati Presidency: The Persistence of the <i>Dwi Fungsi</i> Mentality	140
Reviving Reform: Legislating Civil-Military Relations	142
The Yudhoyono Presidency: Entrenched Obstacles to Full Civilian Control	150
Unresolved Issues	153
Conclusion	174
6. POLITICS, CORRUPTION AND THE COURTS	191
Towards Judicial Independence	192
Combating Corruption	197
Court Failure: Big Corruption Cases (1999–2004)	199
New Anti-Corruption Agencies	212
Yudhoyono’s Anti-corruption Drive	216
Conflict between Agencies	221
Anti-corruption Politics in Regional Government	223
Conclusion	227
7. RESOLVING COMMUNAL VIOLENCE IN MALUKU	242
Background	243
The Beginning of the Conflict	247
The Government’s Weak Response and the Poor Performance of the Military	248
The Laskar Jihad and the Civil Emergency	251
The New Military Strategy	255
The Malino Peace Agreement	258
Kopassus and Sporadic Violence	261
The Departure of the Laskar Jihad	265
The Lifting of the Emergency	267
Conclusion	268

8.	RESOLVING THE SEPARATIST CHALLENGE IN ACEH	279
	Background	282
	Resolving the Conflict	296
	Conclusion	316
9.	REFORM IN UNPROMISING CIRCUMSTANCES	331
	Reform in Response to Crisis	334
	Post-Crisis Reform	337
	Reform of Governing Institutions	339
	Reform of the Military	342
	Reform of the Courts	344
	Restoration of Regional “Failed States”	346
	Uneven Reform	349
	<i>Bibliography</i>	351
	<i>Index</i>	373

PREFACE

Three decades of authoritarian rule in Indonesia came to a sudden halt in 1998. The collapse of the Soeharto regime was accompanied by massive economic decline, widespread rioting, communal conflict, and fears that the nation was approaching the brink of disintegration. Although the fall of Soeharto opened the way towards democratization, conditions were by no means propitious for political reform. This book asks how political reform could proceed despite such unpromising circumstances. It examines electoral and constitutional reform, the decentralization of a highly centralized regime, the gradual but incomplete withdrawal of the military from its deep political involvement, the launching of an anti-corruption campaign despite entrenched corruption in the courts, and the achievement of peace in two provinces that had been devastated by communal violence and regional rebellion.

The focus of this book is on political reforms during the decade after Soeharto's fall. These reforms were initially driven by the need to respond to the national crisis that brought down the New Order regime but were also shaped by specific circumstances and constellations of political forces in the six fields discussed in this book. The book tries to present the "big picture" of political reform but its main contribution most probably lies in the detailed tracing of reform in each of the six policy areas. Although reforms took place more or less simultaneously in an evolving national context, the pace and nature of specific reforms varied considerably. Political reform was not inevitable but depended on a continuing struggle between those who saw benefit in further reform and those who felt disadvantaged by it. Step-by-step political reform during the last decade has made significant advances but, as this book shows, is by no means complete and, in some areas, could still be

vulnerable to reversal. It should also be noted that a study of contemporary political reform is inevitably no more than a “work in progress”. Even as this manuscript went to press, new developments raised new questions but hopefully will not fatally undermine my main arguments. I hope that readers will find the final product both informative and interesting.

In researching and writing this book, I had the advantage of having spent several decades following, more or less closely, Indonesian political developments under Soeharto. Like many observers towards the end of the New Order, I was both hoping that somehow President Soeharto would leave office but not convinced that it would actually happen soon. And, in any case, I was reluctantly inclined to expect that Soeharto would most probably be succeeded by another general and that a slightly modified New Order would continue to rule Indonesia. In May 1998, however, I shared the euphoria felt by many Indonesian friends and hoped that it was justified.

One evening in the last week of 1999 I picked up the telephone in Canberra and heard the voice of a long-time casual acquaintance, Australia’s former foreign minister and then president of the International Crisis Group (ICG), Gareth Evans, who asked whether I knew of anyone who might be interested in setting up an ICG office in Jakarta and, incidentally, whether I might be interested in the job myself. A few months later I arrived in Jakarta and began writing the first of my ICG reports that appeared over the next two years, together with those of my colleagues, Bob Lowry and Diarmid O’Sullivan. That period in Jakarta provided many insights into the enormous challenges faced by those who aspired to bring about political reform in Indonesia. In the following years I visited Indonesia often and continued to use the ICG office in Jakarta, now under the leadership of an old friend, Sidney Jones, whose hospitality and “briefings” I greatly valued. My appreciation of the mood of the times was also enhanced by conversations with Mahlil Harahap, also of ICG. After my return to the Australian National University in 2002, my many visits to Indonesia between 2003 and 2008 were supported by the Australian Research Council to which I remain most grateful.

Another advantage I had in writing about Indonesian politics flowed from my association with the Department of Political and Social Change at the Australian National University, first under the leadership of Jamie Mackie and then Ben Kerkvliet. I also benefited from discussions with my colleagues, Greg Fealy and Ed Aspinall, who shared my interest in the rapid changes taking place in Indonesia. Of particular importance were my graduate students, some of whose theses and other writings on aspects of Indonesian politics after Soeharto are listed in this book’s bibliography. Among them are Jun Honna, Ed Aspinall, Marcus Mietzner, Nuraida Mokhsen, Kumiko Mizuno, Chris Wilson, Nankyung Choi, Taufiq Tanasaldy, and Najib Azca.

My understanding of Indonesian politics also owes much to my old “guru”, Herb Feith, who arranged my first job at the University of Indonesia in 1968 and was still discussing Indonesian politics with me in Jakarta a fortnight before his untimely death in late 2001.

In Indonesia I conducted numerous interviews and engaged in countless informal conversations with Indonesian politicians, military and police officers, bureaucrats, journalists, think-tank members, academics, and civil society activists. I have not attempted to record individually their contributions to my understanding of a wide range of political issues. Many of them are noted in this book. However, I should mention several with whom I had many conversations over several years and who especially contributed to my own perceptions. Among them are Marsillam Simanjuntak, Agus Widjojo, Marzuki Darusman, Juwono Sudarsono, Ryaas Rasyid, Rizal Sukma, Dewi Fortuna Anwar, Todung Mulya Lubis, Nazaruddin Syamsuddin, Salim Said, and Tatik Hafidz. As a foreign observer of Indonesian politics, I am acutely aware that my knowledge of the issues discussed in this book is much less than theirs.

Finally, the most important advantage that I had in writing this book was the uncomplaining support of my wife and companion, Khasnor, who tolerated my regular short absences in Indonesia and joined me during longer stays in Jakarta and currently in Banda Aceh.

Several chapters in this book develop material previously published. Most of this material, however, has undergone substantial revision so many times that its original form is not easily recognizable. Parts of Chapters 2 and 3 had their origins in “Political Update 2002: Megawati’s Holding Operation”, in Edward Aspinall and Greg Fealy, eds., *Local Power and Politics in Indonesia: Decentralisation and Democratisation* (Singapore: Institute of Southeast Asian Studies, 2003). Some of the discussion in Chapter 8 evolved from Edward Aspinall and Harold Crouch, *The Aceh Peace Process: Why It Failed* (Washington: East-West Center, 2003). Several International Crisis Group reports analysed matters that foreshadowed parts of several chapters, including “Indonesia’s Crisis: Chronic but not Acute”, ICG Report, 31 May 2000; “Indonesia: Keeping the Military Under Control”, Asia Report No. 9, 5 September 2000; “Indonesia: Impunity Versus Accountability for Gross Human Rights Violations”, Asia Report No. 12, 2 February 2001; “Indonesia: The Search for Peace in Maluku”, Asia Report No. 31, 8 February 2002; and “Indonesia Backgrounder: A Guide to the 2004 Elections”, Asia Report No. 71, 18 December 2003.

Banda Aceh
April 2009

