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## Indonesia's New Politics: Transaction Without Contestation

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The period between 1998 and 2014 in Indonesian politics was defined by a political project necessitated by the fall of Soeharto in 1998 and the end of a specific form of political rule: dictatorship. May 1998 did not mark only the end of the overwhelming power of a specific individual – Soeharto – but at the same time the demolition of the whole structure of political rule that existed at that time. Between 1965 and 1998, and especially from 1972, political power had become centralized in one man, with structures that gave reality to that. These included a national military structure and ideology that both gave the army a physical presence at every level of administration, from national to village, and openly legitimized a repressive role for the army in politics. As president, Soeharto was Supreme Commander of the Armed Forces, backed by a loyal network of officers originating from the time when he was still an active officer himself. This centralized mechanism of repression and control was paralleled by a semi-theatrical electoral and representative structure, in which only three political parties, selected by Soeharto, were allowed and in which the repressive apparatus was able to intervene to determine the

personnel and policies of all three. The press and civil society were severely restricted.

Following a complicated evolution and growth of an opposition, even in the face of this repression and at some cost to life and liberty, Soeharto was forced to resign. The removal of the linchpin of the system in the face of popular opposition forced a broad coalition of elite politicians and groups that filled the vacuum left by his departure to concede to the demand for political reform. The military's role in repression stopped (except in the provinces of Papua). The electoral and representative system was opened up to more parties — essentially only communist and separatist parties were banned. Most restrictions of the press and civil society were lifted.

The dismantling of the structures of dictatorship required replacement structures. The primary structure that has become the scaffolding of the present system is the electoral and representative systems. Which groups control the national and local government apparatus is now processed through elections. The armed forces are responsible to an elected government and, so far, have challenged this only once since 1998, and that was during the early transition stage. The new structures allow for multiparty elections for representative parliaments as well as for direct election of national and local executive positions.

The period 1998–2002 was primarily one of transition overseen by three presidents — Habibie, Sukarnoputri, and Wahid. While their presidencies were marked by turmoil, reflecting the continuing momentum from the anti-dictatorship movement of the 1990s, they also moved towards the establishment of the new structures. These included formation of a new parliament, the product of free elections in 1999; the end of single state trade unionism and other controls on civil society; recognition of the freedom of the press; and decentralization of budgetary policy to local government. A Corruption Eradication Commission (KPK), with significant investigative and arrest powers, was established in 2002.

The period between 2002 and 2010 was defined by the finalization and consolidation of these new structures as the basis for political and economic stability. This included the refinement of election laws, the introduction of direct elections for national and local executive positions, the further development of decentralization policy, and three national and several local elections. This was the period of two

presidential terms of Susilo Bambang Yudhoyono. The finalization and consolidation of these new political structures defined the Yudhoyono period. Within the global economic context, this political process allowed the Indonesian economy to recover from the turmoil of the 1997 Asian financial crisis and to get through the global crisis of 2008. The Indonesian economy experienced relatively steady Gross National Product (GNP) growth during this period, and there was a very high rate of increase in government revenue. This also allowed the Yudhoyono government the possibility of formulating a medium-term development plan during its final years and to make an initial start on it, which primarily focused on a push to build more infrastructure. Economic development, however, was not the project that defined the Yudhoyono period as compared to the consolidation of the new political structures.

### **2014: Something New?**

The election of President Yudhoyono in 2004 ended a period of significant political tensions. The presidencies of Habibie, Wahid and Sukarnoputri were marked by ongoing political conflict, including protests by the various components of the activist anti-dictatorship movement of before 1998. That ended after the election of Yudhoyono, which opened a period of stabilization. Wahid and Sukarnoputri were figures who emerged out of the opposition to Soeharto; Yudhoyono, while abandoning Soeharto in the very end, was a long-term military official of the Soeharto order. However, he accepted the necessity of restructuring stability.

In a period defined by multiparty electoral democracy, Yudhoyono and his supporters needed to establish an electoral vehicle. This was the Partai Demokrat (PD — Democratic Party). At one level, the PD was (and still is) a vehicle for Yudhoyono personally, and now his family. At another level, it was the party of restructuring and consolidation of new political structures while ensuring overall socio-economic stability. The economy created during the Soeharto period was maintained, with only one significant “reform”: the de facto abolition of high-level, centralized cronyism. As the incumbent party for ten years, PD has come to represent this orientation.

The PD, however, was not able to solve the problem of succession to Yudhoyono. While there were rumours of the PD possibly putting

forward Yudhoyono's wife as a candidate, this never eventuated. It was only in 2017 that the process of preparing Yudhoyono's son as a successor began — but in a very different political climate. The PD was not able to generate any other potential candidates from within its ranks. This was partly caused by Yudhoyono's overwhelming personal dominance of the leadership allowing no space for other figures to emerge. It was also caused, in a more substantial way, by the fact that the project that defined the PD's character had come to an end. By 2014, all the new structures were in place. The main new project that could possibly redefine a ruling party was the planned big new push on the economy, especially through an accelerated infrastructure plan. The chief designer and spokesperson for this plan was Coordinating Minister for Economic Affairs, Hatta Rajasa, who was from the National Mandate Party (PAN), not the PD. Furthermore, in 2014 PAN decided not to continue to align with PD, which had no viable presidential candidate, but rather with Prabowo Subianto, who had established Gerindra and would be a presidential candidate. Rajasa became Subianto's vice-presidential running mate. PD was left without either a candidate or a project.

Subianto and Rajasa lost the 2014 election by a slim margin to Joko Widodo, who was nominated by the Indonesian Democratic Party of Struggle (PDIP). During this 2014 presidential campaign, considerable commentary developed remarking that the candidacy of Joko Widodo pointed to a major change in the Indonesian political terrain (see the chapters by Sukmajati and Mas'udi for more on Widodo's history and ideology). One factor was that Widodo came from a markedly different social milieu than all previous candidates. Habibie, Wahid, Sukarnoputri, and Yudhoyono had all been nationally prominent figures during the New Order. Whether supporters or opponents of the New Order, they were products of that period and of the social world defined by its elite. Widodo, on the other hand, emerged from the petty bourgeoisie of a small city. He was a middle-level furniture exporter driven by personal ambition into politics, eventually attaching himself to the PDIP and being elected mayor of that small city, Solo. He was elected mayor twice, the second time with a record 90 per cent vote.

His popularity in Solo also provoked discussion that he manifested something new. No politician had ever scored so highly in any kind of popularity measure. Additionally, his popularity stemmed from a combination of two features. One was success in implementing specific popular welfare policies, in particular a universal healthcare

scheme. The other feature was a campaign style involving frequent well-publicized visits and dialogues with groupings perceived in the political culture to be representative of the "common people", such as street and marketplace vendors. All these contrasted him markedly with the way in which politicians had campaigned previously. The prevalent political style was to present as a leader with considerable official gravitas, whose electability would be strengthened by association with other national elite figures. Widodo cultivated an image of being approachable rather than an authority figure. His prioritization of healthcare and similar policies in Solo, a town of 500,000 people the majority of whom were members of a self-employed, impoverished precariat, meant that his campaign style was seen as genuine, being reflected in policy priorities. He was later elected governor of Jakarta and after a short period resigned from that position to stand for president. During his short period as governor, he was able to maintain the image and momentum that he built as mayor of Solo.

The perception of Widodo's candidacy as a manifestation of new processes unfolding was strengthened by the contrast with his presidential rival, Prabowo Subianto. Prabowo was from an elite, very wealthy New Order family. He had been married to a daughter of Soeharto. He had risen very quickly through the ranks of the army so that by 1998 he headed what was considered a very important command, Kopassus. He tried to project gravitas rather than closeness to the common people in his campaign. He displayed his wealth and social status as part of establishing his credentials as somebody sufficiently above the common person to be their leader. The tone was: do you want a lamb or a lion for a president? This was an image much more associated with the Soeharto period. It made the claim that Widodo manifested something new even more convincing. Widodo also defended the new structures established by Yudhoyono, including direct elections for president and other executive positions. Prabowo called for their abolition and a return to the pre-restructuring system in which the president, governors, *bupatis* and mayors were elected by various representative bodies. This also presented a contrast between a candidate who represented what was new and a candidate who represented the previous order.

Widodo's campaign also played to this perception of newness. There was clearly an assessment by Widodo and his group that such

an approach would appeal to a large section of the public. Campaign tactics that emphasized this newness, this difference with an elitist New Order political culture, were emphasized. These tactics included wearing unpretentious and allegedly low-cost clothing, continuing the practice of market vendor and similar visits, and actively relating to the newly expanding Jakarta white collar working class, whose professional and socially active components were labelled “millennials”. He attended large meetings of socially and politically liberal intellectuals and former anti-dictatorship activists, some of whom formed organizations to support his campaign. He associated himself with their cultural icons, such as the band Slang and an activity like *Jalan Sehat* (“Walking for Health”) on car-free days in central Jakarta. He issued a “manifesto”, the *Nawacita*, that reflected this “millennial”, liberal sentiment.

When Widodo was elected, there were expectations of something new. There was expectation of a government of a new type, with Widodo declaring himself and being declared as a “non-transactional” politician of principle rather than the deal-making politician of the past, such as Yudhoyono. It was more than this, however. Many thought that Indonesia itself was changing politically, that Widodo was a symptom or a manifestation of deeper changes that had indeed facilitated his candidacy.

### **Something Old, Something New: Strengthened “Transactional Politics”**

Widodo was a symptom of something new, but not exactly what his 2014 campaign tried to project. Indeed not a product of the New Order, he is instead, ironically, a product of the “Yudhoyono” order: that is, of a consolidated multiparty electoral system and decentralized system of governance that was restructured to ensure the stability of the economy and society produced by the New Order. It was the restructuring during the Yudhoyono period, an outcome of the fall of Soeharto, that was new and that had facilitated the emergence of Widodo. It was the politics facilitated by this restructuring that was new, and it preceded Widodo: his campaign did not propose any further new restructuring.

One fundamental consequence of the restructuring from centralized, authoritarian politics to decentralized, multiparty electoralism, given the nature of Indonesia’s class structure, was a severe fragmentation of

political organizations. The restructuring removed an authoritarian centre that had the capacity to enforce *simplifikasi* of political organizations. Under the New Order, only three selected political parties were allowed. In the first post-dictatorship elections, forty-eight parties put up candidates. A combination of some parties not receiving sufficient support and changes to electoral laws has reduced that number, but still in 2019, twenty parties will field candidates.

The proliferation of parties is not a direct or automatic result of much greater electoral political freedom, except insofar as this greater freedom intersects with the reality that Indonesia's socio-economic development since 1965 has given it a highly fragmented domestic bourgeoisie. This is the only class with the resources necessary to establish and finance electoral political parties, especially given the expenses involved in meeting the registration requirements. On the costs of elections and the issue of corruption see the chapter by Agustino. The Indonesian party system reflects the fragmentation of this class. Other classes, such as the working class, however defined, or peasant farmers had been forcibly excluded from any meaningful political life between 1965 and 1998. Unorganized, dispersed geographically, with extremely meagre material resources and no ideological traditions to draw upon, these classes have no political party of any hue, even after active systematic repression ceased in 1998 and trade unions were allowed.

The proliferation of parties, therefore, is not a reflection of different class representation, but rather of different fragments or factions of the best-resourced class. Thus the fourteen parties are all led and backed by businesspeople or ex-government or military officials with family or personal ties to business. Joko Widodo, from the PDIP, is a businessman. Prabowo, an ex-general, is now a businessman, as is his even richer brother.

This fragmentation of the socio-economic elite and multiplicity of parties are the basis for endemic and deep transactional politics at all levels. The term transactional in this book is taken directly from contemporary practical usage. A part of Widodo's image in 2014 was that he was *anomali politik transaksional*. His campaign promised a cabinet selected purely on the basis of capability and not *transaksional*, that is, not based on deals with other parties. Yudhoyono had based himself on a broad coalition of parties and was criticized for being too *transaksional*. Widodo's campaign counterposed his approach to such transactionalism. Widodo's popularity, flowing from perceptions about his time as mayor of Solo, did enhance his bargaining power and enable

him to campaign with less visible reliance on doing deals for support. However, that this could not be sustained was already obvious during the Jakarta gubernatorial elections. He had to ally with a party standing for the opposing style, Gerindra, appearing on platforms, not only with Gerindra's newly recruited and short-lived candidate Basuki Tjahaja Purnama (known as Ahok), but also with Prabowo, Widodo's opponent in 2014.

After he was elected, Widodo almost immediately had to enter into deals to form his cabinet. He was subject to widespread criticism for betraying his promise not to be a transactional politician. In fact, by 2017 he transacted all but three parties in the parliament into his cabinet. Partai Demokrat, headed by Yudhoyono, Gerindra, headed by Prabowo, and the Islamist PKS ended up the only parties outside the government. In exchange for cabinet ministries, parties that had not initially been part of the pro-Widodo coalition — such as Soeharto's former party, Golkar; the Soeharto-era PPP; Hanura, headed by former Soeharto General Wiranto; and PAN, symbolically headed by Amien Rais — all joined the government. These transactions also manifested the absence of serious ideological or programmatic differences between the parties. We might note also that Golkar, Hanura, and PPP all represent continuity with New Order politics and personalities.

Transactional politics is indeed new to modern Indonesia and stands in stark contrast to the authoritarian centralism of the New Order period. Centralism, however, was the feature of the New Order government as it related specifically to the Indonesian elite layers as a whole. The New Order state relationship to non-elite layers, the mass of the population, was not so much centralistic as simply repressive, banning membership of political parties at the village and subdistrict levels, allowing only state-controlled workers' and peasants' unions and banning ideologies advocating class-based resistance to elites. The new transactionalism has been, therefore, essentially an intra-class phenomenon with minimal direct impact on the empowerment of non-elite classes.

The intra-class nature of the new transactionalism is, as mentioned above, also reflected in the relative absence of substantive ideological and programmatic differences among the parties in the current government coalition, and indeed between the government coalition and the parties outside the government. The parliamentary parties are divided into three blocs: the coalition supporting President Widodo; the coalition between Gerindra and PKS; and, standing alone, the



Partai Demokrat. However, we can also note that these parties have rarely voted differently on substantial policy issues (see the chapters by Sukmajati and Fionna). Where there have been debates in the parliament, factions often ended up voting for policies that they had criticized in debates. Even where parties have voted differently, they have not launched systematic ongoing campaigns to win public support for their positions, relying more on manoeuvres and surrendering the issues to undirected social media activities. There have been no particularly visible and clear programmatic dividing lines. This is also reflected in the ease with which local coalitions between parties are formed, often along different alignments from those that prevail at the national level. Opposing parties in the national parliament can be close allies in different provinces, districts, and towns.

Furthermore, as August 2018 approaches for nominations to be made for president and vice-president, transactionalism was further exposed. PAN, a party in the pro-Widodo coalition, joined the pro-Prabowo camp. Partai Demokrat, neutral in the 2014 elections, also reached an agreement with Prabowo and Gerindra to form a coalition and to support Prabowo's presidency. In the process of announcing and explaining this, Yudhoyono also said that Widodo had invited Partai Demokrat to join the government several times and that Partai Demokrat had no objection in principle to doing so. Yudhoyono indicated that Partai Demokrat was unable to do so because of perceived reluctance from some pro-Widodo coalition members. This has been interpreted in the media as a reference to the animosity from Megawati Sukarnoputri, president of PDIP, to working with Yudhoyono. In other words, there are no ideological or programmatic differences that stop the PD, or any other party, working with any other party — only clashes of egos and personal interests. In some districts, even the Islamist PKS has been willing to work with the "secular" PDIP.

This non-programmatic politics was further reinforced on the morning that Prabowo registered his candidacy. After a day of "high drama", when Prabowo made a surprise decision to appoint a Gerindra figure, Sandiaga Uno, and some Democrat figures raised the possibility of breaking the deal, and even supporting Jokowi, the Democrat Party went with Prabowo. The only reason publicly given for going with Prabowo and not Jokowi: "We think he can win."

## The Effects of Transactional Politics Without Contestation

This kind of highly opportunistic transactional politics severely hinders or distorts political contestation on two fronts: intra-class and between classes. In both cases, the intersection of the existing political format with political economy provides the ultimate shape to political contestation.

Intra-elite transactionalism and the absence of substantial programmatic differentiation are possible because the different factions of the country's elite share the same basic socio-economic interests and outlook. All factions, represented by the parties, have supported the post-1998 political structures. Even Gerindra, PKS and PAN, which opposed direct elections for executive positions during the 2014 presidential campaign, later supported legislation that codified them. No party has offered any fundamental opposition to the economic strategy embodied in annual budgets, with criticisms aimed only at specific issues, and the government's capacity (*kinerja*) to carry out its policies. All parties support the general priority of accelerating construction of infrastructure. While point-scoring criticisms and general admonishments for greater protection from foreign interests come from Gerindra, no differing overall economic strategy has been offered. There is general consensus on the overall strategy of promoting private sector-led economic growth; seeking foreign investments and aid; increasing state subsidization of infrastructure development; and reducing regulations that are perceived as negatively impacting the freedom to do business. There is general agreement on providing a minimal safety net for those defined as extremely poor while also steadily reducing subsidies for both consumer goods and production inputs. Arguments occur around questions of degree and effectiveness, not over basic direction.

While this general consensus on political and economic directions is real, it is also very true that there is no consensus on who should be president and which groups should control the government. So transactionalism is still indeed marked by contestation. However, the underlying shared interests and outlook mean that the contestation must take on non-programmatic, personal or narrowly "cultural" forms. During 2018, for example, social media contestation between pro-Widodo and pro-Prabowo has reduced to a very low level in content.

Each camp now describes the other as either “tadpoles” (what Prabowo supporters call Widodo supporters) or “bats” (what Widodo supporters call Prabowo supporters). Both sides are on the alert for any incident or “misstatement” that can be turned into a meme or a tweet to attack the image of the other. It could be a policy misstatement, or even the shoes or watch a politician is wearing. It has become a policy-free image battle. Any perceived policy failure by the government is immediately taken up in this image war, but no alternative policies or strategies are proposed. As the process gets closer to a formal start, there are social media posts referring to Prabowo’s past record on human rights, and also to the record of Widodo’s Coordinating Minister of Political and Security, Wiranto.

Alongside this kind of image war, which has escalated during the course of 2018, another important issue used for contestation has emerged: the status of religion (on the politics of religion see the chapter by Alvian). The emergence of religion as a high-profile political issue is a function of two key features of intra-elite transactionalism. The first is the fairly solid intra-elite ideological and programmatic consensus combined with the specific form taken by the “lack of consensus” on who should be president. The competition is between Widodo–Megawati (PDIP), Yudhoyono and his son (PD), and Prabowo (Gerindra). They are all leaders of parties that oppose the idea of a religious or Islamic state. PDIP is well known for this stance, signified by its support for Pancasila, the code words for a state in which all religions have equal formal status and religious law has no overarching authority. In the press conference that announced cooperation between Gerindra and PD in support of Prabowo’s candidacy, Yudhoyono put rejection of the religious state (*negara agama*) on equal status with their rejection of communism. He qualified this only by stating that they were also opposed to Islamophobia. Widodo too has recently been going out of his way to meet religious figures. This situation means, however, that the three main forces opposed to a *negara Islam* are competing against each other. Widodo and PDIP have won the support of three other parties that are also opposed to *negara agama*: Golkar, Nasdem, and the Nahdlatul Ulama-connected National Awakening Party (PKB). In the context of intra-elite transactionalism, politics becomes competition to win the public support of other public actors, namely those parties that more prominently campaign under an Islamic banner. Gerindra has thus oriented to cementing its alliance with the PKS and also seeking to be visibly connected to high-profile

extra-parliamentary forces looking for a greater formal status for Islamic religious law and a greater political leadership role for religious clerics.

This alignment became increasingly open during 2017 and into 2018. It has been clearest since the 2017 Jakarta gubernatorial elections. The candidate nominated by the PDIP was the Chinese Christian incumbent, Basuki Tjahaja Purnama, who was accused of “blasphemy” against Islam by hardline Islamic figures associated with the Front Pembela Islam (FPI), whose high-profile spokesperson was Habib Rizieq. The FPI formed an alliance with other like-minded groups to campaign for Basuki Tjahaja Purnama’s arrest. Their propaganda demanded more implementation of Islamic law in response to increased “liberalism” and a greater role for the *ulama*. As explained later in this book, their propaganda did not argue for an Islamic state and attempted to accommodate the old-style New Order official support for Pancasila, thus making an alignment with Gerindra possible. Prabowo has since then consistently publicly associated himself with a range of figures from the FPI-related alliance that emerged at that time. In the round of transactional meetings undertaken in formalizing a nomination of a vice-presidential candidate, Prabowo also met with an assembly of Islamic figures originating from the 2017 Islamist campaigns, although he declined to appoint a religious figure as his vice-president, unlike Widodo.

## Parties as Agents of Transaction

This phenomenon is best understood if we can grasp the reality that political parties in Indonesia are defined by their role as agents of transaction. To the extent they are representative institutions, they represent their leadership constituencies in the processes of transaction. As is described later in this book, Indonesia’s political parties allocate relatively small resources to policy development, internal education, membership administration, or recruitment — except recruitment of candidates for local or national parliaments (see the chapter by Fiona).

There is a basic acceptance that each party represents a more or less stable constituency, which can be enlarged only marginally and only via national media propaganda. All parties assume that nobody will get more than 30 per cent of the vote and that most will get between 4 per cent and 20 per cent. This acceptance of the current

make-up of representation underpins the whole transactional political system. To be elected president, it is assumed that it is optimal to get support from the maximum number of factions (parties). During July 2018, each coalition had as many public meetings as possible of its component members. The pro-Widodo coalition made a photo opportunity out of a meeting of the six parliamentary parties in the coalition as well as another meeting of nine parties, including three that as yet have no parliamentary representatives. Prabowo did the same with serial meetings with Demokrat, PKS and PAN, as well as his extra-parliamentary Islamic support.

No party prioritizes trying to win votes away from other parties with the aim of winning a majority or close to it;<sup>1</sup> it is assumed this is impossible, for a number of reasons. This assessment by the parties applies, in the first instance, to the local level, and then the national level. First, any attempt to campaign seriously to win away the support of another party immediately puts existing coalitions at risk, which all parties consider to be the most pressing need. Widodo, nominated by the PDIP and emphatically claimed by the PDIP to be as president a *petugas partai*, cannot actively use his incumbency to promote the PDIP. He is in effect a president representing nine parties as well as a large bloc of (at least previously) non-party "volunteers". Second, most parties have primary voter bases in particular regions, with no party having a more or less equal level of support throughout the country. Campaigning to truly expand voter support would mean an escalation of penetration into new regions, requiring networks and resources that many parties do not have. Third, there is the ideological and programmatic issue: on what basis does one party attempt to win people away from the parties they presently identify with, given that there is ideological and programmatic identity? Also, parties that emphasize their religious character can pull people away only from other Islamic parties, and on what basis? Competition to appear "more religious" than competitors infects the atmosphere with a trend to vote based on feelings or religious identity, providing the basis for so-called identity politics. On what ideological and programmatic basis can the PDIP, Gerindra, Nasdem, and Golkar compete with each other? The prevailing consensus prevents populist appeals promising serious redistributive policies, which are outside that consensus. The Gerindra-PKS coalition in the Jakarta gubernatorial coalition did promise some trade unions that it would reform the Widodo government's 2015 wages policy, which

slowed real wages growth, but reneged on the promise almost immediately after being installed as governor and vice-governor.

This situation underpins the overwhelming reliance of all parties, at all levels, on choosing candidates who are individual figures, personalities, with a pre-existing popularity on whatever basis. While no party, either locally or nationally, can achieve a majority in an election, sometimes an individual can. Widodo's second election as mayor of Solo is an example, as is the 2017 election of the *bupati* of Kulon Progo. Both won popularity on the basis of their health policies. Parties also choose TV personalities, local religious leaders, and military figures. In the 2017 Jakarta elections, the battle was between PDIP and its party allies and PKS and Gerindra, or between Basuki Tjahaja Purnama and Anies Baswedan and Sadiano Una. Anies was nominated by PKS but was known as somebody who strived to be a presidential candidate for the Partai Demokrat and then, when that did not eventuate, became a very high profile and enthusiastic supporter for Widodo in 2014. He was not known as a spokesperson for PKS and its outlook. While Widodo did make statements using Sukarnoist vocabulary in 2014, such as *Trisakti*, he has not campaigned to win support for a specific PDIP ideology, but rather to popularize his own style, which represents an outlook that is shared beyond the PDIP.

Trapped within a consensus reflecting their real shared general interests, intra-elite contestation remains shallow and opportunistic, relying on personality appeal and, for some, "identity politics". The 2019 presidential election, and as a result the parliamentary elections, much more than a competition between parties and programmes, will be dominated by the competition between Widodo and Prabowo (and the personalities who are their vice-presidential candidates), perhaps with former President Yudhoyono also playing a role in this competition.

## **New Politics and Policy Reform**

State policy in all areas since 2014 has fundamentally been a continuation of pre-2014 policies. The main difference is that, with the political restructuring completed, the current government has been liberated to concentrate on economics. An assessment of the results of the government's economic policies is outside the purview of this book, except insofar as they have had immediate political impacts.

Widodo has faced no serious political disruptions or any new major political projects to undertake. The government, having made promises to some of its supporters, did initially take political initiatives to free political prisoners in Papua, but political liberalization there has mostly stalled since then. Having also made promises to deal with long-standing accusations of human rights violations since 1965, including those that took place in 1965–66, the government also organized a public seminar on the 1965 events, with speakers from all sides. The 2015 public seminar on the 1965 events did elicit considerable opposition, including from Widodo's own defence minister, as well as figures associated with the Islamic right, such as Riziek. Again, movement on this issue has also stalled, although in July and August 2018, as the presidential election campaign had a *de facto* start, Minister Wiranto announced the formation of a new fact-finding team to investigate all such cases. The government had earlier announced the formation of a National Council for Reconciliation, which was criticized for avoiding the question of bringing perpetrators to justice and steering clear of earlier recommendations for an *ad hoc* Human Rights Court to be established.

Ambiguity of outcome appears to be a consequence of this kind of transactional politics, which abhors serious contestation. Negotiation — the deal — becomes the primary mode of politics alongside image wars, which affect bargaining positions. Campaigning to convince people of ideological, programmatic, and policy perspectives is not part of a political culture that sees parties as agents of transaction and popularity built on personalities as the key currency in negotiations. In a context of deals of this kind and the absence of the capacity or desire for such contestation, policy reforms or initiatives can easily stall once there is resistance. If the resistance can be overcome only by a campaign of explanation throughout society, the tendency is to seek an accommodation.

In addition to the stalling of liberalization around human rights abuses and also Papua (see the chapter by Chauvel), corruption eradication is another example. The ambiguities of policy formulation and implementation are also reflected in how policies to increase the financial autonomy of villages have been partially negated by national control of project formulation and regional economic development being overdetermined by national decisions on infrastructure development and the consequent commercial ramifications (on centre region relations see the chapter by Lay). Neither does there appear to have

been any restructuring of foreign policy (see the chapter by Umar), despite early indications of changes being on the agenda.

## **Inter-class Relations and Contestation**

Describing Indonesia's new politics as "transactional", in contrast to the previous authoritarian centralized politics of the New Order, it retains its efficacy precisely because of the absence of contestation from outside the broad national elite layers, the Indonesian bourgeoisie and petty bourgeoisie. The contestation that can take place within and among this elite, given its shared interests and consensus, is highly opportunistic, shallow as regards substance and narrow as regards issues, relying on clashes of personalities, image wars, and appeals to identity. It locks Indonesia into a process of policy reform that more often than not has ambiguous outcomes. When everything is a transaction among factions of the same elite, policy ambiguity is almost inevitable. This is very debilitating because this ambiguity is in relation to the formulation and implementation of the existing policy consensus — so there are ambiguous outcomes, even in relation to what is generally agreed upon.

The almost total absence of contestation from outside the dominant social layers is not an uncommon phenomenon in countries that have experienced an extended period of totalitarian or nearly totalitarian rule that has prioritized institutionalizing the political passivity of the majority of the population. In such societies, the dominant social class and its immediate apparatus are constituted almost along the lines of castes, as in the Asiatic despotic mode of production. As a caste, they had a hereditary right to participation in political life, including the political life of state rule. The other classes, in the twentieth century mainly proletariat and peasantry, are excluded from political life almost completely. Political as well as social organizations with a potential for political activity are either banned (or sometimes physically exterminated) or kept under tight control by the ruling caste during the totalitarian period.

When such a structure ends after a long period — thirty-three out of forty-eight years of existence in Indonesia's case — only the elite has the resources, ideology, and traditions to be able to organize to represent themselves. Even after repressive restrictions are lifted or reduced, it remains the case that for an extended period only the elite



class can organize. This has been the case in Indonesia. All existing political parties have been formed by networks from the elite and are staffed by a middle class, formally educated political caste, whose material conditions are far removed from those of the mass of the population (see the chapter by Savirani). In fact, to become a candidate for election in Indonesia, one needs to have graduated from senior high school, setting a minimum entry into the ruling caste. The need for access to money further limits entry.

From 1998, repressive restrictions on trade unions were lifted. President Habibie's government ratified International Labour Organization (ILO) conventions on the rights of trade unions and later presented legislation to give effect to more trade union freedom. The existing state-controlled union fragmented, giving rise eventually to two separate trade union confederations. Hundreds of new enterprise unions were established, many of which later combined to form new federations and confederations. As of 2018, there were thirteen confederations in addition to numerous federations and unaffiliated unions. This was certainly very new and different from what existed under the New Order: a single dictatorship-controlled union. At the same time, it should be noted that the proportion of the workforce that has become union members is still very small, probably less than 10 per cent.

Moreover, by 2015, the two largest union confederations had been co-opted into intra-elite transactional politics. One confederation had become aligned with the Widodo government. The other confederation, which had previously been the most active and militant campaigner for improvement of conditions, aligned with Gerindra and Prabowo. Other unions remained independent, and even highly critical of both Widodo and Prabowo, and of the leaderships of the two confederations. In terms of members, the two aligned confederations were by far the largest. Alignment with one or the other of these two camps was connected to offers of positions in the government, such as cabinet ministers. The process was captured within the transactional framework.

No other sections of non-elite social layers have come to possess organizations even remotely comparable to the trade unions in size and national spread. There are only scattered and dispersed small campaign organizations.

Post-2014 new politics remains that of intra-elite transactionalism, with no inter-class contestation, either of a social democratic character

explicitly campaigning for redistribution of wealth or anything more radical, as had existed on a large scale before 1965. However, it would be an incomplete picture if reference was not made to signs of an embryonic challenge to the absence of contestation.

One indication of potential future contestation from non-elite components was the April 2018 Indonesian Peoples Movement Congress (KGRI). This congress was initiated by five trade unions outside of the major confederations aligned with blocs inside the elite. The largest of these was KASBI, which claims more than 30,000 members. The others were much smaller. At least forty-two democratic and human rights, community development, farmer and urban poor groups and left-oriented human rights organizations, as well as several other trade unions, participated and signed a joint declaration affirming their conclusion that a new alternative political organization was needed — an alternative to those originating within the elite. The KGRI mandated an organizing group:

- To recommend to the individual organizations involved in the conference to discuss building an alternative political force.
- To establish a team to discuss the formation of an alternative political force (an alternative political party or alternative political bloc).

All of the forty-two organizations present have been involved in campaigns raising issues and demands counterposed to the policies of the elite's political blocs. Due to their still small size and operation outside of any united front, they have not yet been able to challenge the general mode of intra-elite transactional politics with no substantive contestation. It is clearly the absence of such contestation and the consequent inability to achieve serious reform that is partly the motivation for this initiative. So too is the fear of the increased resort to identity politics facilitated by intra-elite transactional politics having an impact, winning adherents, among the grassroots membership of trade unions and other grassroots organizations.

The absence of any substantial or sustained contestation, aside from confined skirmishes, from outside the broad political and business elite has been very obvious since 1998. However, the process that drove the unravelling of Soeharto's regime was the escalating mobilization of non-elite class forces, in particular the urban poor and factory workers.

Escalation of these mobilizations, especially after the 1997 economic crisis, sharpened the contradiction within Soeharto's ruling faction, which eventually abandoned him rather than see opposition escalate further. During that 1989–98 period, another social layer also played a key leadership role: youth, and in particular a radicalized minority of university students. Different segments of these students formed several different organizations, the most prominent of which was the People's Democratic Party (PRD). Twenty years later there are former PRD members in almost all of the trade unions involved in the KGRI trade unions, and several of the other organizations.

There has been no large radicalized and mobilizing student movement since 1998. The larger student mobilizations that have taken place have been mostly integrated into intra-elite politics. At the same time, left-oriented student organizations are also involved in KGRI. There are also numerous progressive, left student discussion groups and publications. While there is no guarantee that youth or students will play the same vanguard role they did between 1989 and 1998, it can be noted that a vanguard role of radicalized youth has been the pattern in Indonesia at every major political turning point (see the chapter by Sastramidjaja). The final chapter in this book reviews developments relating to youth and students.

## **Remembering Political Economy**

The chapters in this book reflect analytical approaches coming from political science. Economic structures and how they affect politics have not been a focus. In this chapter, I have pointed out that the fragmented nature of the domestic bourgeoisie, mostly along regional lines, has also meant a fragmented system of parties that all reflect different segments of that domestic bourgeoisie, often with their primary support base in particular regions. The chapter by Savirani points to the middle class economic underpinning of almost all of the country's parliamentarians. The role of commercial interests is touched upon in Lay's chapter on national–local relations.

It has been, however, a proposition of this chapter that the period since 2014 has been one in which all political tasks identified as urgent by the elite as a whole have been completed and that the economy became the primary item on the elite's national agenda.

Widodo's presidency, with his emphasis on infrastructure development, deregulation, and achieving GNP growth targets, and with no cultural or political programmes priority, has very much reflected this. The constrained nature of contemporary transactional politics, because of a general consensus over political restructuring and the economy, has facilitated the emergence of identity politics (flowing from the rivalries between the more "secular" parties) and made the status of religion and religious leaders a significant issue, reflected in the rhetorical contestation between Pancasila and "Islam".

It may turn out, however, to be a mistake to think that issues relating to economic policies and economic development are not and will not be equally, and even more, crucial. The consensus on economic policy may fracture if either the current relative economic stability is disturbed (such as with a further decline in the rupiah) or if cost-of-living pressures worsen. Already in the lead-up to the August presidential nominations, those opposed to Widodo increased their rhetoric on economic policy issues, such as the declining value of the rupiah, increase in foreign debt, increase in electricity prices, and increases in fuel prices. There was also considerable criticism of the government's claim in July 2018 that poverty has fallen below 10 per cent, with critics pointing out that the poverty line was set at a very low 400,000–600,000 rupiah per month.

## Conclusion

The chapters in this book by thirteen researchers and analysts look at a range of topics that it is hoped will help readers better understand the more recent developments in Indonesian politics. It does not pretend to be totally comprehensive, with some areas not covered at all, such as the role of the military (except in Papua) or rural politics. The contributors are not attempting to settle on a consensual view, but rather hope to provide insights by looking at specific areas. In this introductory chapter, however, I have tried to make at least an initial argument that, when contrasted with the centralized authoritarian politics of the New Order, the current intra-elite transactional mode of politics, facilitated by the political restructuring carried out under President Yudhoyono, does represent a significant change. I have also argued that this opening up to a multiparty electoral system, with

its transactionalism, has not yet overcome the legacy of thirty-three years of centralized authoritarian politics in that the passivity on the non-elite majority of the population, enforced by repression between 1965 and 1998, remains prevalent. Thus the current political mode can be described as transactional politics without substantive contestation, only rhetorical.<sup>2</sup>

#### NOTES

1. While this is generally the case on a national level as regards to parties, the contradiction is that the same does not apply to the competition between presidential candidates.
2. On rhetorical contestation, see Lane (2019).

#### REFERENCE

Lane, Max. "Contending Rhetoric in Indonesia's Presidential Elections: An Analysis". *ISEAS Perspective*, 25 January 2019.