Henk . Schulte Nordholt
Indonesia in transition


This PDF-file was downloaded from http://www.kitlv-journals.nl
A REVIEW ESSAY

HENK SCHULTE NORDHOLT

Indonesia in Transition


A political thriller in three parts is unfolding itself in Indonesia, revealing the irreversible process of transition which is taking place in Indonesian state and society. Part I covered the period between August 1997 and May 1998. In August 1997, Indonesia was seriously hit by the monetary crisis that affected large parts of Asia. This crisis, accelerated by El Niño, fuelled nationwide student protests against president Soeharto. In 1998 the authoritarian regime and its centralized and corrupt economy collapsed. Soeharto realized that he had lost control, and on 21 May he stepped aside. His New Order was no more. Few had predicted that the old man would go that soon. Part II was staged in the period between May 1998 and October 1999. In comparison with his predecessor (cum foster father, political patron and spiritual guide), who had been in power for 32 years, the presidency of B.J. Habibie lasted only 18 months. Despite brutal violence in East Timor, Ambon and Aceh, which fed the fear of a military coup, democratic elections were held in June 1999, and resulted moreover in the election of Abdurrahman Wahid and Megawati Soekarnoputri as the new president and vice-president of Indonesia. Except for Wahid himself, hardly anybody had predicted that he...
would become president. Part III is about the future shape of Indonesia under the Wahid presidency. No doubt the plot of this (final?) act will be as surprising as those of its predecessors; nobody really knows what Indonesia will look like in a few years time.

These are exciting times for Indonesia-watchers. Over the last two years, journalists, activists and academics have produced an impressive volume of publications. The following titles give an incomplete impression of the publishing frenzy which has accompanied the change of regime in Indonesia. Forrester and May (1998) documented Soeharto's fall. Edward Aspinall et al. (1999) and Dedy Djamaluddin Malik (1998) have published useful collections of articles which appeared in Australian and Indonesian newspapers, while Abd. Rohim Ghazali (1998) collected 'letters to the editor' from various Indonesian newspapers. Another genre of publications concerns the documentation of particular events like the riots in Banjarmasin in 1997 (Mohtar Mas'oe, Setia Budhi et al. 1997) and Makasar in 1998 (Heru Hendratmoko 1998), the 'Trisakti killings' on 12 May 1998 (Zamrom and Andin 1998), or the violence on Ambon seen from an Islamic perspective (Tragedi Ambon 1999). Especially focused on the role of the student movement are Fahrus Zaman Fadhly (1999) and A. Ariobimo Nusantara (1999). Fewer in number are publications in which certain processes are analysed and put in a wider context. An interesting collection of essays is in this respect the book edited by Selo Soemardjan (1999), which offers both information and reflection, while the essays published by Schwartz and Paris (1999), and reviewed elsewhere in this journal, provide helpful background information. The character of the three books under review lies somewhere between an update of recent events and a serious effort to make sense of developments in analytical terms.

The original title of Indonesia; The challenge of change was Riding the miracle; the book was actually written just before the beginning of the crisis, and although some constraints and tensions were indeed noticed, its intention was to explore the institutional framework of the impressive economic growth under the New Order. Instead of asking the authors to rewrite their contributions, or adding a substantial afterword in which previous conclusions were critically evaluated in the light of the present crisis, the editors gave only a brief and superficial summary of recent developments, changed the title of the book, and put a photo of demonstrating students demanding 'REFORMASI' on the cover. As a result, the book gives the misleading

---

1 When he visited France and The Netherlands in September 1999, Wahid explicitly stated that he would be the next president of Indonesia. Not everybody showed so much foresight: Kingsbury (1998:254), for instance, judged that 'Megawati Sukarnoputri has no substantial support base for a presidential bid'.

---
impression that it discusses today's dilemma's, whereas what it actually offers is a survey of yesterday's illusions.

The study aspires to trace the effects of economic growth on a wide variety of institutions in Indonesia during the New Order. Without further theoretical considerations concerning the nature of these institutions, the book distinguishes four kinds of institutions (governmental, economic, mixed, and other or new ones), and presents twelve case studies. Worth mentioning here are the chapters by Didik J. Rachbini on the growth of private enterprise, I Ketut Mardjana on the position of public enterprises, Ramlan Surbakti on formal government institutions, J. Kristiadi on the armed forces; Sukardi Rinakit on the non-performance of trade unions and the increase of labour unrest, and Mohammad AS Hikam on the (limited) role of NGOs. The other contributions address government bureaucracy (T.A. Legono), political parties (M. Djadidjono), education (Onny S. Prijono), mass media (Dedy Hidayat), social organizations and in particular the Nahdatul Ulama (Douglas E. Ramage), and policy advisory institutions or think tanks (Dewi Fortuna Anwar); these chapters are less analytical in scope, and primarily provide basic information.

Most of these case studies offer good introductory portraits of important sectors of New Order state and society. The distinction between between private and government institutions, however, is to a large extent artificial, because due to the nature of the centralized patrimonial state under Soeharto, most institutions had by definition a mixed character. Another analytical weakness concerns the relationship between economic growth, which is seen as a kind of active outside force, and domestic institutions, which are primarily reactive. In this respect one of the main conclusions of the book is that the government sector was far more conservative, and focused on control, whereas the private sector was much more pro-active and willing to change. The reality, as we now know, was slightly different. There was a much more complicated interaction between the growth of the economy and the rise and role of various institutions, some of which stimulated and directed economic development, whereas others sabotaged growth and even acted as parasites. With the help of hindsight, finally, it is clear how weak the private sector ultimately was; instead of a strong and pro-active sector meeting and creating new challenges, we saw a dependent, inefficient, and heavily indebted one melting away under the heat of the crisis.

No separate chapters were devoted to two institutions which are of crucial importance for the recovery of the Indonesian economy: the judicial system and the banking sector. The non-functioning status of the judiciary and the absence of control mechanisms in the banking system are only mentioned in passing, and not identified as key problems. In a book that pretends to address the challenges faced by Indonesia today, these are serious omissions.
Post-Soeharto Indonesia; Renewal or chaos? contains papers delivered at the yearly Indonesia Assessment conference which was held in September 1998 at the Australian National University in Canberra. Among the Indonesian participants who delivered papers were politician Amien Rais, presidential advisor Dewi Fortuna Anwar, entrepreneur Sofyan Wanandi; prominent PDI-P member Laksamana Sukardi, CSIS director J. Kristiadi, and former governor of the Bank Indonesia J. Soedradjad Djiwandono. Journalists John McBeth, Richard Borsuk, and Patrick Walters also contributed papers, alongside scholars like Jamie Mackie, Loekman Soetrisno, Hendro Sangkoyo, Jamhari, and Asep Suryahadi. Geoff Forrester managed to get a very interesting group of people together. Yet the majority of the papers in this book, on politics, economy and society, are rather disappointing. Once analysts turn into politicians and give their opinion on the present situation or, worse, when they start predicting the future instead of documenting and analysing the recent past, their texts become boring and predictable. My guess is that the discussions among the participants were far more interesting than their written contributions, and it would probably have been better if at least parts of these debates were also summarized in the book.

A good overview of the economic crisis is given by Kevin Evans, who sketches how the monetary crisis in Asia was to a large extent caused by a sharp depreciation of 45% of the Japanese Yen vis-à-vis the US dollar (to which most Southeast Asian currencies were pegged). The monetary crisis, or Krismon, became a Kristal, or krisis total, because of the lack of institutionalization of the Indonesian economy. A further serious problem was the absence of sound judicial frameworks and procedures for handling bankruptcies.2

The quality of the book is rescued by Marcus Mietzner’s paper ‘From Soeharto to Habibie: the Indonesian armed forces and political Islam during the transition’, in my view one of the best articles on Indonesian politics in 1998.3 Mietzner gives a well-documented account of the major political events from August 1997 to September 1998, with detailed information on the events of May 1998 leading to Soeharto's departure. He also analyses with great clarity the complex and dynamic relationships between various factions in the army, in connection with changing strategies of and alliances among different Islamic parties, which were first focused on the waning leadership of Soeharto, then concentrated after May 1998 on the new power configuration around his successor Habibie.

2 See Anderson (1998) for an illuminating analysis of the crisis in comparative Southeast Asian perspective.
3 For another excellent account of the fall of the New Order regime, see Sidel (1998), and for a good background article on political Islam in Indonesia, Hefner (1999).
Mietzner shows that Soeharto made a fatal mistake in March 1998 when he excluded representatives of modernist Islam from his cabinet. He could have survived if he had included some opportunistic members of the opposition in his government. Instead, his new family-cum-crony cabinet united a massive opposition which he could no longer manipulate, and which could not be destroyed by his brutal son-in-law Prabowo Subianto. The key factor in the demise of the New Order was, however, the strained and eventually broken relationship between Soeharto and the army leadership.

Another decisive moment came in July 1998, when general Wiranto decided to support Akbar Tanjung’s candidacy as chairman of Golkar against a coalition of senior New Order generals who could have restored a New Order without Soeharto (or, indeed, Habibie). Being too much identified with the Soeharto era, Habibie had little support in modernist Muslim circles and needed Golkar as his power base. Wiranto, for his part, supported Habibie, and therefore Akbar Tanjung, on pragmatic grounds. He wanted to avoid a further rise of political Islam, and he was afraid that a government led by the opposition would seriously threaten the central role the army in Indonesian politics. Moreover, Habibie, being his superior, was in a position to replace Wiranto. While Habibie had, at least for the time being, managed to create a relatively strong position, the army had lost the initiative, and was also increasingly criticized for its abuses of human rights.4

The overall tone of the book is pessimistic with regard to the possibilities of democracy, reform, and economic recovery. Not without reason, various participants pointed at a violent scenario which might lead Indonesia to the brink of chaos. The only exception (apart from Dewi Fortuna Anwar, who was positive by profession because she represented the Habibie government) was Franz Magnis-Suseno, who argued that the so-called cultural argument that Indonesia is not yet mature for democracy is totally beside the point, that democracy in the 1950s did not function as badly as New Order textbooks want us to believe, and that democracy would eventually prevail. We must conclude that he was to a certain extent right. Both the elections in June and the referendum in East Timor demonstrated that ordinary people were very able to express their political opinion in an orderly manner.

Reformasi; Crisis and change in Indonesia is the product of another Australian Indonesian conference, on 'Democracy in Indonesia', which was jointly organized by the universities of Monash and Melbourne in December 1998. In contrast to the Indonesia Assessments in Canberra, which are rather more governmental in character, this meeting gave ample room to a larger variety of voices from the opposition. Most participants concentrated on the second

4 A similar argument is also made by Crouch in Reformasi (see below).
half of 1998, covering the period between May and November when the People's Congress, or MPR, convened, while in the streets of Jakarta serious riots occurred and the moderate leaders of the opposition issued the so-called Ciganjur Declaration. The conference itself, held between the fall of Soeharto and the upcoming elections in 1999, was timely for the purpose of discussing the prospects for democracy in Indonesia; and the papers reflect the uncertainties of that particular moment.

An interesting conference, however, does not automatically produce an equally interesting book, because in the meantime many opinions and speculative statements have been falsified by history. This is, for instance, the case with Vedi Hadiz's paper on the rules governing the general elections. On the basis of a preliminary proposal which circulated in November 1998, he argued that Golkar might win the elections; in January 1999, however, the rules turned out to be less favourable for Golkar, and in a postscript the author has to admit that the situation has changed and that his argument is no longer valid. Because the editors apparently wanted to publish this book as soon as possible, their editorial work was sometimes a bit sloppy. The theoretical debates and models concerning the transition to democracy presented in a chapter by Arief Budiman, moreover, are only superficially referred to by other authors, while the interaction between groups defined as key actors—the military, the Muslim parties, students, and grassroots movements—is not at all elaborated. Another weakness is that no attempt was made to make the various papers fit together better, so that both too much mutual overlap and too many shared omissions are evident. Most papers in the section on politics, for instance, mention the Ciganjur Declaration of 10 November 1998, but we get hardly any inside information on that important meeting despite the fact that its chairman, Mohammad Fajrul Falaakh, participated in the conference.

Interesting chapters in the section on politics focus on the military-civilian relationships under Habibie (Harold Crouch), the rise of Islamic parties (Marcus Mietzner), and the role of vigilantes and public violence (David Bourchier). Mietzner argues that if Amien Rais had established a modernist Islamic party at an early stage, he could have gained considerable support. Instead, he waited too long and decided to establish a quasi-pluralist party (PAN) which in the end was not able to mobilize mass support among the modernist Muslims. Bourchier shows that the army had become more vulnerable after Soeharto's departure. Declining funds, the deaths of at least 17

5 Another example of editorial sloppiness is the fact that in his lengthy paper on political change after Soeharto (which touches on a lot of issues without really elaborating them, and tends to summarize what other people have already said), Ken Young (pp. 69, 77) twice gives a wrong date for the Ciganjur meeting (11 instead of 10 November).
people during the MPR meeting, negative media reports, fact-finding teams uncovering human right abuses, and serious challenges to the almost sacred dwifungsi concept all caused panic among the military. The army’s strategy of mobilizing vigilantes was inspired partly by the hope that these civil forces (or hired gangs) would form a buffer between the military and society, and that should violence turn into chaos, they would also provide a first-class argument for seizing power in order to restore order. The tragic consequences of this strategy in East Timor could not yet be foreseen. Bourchier concludes that ‘a civilian defense minister is still hard to imagine’ (p. 166). The future is indeed hard to imagine, because within a year a civilian, Juwono Sudarsono, did become defence minister in president Wahid’s cabinet.

Other papers in the section on politics deal with the possibilities of fundamental change (Gerry van Klinken) and the political divisions among Muslim parties (Mohammad Fajrul Falaakh). Max Lane makes a plea for more attention to grass roots support for real change, and Th. Sumartana for more religious tolerance and cooperation.

Although students played a crucial role in 1998 (without their demonstrations and sacrifices, Soeharto would probably still be in power), only one chapter in the three books reviewed here is actually about the student protest. Edward Aspinall’s informative account has a preliminary character, and raises several important questions concerning the relationships between various student organizations and outside forces. What were the actual connections between students and army leaders and organizations like KAHMI (the alumni of the Islamic student organization, HMI), especially in March 1998 when Soeharto announced his crony cabinet and demonstrations increased in scale? How was the student movement actually organized? Who were the influential leaders, what was their background, and what were the internal conflicts about? Who financed (for instance) the 70,000 meals for the students in the parliament building in May, and the 200,000 pamphlets distributed in November? What I mean to say is that the student movement, besides being a moral force about which supporters are inclined to talk in politically correct terms, was also a sociological phenomenon that needs to be analysed in detail.

Two chapters deal with the economic crisis. Mohammad Chatib Basri discusses the political context of the indebtedness of the private sector, and identifies various interest groups like those represented by Adi Sasono and Aburizal Bakrie, who claim IBRA assets to finance their own political agenda. In their review of the meltdown, McGillivray and Oliver Momissey criticize the the 1993 World Bank Report on the East Asian Miracle (aptly remarking that miracles, by their nature, cannot be explained) and stress the importance of social indicators like health and education. A sustained recovery of the economy is not possible without accessible health care and education.
this is no doubt true, looming large behind the statistics is of course the very poor quality of secondary and higher education in Indonesia (Anderson 1998).

The third section of the book is vaguely titled 'Other dimensions of the crisis'. Rita Serena Kolibonso states in a rather ideological paper that 'the overwhelming solidarity among women of all backgrounds during 1998 has given rise to fervent expectations for the years ahead' (p. 340); I hope she is right, but I have my doubts. Barbara Hatley and Halim HD give an interesting impression of the role of performing arts during the student demonstrations. They emphasize the importance of the nationwide ruwatam bumi, or ritual cleansing performances, which were held in April 1998 as a protest against corruption. They also point at the effects of ridiculing, or de-sacralizing, the power-holders through theatre. These are relevant topics that need further elaboration.

Ariel Heryanto discusses how the violence of May 1998, which cost the lives of 2,400 people all over Indonesia, was soon represented in the media as the rape of Chinese women. He argues that this violence must be seen in terms of racialized state terrorism, designed to impose a stigma on the Chinese Indonesians. However, by restricting himself to a semiotic reading of the events, and by deconstructing the image of Chinese women as the exclusive victims of the May violence, Heryanto gives the impression of being uninterested in the crucial question who orchestrated these atrocities and why. I am not convinced that the rapes merely occurred ‘out of “jouissance” and habit, as he argues (p. 318). Instead, I believe that it was part of a clear statement issued by people like Prabowo Subianto warning the big Chinese entrepreneurs that they were no longer protected.

To me, the most interesting parts of the book are the chapters by T. Mulya Lubis, Mas Achmad Santosa, and Timothy Lindsay on law and the judicial system. If sustainable reform is to be established, it has to be rooted in law. The role of an independent judiciary, mediating between state and civil society, is of crucial importance in this respect. While T. Mulya Lubis and Mas Achmad Santosa enumerate the laws that need to be reformed, Lindsay discusses the judicial foundation of the authoritarian state in Indonesia. After the founding fathers of Indonesia opted for an integralistic state, a rule of law could hardly develop. Instead, the law of the rulers dominated state and society. Because of this poverty of rule of law, the deregulation of the economy which was set in motion in the 1980s lacked a sound judicial basis, and when the economic take-off turned into a crash, there was no legal framework within which the crisis could be dealt with.

Besides the eruption of publications on the events that shook Indonesia in 1998, the internet formed another ocean of information, while CNN and BBC
World provided direct on-the-spot coverage of dramatic moments. Impressed by the amount of data available, we might be tempted to conclude that we now have as much of it at our disposal as we need. This, however, would be unjustified. Taken together, the flows of information created an illusion of proximity, as if we really witnessed what was going on. The majority of Indonesia-watchers followed the events mostly through the indirect medium of the internet, paying only brief visits to the country itself in order to talk to their key informants; surprisingly few were actually there all of the time and talked to a large number of people. Most accounts, consequently, show a tendency to reproduce the same set of stories, and address a limited number of issues highlighted by internet sources. What these provide is in fact only a particular kind of information, leaving vast areas of research still to be explored. I would like, therefore, to suggest briefly some fields or topics that deserve further research in the near future.

The student movement, firstly, deserves much more critical investigation, not only in terms of its organization, strategies and connections, but also as an expression of a dynamic Indonesian youth culture. Students are more than political actors who are only interesting when they organize demonstrations. Elements of their culture include a kind of heroic machismo (following the revolutionary pemuda model), but also a sense of play and a desire to make fun. Illustrative in this respect is the slogan of one of the students in the parliament building in May: 'Pokoknya Soeharto harus turun sebelum World Cup'. Another realm of youth culture is inhabited by neighbourhood gangs and militias, and the violence that can be mobilized any moment in exchange for a modest sum of money (Ryter 1998). This violence should not be explained exclusively in terms of local culture (the jago model, pencak silat mysticism); instead, comparisons with similar movements elsewhere might be more helpful.

It has been argued that the Indonesian student movement of 1998 was the first large-scale internet rebellion. Thanks to investments by the Soeharto family, providers which enabled students to contact one another were established all over Indonesia. How did this network actually operate? The role of the other media in communicating reformasi and modernity (Hidayat 1999) also needs much more attention.

The 'Kremlin watchers' of the New Order were accustomed to focusing their attention on the centre of Soeharto's realm. Now that decentralization, otonomi daerah, federalism, and separatism have become hotly debated issues

---

6 Hidayat 1999:371. The point is, Suharto must step down before the World Cup — that is, the soccer world championship held in France in June 1998.

7 See, for instance, the recent study by Verkaaik (1999) on the production of ethnicity, violence and youth culture in Pakistan.
throughout Indonesia, and a de-centring of the state is underway, research has to turn to the regions as well, and in this context historical comparisons with the 1950s are unavoidable.

If the Wahid-Soekarnoputri government succeeds in liberating Indonesian society from an oppressive state by taming the bureaucratic, and especially the military, heritage of Soeharto, it will finally achieve an internal decolonization. This can only be done by establishing a civil society based on the rule of law. What civil society means, and for whom, and whether it is the same as masyarakat madani, form another set of questions that need to be investigated in close connection with research on legal reform measures.

The economic crisis, meanwhile, is not over yet. Apart from studies which measure the ways and degrees in which people manage to cope with the crisis, or profit from favourable export opportunities, another field of research and discussion concerns the restructuring of the economy in the post-conglomerate era and after a brief interlude of ekonomi rakyat à la Adi Sasono. What are the conditions under which a more balanced economy can grow, one which is based on 'medium level' enterprises using domestic resources and producing according to international standards?

Finally, Indonesian historiography needs a total revision as well. At this moment Indonesians are a ‘people without history’, because the centralized legitimating narrative of the New Order has lost its credibility. If the nation is to stay together, and not fall victim to violent factionalism and a disintegrating army, it will need a new set of stories, offering room for a variety of historical voices that may inspire a new generation of Indonesians to redefine their regional and national identities.8

8 For a promising contribution to such a new Indonesian historiography, see Erwiza (1999).

References

Review Essay

Dedy Djamaluddin Malik

Erwiza
1999 Miners, managers and the state; A socio-political history of the Ombilin coal mines in West Sumatra, 1892-1996. [PhD thesis, University of Amsterdam.]

Fahrus Zaman Fadhly

Forrester, Geoff and R.J. May (eds)

Hefner, R.

Heru Hendratmoko (ed.)

Hidayat, Dedy N.

Kingsbury, Damien

Mohtar Mas'oed, Setia Budhi et al.

Ryter, L.
1998 'Pemuda Pancasila; The last loyalist free men of Suharto’s order?', Indonesia 66:45-73.

Schwarz, Adam and Jonathan Paris (eds)

Selo Soemardjan (ed.)

Sidel, J.
1998 'Macet Total; Logistics of circulation and accumulation in the demise of Indonesia’s New Order', Indonesia 66:159-94.

Tragedi Ambon

Verkaaiik, O.
1999 Inside the citadel; Fun, violence and religious nationalism in Hyderabad, Pakistan. [PhD thesis, University of Amsterdam.]

Zamroni, A. and M. Andin