

INDONESIA'S INTERREGNUM

A Tortuous Transition To Democratic Development



Edited by **Eduardo C. Tadem**

UNIVERSITY OF THE PHILIPPINES
Center for Integrative and Development Studies

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ACRONYMS AND ORGANIZATIONAL NAMES MENTIONED

ABRI	Angkatan Bersenjata Republik Indonesia, Armed Forces of the Indonesian Republic (Indonesian military's old name)
ASEAN	Association of Southeast Asian Nations
AWSJ	<i>Asian Wall Street Journal</i>
BKK	Baden Koordinasi Kemaha Siswaan, Body to Coordinate Student Affairs Act
BMP	Barisan Merah Putih, Red and White Front
CGI	Consultative Group on Indonesia
CNRT	National Council of Timorese Resistance
DPR	Dewan Perwakilan Rakyat, House of Representatives
F-BSI	Federasi-Buruh Seleruh Indonesia, All-Indonesia Workers Federation (progovernment)
FEER	<i>Far Eastern Economic Review</i>
FNPI	National Front for Labor Struggles
Golkar	Golongan Karya, functional group (official government party)
ICMI	Indonesian Association of Muslim Intellectuals (used to be led by Habibie)
IHT	<i>International Herald Tribune</i>
IMF	International Monetary Fund
INFID	International NGO Forum for Indonesian Development
KKN	Korupsi, kolusi, nepotisme, Corruption, collusion, nepotism
Kodim	District Military Command
KomnasHAM	National Commission for Human Rights
KOPRI	(bureaucrats' union)
KPP HAM	Commission of Investigation into Human Rights Violations
KPU	National Election Commission
Lapera	Land and Peasant NGO
LBH	Lembaga Bantuan Hukum, Legal Aid Institute
MPR	Majelis Permusyawaratan Rakyat, People's Consultative Assembly (also superparliament)
Muhamadiyah	(second largest Muslim organization; urban-based; led by Amien Rais)
MUI	Indonesian Council of Ulama
NGO	Nongovernmental organization/s
NKK	Normalisasi Kehidupan Kampus
NU	Nahdatul Ulama (Indonesia's largest Muslim organization; rural-based; headed by Gus Dur for 15 years)

PAN	Partai Amanat Nasional, National Mandate Party (political arm of Muhammadiyah and chaired by Amien Rais)
PBB	Partai Bulan Bintang, Crescent and Star Party
PBN	Partai Buruh Nasional, National Labor party (linked to labor leader Muchtar Pakpahan)
PDI	Partai Demokrasi Indonesia, Indonesian Democratic Party
PDI-P	Partai Demokrasi Indonesia-Perjuangan, Indonesian Democratic Party of Struggle (Megawati's opposition party)
PGRI	(teachers' union)
PK	Partai Keadilan, Justice Party
PKB	Partai Kesatuan Bangsa, National Awakening Party (led by Matori Abdul Djalil)
PKI	Partai Komunis Indonesia
PKP	Justice and Unity Party
PPP	Partai Persatuan Pembangunan, United Development Party (Islamic-based party; chaired by Hamza Haz)
PRD	Partai Rakyat Demokrasi, People's Democratic Party (headed by political prisoners Budiman Sujatmiko and Petrus Haryanto)
PSP	Workers' Solidarity Party
PSPSI	All-Indonesian Workers Solidarity Party
PUI	Partai Ummat Islam, Muslim Ummat Party
PWI	Persatuan Wartawan Indonesia, journalists' union
SBSI	Serikat Buruh Sejahtera Indonesia, Indonesian Prosperous Laborers Union (NGO for the labor force, led by Muchtar Pakpahan)
SIB	Suakaibu Peduli, Voice of Concerned Mothers
SMID	Solidaritas Mahasiswa Indonesia Untuk Demokrasi, Students Solidarity for Democracy in Indonesia (one of the groups within PRD to break away)
SOKSI	Central Organization for Independent Indonesian Employees (pseudo trade union for plantation Workers)
SPSI	Serikat Pekerja Sejahtera Indonesia, All-Indonesia Workers Union (unitary organization of trade unions; Golkar-dominated)
SPSI-Reformasi	(SPSI faction)
STN	Serikat Tani Nasional, National Peasants Union
Tapol	Tahanan politik (political prisoner)
TNI	(Indonesian military's new name)
TPDI	Timi Pembela Demokrasi Indonesia, Team for the Defense of Indonesian Democracy

Deciphering the Crisis

Judging from the flurry of activities held over several months in 1999 in Diliman to analyze, discuss and debate Indonesian/East Timorese issues, that year was very much “Indonesia Year” for the University of the Philippines. It is undeniable that events taking place in the neighboring archipelago resonated with unusual force all over the region, and the State University would have been remiss in its role as a platform of critical analysis of contemporary issues if it had remained a mere spectator thereof. This volume is thus a repository, as well as a recording, of the various and often discordant discourses generated by the rapidly-changing Indonesian scenario.

Previous to the crisis of 1998-99, Indonesia in the mainstream Filipinos’ imagination represented either little more than brown exotica in their backyard or a source of trouble, a breeding ground for leftist ideologues and nationalist firebrands of all stripes exerting potentially dangerous influence on their neighbors. Despite the close ties between Sukarno and a number of Philippine presidents and ministers, the two countries had their respective ideological orientations focused elsewhere. The celebrated “spirit of Bandung” achieved precious little in terms of persuading successive Philippine administrations to stray from their pro-American and generally pro-Western orientation and take a nonaligned stance in their foreign policy. But after the 1965 coup, anticommunist foreign and domestic policies reinforced the ties between ruling elites in Manila and Jakarta.

This anticommunist common ground did not prevent Jakarta from cultivating friendly ties with the communist state of North Vietnam (nor did it inhibit the Marcos martial-law regime from normalizing with Beijing, Moscow, Havana and all other Marxist-Leninist states during that opportune period in the mid-1970s, when parliament was closed, the press and the legal opposition muzzled). With the intensified conflict between China

and the USSR and the breakup of SEATO, anticommunism as a keystone of foreign policy became even more pointless for Indonesia and the Philippines.

The MNLF secessionist movement which gained ground in the same decade posed a delicate problem for the Islamic neighbors of the Philippines. Faced with similar centrifugal forces in its own claimed territory, the Indonesian Republic was anxious not to appear to encourage any movement which might prejudice other Southeast Asian nations' "territorial integrity" while inspiring or encouraging the Acehnese, the Mulukus and later the East Timorese, in their separatist impulses. Fortunately for Indonesian-Philippine relations, Jakarta agreed to play a mediator's role in the framework of the Islamic Conference and helped to craft a ceasefire and peace settlement satisfactory to both the MNLF and the Philippine government. In 1994, the Ramos regime expressed its gratitude to Jakarta by banning the exiled East Timorese leader Jose Ramos Horta from attending a solidarity conference in the Philippines (Madame Danielle Mitterrand, a supporter of the East Timor cause, was similarly blacklisted). But it was ultimately an empty gesture: the fabric of the Suharto era was already starting to rip apart.

The dénouement of the post-Suharto drama in 1999 resonated with poignant meanings for the Philippines in particular.

The rise and fall of authoritarian regimes; the financial and economic crisis of 1997 onward breaking out against a backdrop of cronyism and corruption; the resurgence of armed challenges (communist and separatist) to the State; the rapid development of civil society organizations (with the help of USAID, as Arief Budiman points out in the case of his country) were so many historical milestones in the second half of the 20th century in both Indonesia and the Philippines. They reinforced the impression that both countries were tracing basically the same trajectory toward national freedom and its concomitant challenges. In the world of ASEAN, no two countries were as similar to each other.

But the same problems do not necessary call for the same solutions. Did the earlier successes of the Philippines in overthrowing an autocratic regime and restoring democracy constitute guarantees to the Indonesians that their collective national destiny would replicate that of the Filipinos? This was one struggle which Filipino champions of the peaceful paradigm could not claim as being EDSA-inspired. The fiercely nationalistic Indonesians would have resented any hint to the effect that they only had to imitate their

neighbors to the north and everything would work out for the best, to the fond applause of the West and Western-dominated financial institutions. Moreover, by 1999 the celebrated Filipino “revolution” of February 1986 had become gravely devalored in the public’s opinion, as a consequence of the Marcoses and their allies returning so soon to the banquet of power. Paradoxically enough, the matter of meting out revolutionary justice to the alleged perpetrators of crimes committed during the martial-law period had been compromised by the very form which the “EDSA revolution” took: the “miraculously” peaceful settlement turned out to be the very same mechanism which effectively shielded the Marcos camp from retribution. There was a price to pay for the bloodless formula: the Philippines would have to compromise, probably indefinitely, with the legacy of more than a dozen years of corruption, brutality, cynicism and arbitrary rule. Another disquieting consequence of EDSA would be the silence from the winners’ side about the Marcos-saving role which the US government objectively played in this flawed resolution of the drama, by whisking away the strong man, his family and his close aides to safety.

Hence, calls for the creation of a Truth and Reconciliation Commission inspired by South African and Chilean initiatives to exorcise the evils of apartheid and the Pinochet regime, respectively, could not prosper in the Philippines to this day. The pacifist paradigm, it appeared, was a great morale booster for the nation but an inadequate instrument for exacting justice. Now, in Indonesia bloody revolution was not in the agenda either, in spite of Megawati Sukarnoputri’s supporters’ threats that it would break out if she lost in the presidential elections. Indications that the post-Suharto dispensation favored an EDSA-like conciliatory approach to the problem became apparent first with B.J. Habibie’s government—a lameduck interregnum if there ever was one—and were confirmed by Abdurrahman Wahid’s reassuring “don’t rock the boat” policies. Notably, the charismatic Gus Dur privileged the cause of national unity first by declaring that Suharto (but not his heirs) would be spared punishment if he was eventually declared guilty, then by refusing to allow the military to be brought to trial for crimes allegedly committed in East Timor (and later reversing his decision). The ABRI, indeed, may have refurbished its image, and tapped nationalist pride, by acting vigorously — too vigorously, say its critics — against various separatist threats. In these conditions, a definitive settlement appeared impossible in Indonesia. As in the post-Marcos Philippines, the relief provided by a national catharsis would be put off indefinitely.

The essays and various pieces in this volume reflect the contradictions, the tensions and the various “loose ends” which characterized the death throes of the Suharto era. Although they have been overtaken by several momentous events which have transpired since then, they can be of use to the reader who wishes to catch a whiff of the *zeitgeist* of the late 1990s. In general the authors hew to an antiauthoritarian and antifundamentalist norm, while remaining alert to the grand designs of Western governments and financial institutions. Indeed it is nearly impossible for the scholar, of whatever nationality, to pretend to be completely above the Indonesian fray. There is thus no attempt to present the contents of this collection as a mere chronicle of events.

Even as the aftershocks of the Suharto fall continued, late in 1999, to wreak sociopolitical damage all around, the Indonesian nation was realizing the possibility of a new start, under more auspicious regional and global circumstances than before. But, among the contending forces, whose version of a national community would prevail? How would their conflicting ideas of community shape the new Indonesia? Would the slogan of “unity in diversity” have to be rethought? This collection of essays will help to put the answers to those questions in the proper perspective. For Filipino readers in particular, it is to be hoped that this volume will serve as a reminder of the stubborn challenges to their nation’s quest for peace, freedom, democracy and justice.

Armando Malay Jr.

The Legacy of Indonesia's Model of Development

During the month of February 1999, the Asia Pacific Studies Program (APSP) of the University of the Philippines Center for Integrative and Development Studies (UP CIDS) sponsored two lecture-forums on issues related to Indonesia and East Timor. On February 1, prominent Indonesian scholar-activist Dr. Arief Budiman, head of the Indonesian Studies Program of the University of Melbourne, led a panel that analyzed the balance of forces in the events leading to the June 1999 parliamentary elections. This forum was co-sponsored by the Solidarity for Indonesian Democracy (SOLID) and the UP Asian Center. What was unique was that the speakers attempted to relate the Indonesian democracy movement with the Philippine experience in the struggle against the Marcos dictatorship.

On February 24, five representatives from the *Conselho Nacional de Resistencia Timorese* (CNRT, National Council of Timorese Resistance) led by Agio Fereyra spoke at Malcolm Hall. They presented options for resolving the 23-year conflict in the former Portuguese colony then still occupied by Indonesian troops. Co-sponsors of this second forum were SOLID, the UP Asian Center, the UP Third World Studies Center and the UP College of Law Institute for Human Rights.

Because the forums were so well-received, the APSP coordinators decided to put out this volume of papers together with the edited transcripts of the forum discussions. Scholars on Indonesia and Southeast Asia were tapped to write the papers. The economic crisis was also on the agenda. But given the rapid turn of events in 1999, it was not easy for the paper writers to be on top of what was transpiring in Indonesia. The editors also decided to await the resolution of the more significant events in order to present the

latest analyses. It was only after Abdurrahman Wahid was chosen Indonesian president in late October 1999 and a new government was in place that we could finalize this volume.

What this present collection shows is the development of a discourse on Indonesian political and economic issues as they unfolded. As such, each paper is specific within the context of a timeline lasting no more than a few months. What could only be speculated on in February (i.e., the outcome of a post-Suharto scenario) saw final denouement by October. The fears expressed by CNRT leaders were realized in the August carnage in East Timor. The question of how the Indonesian military (TNI) would comport itself under a civilian government was answered by General Wiranto's obstinate refusal in February 2000 to resign from the cabinet despite having been held ultimately responsible for the East Timor killings.

Since the completion of this volume, more late-breaking reports on the Indonesian situation have filtered in. The gross domestic product (GDP) was reported to have expanded by 0.23 percent in 1999 with a fourth quarter rise of 5.8 percent (*Asian Wall Street Journal*, February 17, 2000). This was treated as good news following the negative 14 percent growth in 1998 and earlier projections of "between a contraction of 1 percent and 0.13 percent growth." The turnaround was attributed to a rise in household consumption particularly during the Muslim and Christian year-end holidays and to a 0.7 percent rise in government expenditures.

The manufacturing sector performed strongly with a 9 percent growth rate while construction rose by 1.2 percent. Overall investment, however, fell by 21 percent, and the financial services sector contracted by 8.7 percent. Other poor performers were: agriculture, negative 2.9 percent; mining, minus 0.1 percent; and the trading, hotel, and restaurant sector, down by 1.1 percent. Agriculture's decline was attributed to "seasonal factors" with no harvests reported during the fourth quarter.

Foreign investors continued to shy away as their participation in terms of investment approvals fell by 22 percent in 1999 compared to the 1998 figure (*The Jakarta Post*, February 21, 2000). The new year brought no respite as foreign investment approvals in January 2000 dropped by 74 percent compared to the same period in 1999. Small and medium enterprises, despite having the funds, have also been reluctant to invest "because everyone wants to see where the country is going socially and politically."

Economic analysts criticize as unsustainable growth that is based on increased household and government spending. Reforms in the financial

sector are still hanging in the balance as banks continue to be hobbled by bad debts. The economy also remains susceptible to political uncertainties. President "Gus Dur" Abdurrahman's suspension of General Wiranto from the cabinet and rumors that the TNI would retaliate sent the rupiah and the stock market tumbling, this despite assurances from military leaders that they will abide by the president's decision. Rumors of a cabinet reshuffle in February 2000 compounded the uncertainty, causing stock market investors to panic, with the top 40 shares dropping by 10.6 points or 6.93 percent. Moreover, foreign investors were divesting shares as the Jakarta Stock Exchange recorded foreign net selling of Rp147.963 billion (*Bisnis Indonesia*, February 21, 2000). As a result, the composite index fell by 35 points.

A country report by the Indonesian government recounted the crisis toll on the people. The report, presented during the 3rd ASEAN Senior Officials Meeting on Rural Development and Poverty Eradication on February 16-17, 2000, noted that the number of poor people increased by 14.1 percent in 1999, "or equivalent to the emergence of 29 million 'newly destitute' population." This brought the number of people living below the poverty line to 37.5 million in August 1999. Calling this group the "vulnerable mass," the report identified its members as those living "in slum areas or unauthorized premises, (earning) their living from pedaling *becak* tricycles, doing unskilled labor as coolies, at construction sites, and as domestic help (maids) and street vendors in the informal sector." In the rural areas, these were the farmhands and estate workers and "generally those who do not have a fixed income."

Women and children were considered as the most vulnerable members of this destitute population. The report emphasized that "a family with women as its breadwinner is the most susceptible." The number of street children in the big cities has increased and "cases of malnutrition have been detected among children in many places."

The health conditions of children deteriorated with "36 percent under the age of five experiencing lack of protein, 35 percent suffering from anemia, and 30 percent from iodine deficiencies." In education, it was estimated that 17.5 million schoolchildren "will have to drop out from school and find jobs to help out their parents, while 400,000 students would not continue to higher education due to the crisis."

The present Indonesian leadership, led by President Abdurrahman "Gus Dur" Wahid and Vice President Megawati Sukarnoputri, has yet to prove itself in addressing the country's problems.

The *Economist* (February 12, 2000) said that "Indonesia's future is as fragile as Mr. Wahid" who suffered from a near fatal stroke in 1997 and is virtually blind.

Gus Dur ... deals with the country's enormous problems in a mercurial manner. One minute he seems to be provoking Indonesia's many factions, the next he is trying to unify them. He jokes, then speaks bluntly. He says courageous things, then sounds cryptic. He can also seem inconsistent, raising expectations about self-determination in the separatist province of Aceh, then asserting that independence is out of the question.

Barely four months in power, Abdurrahman has already come under fire for his handling of the Wiranto case, his manner of governance, and the "perceived lack of skills in his government" (South China Morning Post, February 21, 2000). Pressures have been mounting for a cabinet shakeup (The Jakarta Post, February 19, 2000). Apart from Wiranto's suspension, resignations have also taken place, notably by Investment Minister Hamzah Haz and Secretary of State Ali Rahman. Ali's resignation came after reports that he took bribes when he was with the National Development Planning Board. Also a target of critics is Economic Coordinating Minister Kwik Kian Gie who has confirmed owning shares in a Jakarta massage parlor.

Megawati, on the other hand, has been entrusted by Abdurrahman to settle the troubles in the Moluccan islands where Muslim-Christian clashes erupted in 1999 and a separatist movement has been brewing for years. The "rather aloof" vice president, however, "has said and done little as more than 1,500 people have died in clashes between Muslims and Christians." A diplomat in Jakarta has described Megawati's actions as that of "a Javanese princess trying to rise above all the troubles."

Then there is the KKN issue, an acronym standing for *korupsi*, *kolusi*, and *nepotisme* (or corruption, collusion and nepotism). The *Economist* thinks that the severity of the impact of the regional economic crisis is directly proportional to the amount of "cronyism and corruption, the paucity of the legal structures, and corporate accountability, and the general lack of ethics prevailing" in the country. On all these counts, Indonesia, among Southeast Asian countries, "scored the worst and was hit the hardest."

The Indonesian drama continues to unravel. The “master of the political shadow play,” Gus Dur, is in charge. If anything, this current volume, as a contribution to understanding the Indonesian situation, proves that the country’s road towards democracy and development will be tortuous and twisted.

Meanwhile, the two top East Timorese leaders, Jose Alexandre “Xanana” Gusmao and Nobel Peace Laureate Jose Ramos Horta, went on a tour of neighboring Southeast Asian countries seeking more assistance for their devastated country. Gusmao declared his homeland to be in a “period of emergency” where basic services are absent, houses are roofless, malnutrition rife, and 15,000 East Timorese still encamped across the Indonesian border under the watchful eyes of the dreaded militias. Only 35 doctors attend to the health needs of one million people and the World Bank estimates that US\$300 million over three years is needed to rebuild the economy.

Gusmao (the guerrilla leader) and Horta (the seasoned diplomat) are expected to lead East Timor’s new government. But in a situation where no national currency, official language, or local police force exists, the UN administration may have to hold on much longer than may be deemed appropriate. Dependency on the multinational peacekeeping force and on outside aid may in the long run hamper East Timorese hopes to finally run their own country and take control of their destiny. Such is the legacy left behind by 23-years of Indonesian military occupation.

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INDONESIA AT THE CROSSROADS

The Development of an Asian Economic and Political Morass

Eduardo C. Tadem*

Human rights have practically disappeared. The law offers almost no guarantee or protection. Power is centered absolutely in one hand, that of head of state. The nation's wealth has been used for personal gain, and squandered on flashy projects that have destroyed the economy.

- Suharto in 1968 explaining
what went wrong under
his predecessor Sukarno

By mid-1999, Indonesia's troubles seemed to be abating after two years of economic and political turmoil. A generally successful parliamentary election in June 1999 where opposition parties triumphed had restored the country's international credibility, and a more democratic future appeared to be smoothly unfolding. Added to this was the government's decision to allow residents of occupied East Timor to choose independence in a UN-supervised referendum in late August 1999. The rupiah appeared to be stabilizing and confidence in the economy reviving. The gross domestic product (GDP) was forecast to grow by 2 percent by the end of 1999 compared to a 13.2 percent fall in 1998, and inflation was predicted to hit only 12

* The author acknowledges with gratitude the assistance of researcher Rhian Alfuate in the preparation of this article.

percent in 1999 (compared to 65 percent in 1998). Recent events, however, have shattered earlier optimism about an Indonesian recovery.

After more than three-fourths of East Timorese had voted for independence, militias armed and backed by the Indonesian military, stepped up what they had been doing for months—killing hundreds of pro-independence East Timorese, and razing houses and buildings to the ground. Acknowledging that it had lost control of the situation, the Habibie government finally allowed a 7,000-strong UN international peacekeeping force to take over security and put a check on the militias. Indonesian troops and their militia allies, however, continued to burn villages and towns as they withdrew from the troubled territory. Fleeing from the carnage, an estimated 200,000 refugees (both East Timorese and Indonesian migrants) fled to West Timor.

The second event was the passage by the outgoing Indonesian parliament on September 23, 1999 of a law that granted the military greater new powers. The new security law allows the Indonesian president to declare a state of emergency in a province if it is requested by the local governor or legislature (*International Herald Tribune*, or *IHT*, September 24, 1999). Thousands of outraged students and other social sectors immediately took to the streets in several major cities, fighting riot police in violent protests that resulted in four people dead, scores injured, and several arrested. Demands for the resignations of Habibie and Armed Forces chief General Wiranto were heard from many quarters. As a result, Habibie was forced to suspend indefinitely the signing of the bill into law.

The third event was the Bank Bali scandal. In a report issued by Parliament, unnamed top government officials, including a close adviser of Habibie, were accused of “participating in a scheme to divert nearly US\$70 million in public funds into the coffers of the governing Golkar party” (*IHT*, September 25-26, 1999). The amount represented a fee paid by Bank Bali to a company managed by the deputy treasurer of Golkar which was disguised as a loan recovery measure at banks closed by the government. Critics and opposition leaders have alleged that the funds were intended as bribes to incoming Parliament members.

These events caused economic repercussions as business confidence waned. The value of the rupiah subsequently fell, dragging down with it other regional currencies. The stock market was similarly affected. Worse, the World Bank, the International Monetary Fund, and the Asian Development Bank halted the disbursement of loans to Indonesia pending

the public investigation of the Bank Bali scandal (IHT, September 25-26, 1999). It was only in January 2000 that the donor agencies gave the go-signal for resumption of loan releases.

On October 20, 1999, Habibie was forced to withdraw from the presidential race just hours after the super-parliament known as the People's Consultative Assembly (MPR, Majelis Permusyawaratan Rakyat) rejected his "accountability speech" (Indonesia's equivalent of a "state of the nation" message). More surprisingly, the ruling Golkar party then decided not to name another candidate, thus bringing an end to almost three decades of rule by ousted President Suharto's once formidable political machine.

New Leadership, Old Problems

After the June 1999 parliamentary elections, it appeared that Megawati Sukarnoputri, daughter of Indonesia's first president, was set to become the country's fourth president. Megawati led her opposition party, the Indonesian Democratic Party of Struggle (PDI-P, Partai Demokrasi Indonesia-Perjuangan), to first place in the voting with 34 percent of the popular vote—way ahead of the ruling Golkar Party's 22 percent (*The Jakarta Post*, July 26, 1999). This guaranteed the PDI-P 154 seats in the 500-member House of Representatives (DPR, Dewan Perwakilan Rakyat) compared to Golkar's 120 seats. An alliance with two other leading opposition parties would have meant an additional 90 seats, leaving the party just seven seats short of a DPR majority.

Rules crafted by the deposed President Suharto, however, who ruled the country for 32 years ensured that the process of choosing a president remains essentially an elitist process. Another body, the 700-member MPR, selects the President. It is composed of the DPR representatives plus 200 appointed members (135 regional and 65 functional group representatives). Thus the "election" of the President which took place on October 20, 1999 resulted in a surprise winner in the person of Abdurrahman Wahid (also called Gus Dur), standard bearer of the National Awakening Party (PKB, or Partai Kebangkitan Bangsa). The PKB had finished a poor third with 13 percent of the votes in the July election and was allocated 51 seats in the DPR.

Ironically, Abdurrahman had earlier pledged support for Megawati but decided to accept the nomination for president himself when Islamic parties

in the MPR coalesced behind his leadership bid. In still another twist, the Golkar party helped bring about Gus Dur's election by shifting its support to the PKB leader. The voting in the MPR was 373 for Gus Dur and 313 for Megawati. A day after the presidential elections, the MPR chose Megawati to be vice president but only after she managed to squeeze past another Muslim-backed candidate.

In any case, Gus Dur has inherited the leadership of a country deeply scarred by an economic and political crisis of mammoth proportions. The 1998 performance of the economy was dismal, to say the least. The GDP shrank by almost 14 percent, private consumption fell by 3 percent, gross fixed investment contracted by 43.5 percent, exports fell by 8 percent and imports slid by 19 percent (World Bank 1999a). Public debt soared from 24 percent of GDP in 1997 to 60 percent by December 1998 and is expected to top 102 percent by the end of 1999.

By December 1998, real wages had contracted by 35 percent, employment in manufacturing had declined by 9.8 percent, and employment of wage earners in general fell by 5.1 percent. As of July 1999, most production facilities were operating at only 20 percent capacity. Overall unemployment had tripled to 18 percent in 1998. The number of poor people as a percentage of the population has doubled roughly from 11 percent in 1996 to 18-20 percent in end-1998, or 40 million Indonesians (World Bank, July 21, 1999). If the near poor were counted, this would add another 10 million Indonesians to the marginalized population.

Budget-wise, the government leads a "hand-to-mouth existence" (*Jakarta Post*, July 29, 1999). New loan pledges in the amount of US\$5.9 billion obtained at the annual Consultative Group on Indonesia (CGI) meeting in Paris provide breathing space only until March 2000 when the current fiscal year ends.

Politically, confidence in government remains low. Issues of corruption, crony capitalism, and widespread human rights violations that had badly tarnished the Suharto years have yet to be addressed. The East Timor issue has been resolved with the acceptance by the MPR of the referendum results, the withdrawal of Indonesian troops and the takeover of security responsibilities by a transitional UN peacekeeping force headed by a Filipino general. This development, however, has only exacerbated Indonesia's problems with its ethnic populations. Emboldened by the example of the East Timorese, separatist movements in Aceh, West Papua, West Kalimantan, and the Moluccas have stepped up their campaigns resulting in episodes of

widespread violence and killings. These have further complicated the Indonesian political landscape.

The reactions to Gus Dur have been mixed. He is widely respected as a popular member of the anti-Suharto democratic movement and as a moderate Islamic scholar-leader. For 15 years, he headed the 30-million strong Nahdatul Ulama (NU), the country's largest Muslim organization, and steered it towards a pluralist and anti-sectarian standpoint (often putting him at odds with fundamentalist Muslim leaders). Observers also note that, given his unblemished record, Gus Dur's tenure will be in sharp contrast to the corrupt and nepotistic Suharto leadership.

Gus Dur however, is also known for his unpredictable and erratic ways. Scholar-activist Arief Budiman calls this "swinging from right to left" (*Kompas*, October 26, 1999). He recalls that when Gus Dur became Chair of NU for the second time, he (Dur) invited Suharto's controversial daughter Tutut (Sri Hardiyanti Rukmana) and introduced her as "an Indonesian leader in the future." Gus Dur has also lamented the loss of East Timor and has been lukewarm towards calls to investigate the Indonesian military's role in genocidal acts in the previously occupied territory. Budiman recalls that the new president is ambivalent about prosecuting Suharto for widespread corruption and human rights abuses. He laments the fact that Gus Dur, upon taking his oath of office, immediately went to Habibie and "forgot all about the students" injured in earlier clashes with the military. Analysts are also concerned about the president's health as he has suffered two debilitating strokes that has left him nearly blind, no longer able to read, and always needing a guide to help him move around even in his own home.

The *Jakarta Post* (October 22, 1999) has lauded the Gus Dur-Megawati team as a "unification of the Islamic and national vision." However, given the president's ill health and "prickly" disposition on the one hand, and the vice president's political naivete and tentative grasp of the issues on the other, it is not certain how such a team can meet the challenge of addressing Indonesia's immense problems.

It may also be recalled that during the election campaign the major opposition parties, the PDI-P, the PKB, and PAN, took conservative positions on two major issues that had fueled the anti-Suharto democracy movement (*Inside Indonesia*, March 19, 1999). These are: keeping the military out of politics and Suharto's prosecution for crimes against the people. Megawati reportedly silenced the lone PDI-P leader who was outspoken against the

military and inducted into the party fold a number of military officers, some of whom were given senior positions. Gus Dur himself has met as many as seven times with Suharto since the latter was forced out of office and has placed the matter of Suharto's crimes last on his agenda. Meanwhile, Amien Rais, while being more vocal about a Suharto trial than the other leaders, has at the same time wanted military leaders to be part of a coalition to rule the country.

Indonesia is far from achieving a thoroughly democratic political order. Although basic political freedoms have been introduced and are widely practiced, the fact is that a leader who had garnered only 13 percent of the popular vote now sits as president via the mandate bestowed by an elitist assembly. The intense backroom bargaining that took place within the MPR prior to Gus Dur's election smacked of traditional, old-style politics, not the transparent one expected by the democracy movement that ousted Suharto. This small detail seems to have escaped the scrutiny of world leaders and the Western media who together have been singing the praises of Indonesia's "first democratically elected" president.

Suharto's Golkar Party cannot be counted out of the political scene, having placed a respectable second in the June 1999 elections with 22 percent of the popular vote. Moreover, its Chair, Akbar Tanjung, was elected speaker of the DPR by a landslide vote. Furthermore, as noted above, Golkar was instrumental in swinging the vote towards Gus Dur in the presidential derby. Though scorned by most of the Indonesian people, Golkar "still has the support of businessmen, bureaucrats, and soldiers who prospered under the Suharto regime" (*FEER*, June 24, 1999). In addition, the specter of the Indonesian military asserting its hibernating "dual function" (*dwifungsi*) role continues to hover over the political landscape. Should the civilian leadership appear ineffective or the threat of reprisal against its past human rights abuses is pursued, that hibernation may end quickly.

The TNI group of 38 MPR members was also seen as crucial in delivering the votes that sealed Gus Dur's election as president. The combined Golkar-TNI support accounted for 300 (80 percent) of the 373 winning votes that Gus Dur received in the MPR (*Jakarta Post*, October 21, 1999).

In January 2000, the government Commission of Investigation into Human Rights Violations (KPP HAM) found former Defense Minister General Wiranto accountable for the mass killings perpetrated by the TNI and its militia allies in East Timor. Then on an extended foreign trip, President Gus Dur ordered Wiranto to resign as Cabinet Coordinating

Minister for Political Affairs and Security. Wiranto's response was to denounce the findings as "unjust." He refused to step down. Rumors of a military coup flew in Jakarta. Upon his return and after meeting with Wiranto, Gus Dur flip-flopped on his order before finally suspending the general while the investigation was ongoing. Wiranto's defiance of Gus Dur's leadership may be portent of how the military intends to behave relative to the civilian government.

Flashback: The Boom Years

During the boom years of the so-called East Asian miracle economies, Indonesia was regarded as a top performer. According to the World Bank, between 1987 and 1997 the economy grew at an average annual rate of 7.8 percent, up from the already high rate of 6.7 percent in 1976-1986. Most of this growth was in the industrial sector which averaged 10 percent growth from 1987-1997 with manufacturing accounting for an 11 percent growth rate. Per capita GNP increased from US\$230 in 1970-1975 to US\$1,080 in 1990-1996. Per capita income also rose from US\$70 in 1966 to US\$900 in 1996.

Strides were also made in the social sector with the percentage of poor families declining from the 1970 estimate of 60 percent of the population to only 11 percent by 1996. The number of Indonesians living on US\$1 a day (the World Bank's poverty level threshold) fell from 87.2 million in 1970 to 21.9 million in 1995 (out of a total population of 197.1 million). Life expectancy at birth rose from 49 years in 1970-1975 to 65 years in 1990-1996 while infant mortality declined from 114 per thousand live births in 1970-1976 to only 49 per thousand births in 1990-1996. The population growth rate decreased from 2.4 percent in 1970-1975 to 1.7 percent in 1990-1996. From a mere 33 percent of the population in 1980-1985, 62 percent of the population in 1990-1996 had access to safe water. Immunization rates for DPT and measles for infants below 12 months also registered high increases.

In terms of income distribution, the share of the lowest 20 percent increased from 6.8 percent in 1970-1975 to 8.4 percent in 1990-1996 while that of the highest 20 percent decreased from 52 percent to 43.1 percent during the same periods.

Steven Radelet (1998) of the Harvard Institute for International Development attributed the above gains to three government-initiated policies and measures:

First, the government supported agricultural development, and in particular rice production, by helping to introduce "green revolution" technologies, building roads and irrigation infrastructure, and helping develop markets that offered remunerative prices for farm output. Second, prudent fiscal management kept the government budget basically balanced, inflation low, and the balance of payments healthy. ... Third, trade and industrial deregulation measures introduced in the mid-1980s allowed a wide range of firms to compete in world markets in the production of labor-intensive manufactured products.

Disturbing Signs

At the same time, disturbing signs pointed to the economic disaster that was to come. Agriculture's growth rate actually declined from 4.1 percent in 1976-1986 to 3.2 percent in 1987-1996. Using 1987 as base year, the consumer price index rose from 28 in 1970-1975 to 86 in 1980-1985 and ballooned to 205 in 1990-1996 while the food price index zoomed from 83 in 1980-1985 to 225 in 1990-1995.

The ratio of total debt to GNP rose from 35.6 percent in 1976 to 56.7 percent in 1996. Total outstanding external debt rocketed from US\$14 billion in 1976 to US\$129 billion by 1996 while total debt service rose from US\$1.3 billion in 1976 to US\$21.45 billion in 1996. The total debt as a percentage of GDP increased from 35.6 percent in 1976 to 56.7 percent in 1996. The pattern of investments also exhibited aberrations with portfolio (or short-term) investments registering US\$3.1 billion in 1996 from zero in 1976 and in 1986.

Financial resources were being siphoned out of the country through massive loan repayments and other external flow transfers. In 1996, for example, repayment for World Bank loans was US\$1.4 billion while disbursements only totalled US\$905 million for a net outflow of US\$523 million. For the same year, the total net outflow for World Bank loans was

US\$1.4 billion. The balance of payments figures for 1996 showed net current outflows of US\$7.5 billion. All these contributed to a current account deficit in 1996 alone of US\$8.1 billion. Arief Sritua (1998) reports that most foreign capital funds have been used mainly for repaying foreign debt and financing the current account deficit. These expenditures represented 83 percent and 73 percent of foreign capital inflow in 1995/1996 and 1996/1997, respectively.

The economic upturn also had a less than impressive impact on employment as job creation lagged behind labor force growth during the period 1985-1995 (UN ILO 1998). About 5 percent (4.4 million people) of the labor force was jobless in 1996 and the underemployment rate stood at 40 percent of all workers. Nearly two-thirds of employment was accounted for by the informal sector. Meanwhile, education's share of GNP fell from 1.7 percent in 1980-1985 to 1.3 percent in 1990-1995 while the net primary school enrollment remained virtually unchanged.

Radelet (1998) also points to two factors that served to undermine the economic gains exhibited during the late 1980s and most of the 1990s. First was the rapid and uncontrolled expansion of the banking sector, a by-product of liberal reforms. The central bank and other regulatory agencies could not effectively keep pace with the mushrooming of banks and enforce regulations. Regulation was also regularly undermined by political interference.

The second factor was that an increasingly larger share of economic activity was controlled by the Suharto family and its close circle of friends. This took place in the early 1990s when the Suharto children gradually took control of lucrative business interests. The speculation was that foreign funds were used to finance the business empires of the Suharto children and cronies.

Bello (1997) adds what could be the most crucial factor—the volume and nature of private foreign capital inflows. By the end of 1996, Indonesia had accumulated US\$55 billion in private foreign loans from European, Japanese and American banks, most of them with short-term maturities (also called speculative or fictitious capital). This was equivalent to 25 percent of the GDP. Foreign financiers eager to make quick profits on short-term loans (less than one year) with low interest rates willingly contributed to politically-favored economic activities (especially those with connections to the Suharto family and friends) under the presumption that the government would always guarantee repayment.

The most worrisome aspect of the private debt was that almost two-thirds of these was due within one year. Of the total private sector debt of US\$74 billion, 80 percent (US\$59 billion) was due for repayment in 1998. Yet Indonesia's total export earnings for 1997 was only US\$58 billion. In 1996, short-term foreign loans had already comprised 11.82 percent of total loans. At around the same time, the comparative figure for Thailand was 7-10 percent.

Montes and Abdusalamov (1998) explain that Indonesia previously had an administered credit ceiling program which imposed controls on capital inflows but not on capital outflows. With financial liberalization, however, the country set up the infrastructure for the boom-to-bust process. The two authors observe that, as in other countries, financial liberalization sparked a lending boom in Indonesia, which progressively involved lending for property development, leading to an increasing proportion of bad loans in the portfolio. Despite making a general analysis that Indonesia's macroeconomic situation was sound, Montes and Abdusalamov conclude that the liberalization process left a weakened banking system and domestic capital markets that would be highly vulnerable to falls in the international value of the rupiah.

Bello (1997) also notes that in Indonesia, as in other East Asian countries, much of the foreign money found its way to real estate, as did a great deal of domestic credit. Indeed, some 25 percent of the banking system's outstanding loans were to the property sector, and a large segment of this exposure was expected to go sour owing to dangerous levels of oversupply, especially in office space.

Corruption and Cronyism

It must be pointed out that corruption and the systematic plunder of the Indonesian economy by Suharto and company did not start with the boom years of the 1990s. Earlier, it was the military which commandeered huge profits through deals in natural resource extraction (particularly oil), trade, and services. Peter Britton (1973) shows that as early as the 1970s, officially organized Army-businesses had existed in all levels of the command structure.

By the 1990s, the Indonesian Army (or Abri, as it was then officially known) had substantial holdings in property, timber, insurance, shipping,

hotels, banks, airlines, petrochemicals, film production and distribution, vehicle imports, cargo handling, and sea transport. The *Far Eastern Economic Review* (FEER, February 5, 1998) reported that Abri's partners included prominent ethnic-Chinese businessmen such as Suharto crony Muhamad (Bob) Hasan, the Suharto children, and foreign companies.

And as the economic pie grew larger, corruption and nepotism became more widespread and its targeted economic activities diversified. *Time* magazine (May 24, 1999) correspondents estimate that at least US\$73 billion passed through the (Suharto) family's hands between 1966 and last year (1998), and that despite bad investments and the financial crisis ... Suharto and his children still have a conservatively estimated US\$15 billion in cash, shares, corporate assets, real estate, jewelry, and fine art. Research and investigation by George Aditjondro (1998) reveal the extent of the six Suharto children's business empires:

The eldest, Siti Hardiyanti Rukmana, 51, known as Tutut, had the most extensive businesses. Through three holding companies, PT Citra Agratama Persada, PT Citra Lamtoro Gung Persada, and PT Tridan Satriaputra Indonesia, she held six banks; controlled 12 firms engaged in trading; another 12 companies in the plantation business; 12 in the construction business; two in the timber and lumber industry; two in property development; four companies in services; one in paper and pulp; three in media; one in oil and petroleum; five firms in the food sector; one in mining; one in printing; three in fisheries; three in metal products; one in tourism; one in pharmaceuticals; and one in the transport business—a staggering total of 71 companies in Indonesia alone (others put the number at 92). Tutut's flagship, the Citra Group, had accumulated US\$82 million in debts from Indonesian state and private banks and another US\$300 million in overseas loans. Total Citra assets are valued at US\$250 million (FEER, April 9, 1998). *Time*, however, estimates Tutut's net worth at US\$700 million.

The eldest Suharto son, Bambang Trihatmodjo, 46, had two holding companies, PT Asri Land and PT Bimantara Citra, and had interests in 11 trading companies; one plantation venture; two forestry firms; five engaged in the chemicals industry; one in pharmaceuticals; seven construction firms; seven in the property, offices, and shopping center businesses; five in real estate; six in the land and air transportation sector; three in media (including two television stations); nine in the banking, investment, and insurance businesses; and two in telecommunications—59 in all. *Time* estimates

Bambang's wealth at US\$3 billion, making him the richest of the Suharto children.

Hutomo Mandala Putra, 37, the high-profile Tommy of the Timor national car fame, had only one holding company, PT Humpuss, but was just as his acquisitive as his siblings. Tommy's interests spanned the transportation and automotive industry with 15 firms (including air, sea, and land transport); one bank and one insurance brokerage; the trading industry (five firms); a forestry and a mining concern; two food and beverage companies; four chemical firms; one pharmaceutical concern; three metal products companies (including a semiconductor plant); seven construction companies; three firms in the property, office and shopping mall sector; and five companies in the telecommunications sector for a total of 48 companies. Tommy's estimated wealth is US\$800 million.

Another son, Sigit Harjojudanto, 48, had one holding company, the Arseto Group, which had interests in 44 companies dealing with trading, plantations, forestry, mining, chemicals, construction, metal products, property/hotels, transportation/automotive, banking and investments, and telecommunications. He matches Tommy's estimated wealth of US\$800 million. Another daughter, Siti Hediye Harijadi (or Tatiek), 40, had one holding company, Datam-Maharani Group, which supervised 22 companies in trading, plantations, forestry, chemicals, construction, property/office/shopping centers, transportation, and banking/investments. Tatiek, with an estimated wealth of US\$75 million, married Lt. General Prabowo Subianto, Indonesia's youngest general who headed the elite Kopassus (Special Forces) regiment under Suharto.

Still another daughter, Siti Hutami Endang Adiningsih (Mamiek), 34, with an estimated wealth of US\$30 million, had only one holding company, PT Manggala Krida Yudha, and one firm in the tourist industry, but she made up for this by marrying the son of the billionaire Liem Sieo Liong, her father's principal crony. Rounding out this enterprising family tree is grandson Ari Harjo Wibowo, son of Sigit, whose holding company, PT Arha Wisanto Invesco, had interests in 28 companies in the trading, plantation, mining, mineral/nonmetal, construction, real estate/industrial, tourism, transportation and investment sectors.

The Suharto children eventually ventured overseas into other Asian and non-Asian countries. Tutut secured contracts to build toll roads and highways in Thailand, Malaysia and the Philippines (including the controversial South Expressway Skyway). Tommy had a US\$75 million logging concession in

Burma. Bambang had a foothold in Australia with interests in oil fields and a farm chemical company, interests in water supply and power plants in the Philippines and China, and engaged in gold mining in Vietnam, Burma, and Kazakhstan. Bambang and Tommy run Singapore-based oil and gas tanker fleets. Tatiek put up a US\$200 million cement factory in Burma, a US\$3 million railway company in Turkmenistan, and a textile mill in Uzbekistan.

Aditjondro's list also includes Suharto properties such as five homes in the United Kingdom, a hunting lodge in New Zealand, five properties in the US, and holiday homes in Bermuda, Cayman islands, and western Canada.

Aditjondro (1998) identifies two of Suharto's closest business cronies as Liem Sieo Liong and Muhamad (Bob) Hasan. Liem's friendship with Suharto dates back to the 1950s. Liem heads the Salim Group, Indonesia's largest private conglomerate, which controls Bank Central Asia, Indonesia's biggest bank. Suharto's daughter Tutut and younger brother Sigit have one-third interest in the bank. Liem's other important concern is the Hong Kong-based First Pacific Group which employs 45,000 persons in 40 countries and whose managing director is the Filipino businessman Manuel Pangilinan. (First Pacific took over the Philippine Long Distance and Telephone Company and Tanduay Distillery and leads a consortium of companies developing Fort Bonifacio into a prime business and residential area.) A minor shareholder in First Pacific is Suharto's cousin, Sudwikatmono, whose presence in the corporation was meant to represent and safeguard the Suharto family's interests.

Bob Hasan is also a long-time Suharto family friend and business ally. According to Aditjondro, Hasan's chief business concern, the Nusamba Group, is 80 percent owned by three foundations chaired by Suharto himself. He presided over a monopoly of the plywood business and controlled five million hectares in forest concessions granted by the government.

As mentioned earlier, much of foreign and local speculative capital found its way into these family and crony businesses which were considered secure investments due to the Suharto government's patronage. *Time* (May 24, 1999) said that foreign companies learned to take a Suharto in as partner if they wanted to do business in Indonesia. The *FEER* (May 13, 1999) describes these types of operations thus:

Major multinationals that needed government approval to invest knew the best route was to team up with a Suharto-family company—

and one could be found in every major sector of the economy. From resource extraction to telecoms. Government offices routinely awarded monopoly licenses or tariff protection to the family companies, or cut them in as middlemen in transactions where they added no value. Economists say these practices boosted inflation, slowed growth, discouraged the development of a dynamic, competitive economy—and contributed to the 1997 economic collapse.

It was no surprise that in a survey of 450 expatriate businessmen in 12 Asian countries conducted by the Political and Economic Risk Consultancy group, Indonesia was ranked as the most corrupt in four of the five survey years from 1995 to 1999 (PERC, Ltd. 1999). It placed a close second place to Vietnam only in 1996.

The Collapse

The events leading to the meltdown of the Indonesian economy have been well documented by various sources. Just like the other East Asian economies that suffered a steep downturn, it was precipitated by the floating of the Thai baht in July 1997, a victim of the domino effect that sent regional currencies crashing. The Indonesian rupiah nosedived, suffering the steepest decline among affected East Asian currencies.

Most of Indonesia's debt had been largely hidden from the public due to lax reporting rules and supervision, but mounting pressure on the rupiah prompted (the) central bank to order commercial banks to disclose their exposures (Chanda 1998). The effect was to pour new fuel on the currency crisis, sending the rupiah plummeting to record lows. From a 1997 value of 2,909 rupiahs to the US dollar, the rupiah breached the 10,000-mark and fell to 16,000 per US dollar by late January 1998.

As expected, the prices of food and other goods rapidly escalated. Basic commodities such as rice, cooking oil and sugar rose by 20 to 100 percent. As if on cue, better-off Indonesian consumers (housewives and office workers) stormed supermarkets and discount stores and promptly engaged in panic-buying with some of them even trading punches over essential commodities such as cooking oil. For the less privileged, however, food riots and looting were their only recourse, which gradually intensified despite violent police efforts to quell them (*Washington Post*, January 1999 Update).

During the first seven weeks of 1998, more than 30 outbreaks of social unrest were reported in Indonesia with the island of Java hardest hit by rioting—as many as during the whole of the previous year (FEER, February 26, 1998). Also affected were Sulawesi, Sumatra, Nusa Tenggara, Flores and Lombok.

Many of these riots turned racist and targeted establishments owned by mostly middle class ethnic Chinese. As rumors of a military coup swept Jakarta, speculations were rife that government elements were orchestrating some of the riots, particularly those aimed at Indonesian-Chinese businesses, in order to deflect the blame for the crisis away from the government's policies onto the 3.5 million Indonesian-Chinese (FEER, March 5, 1998.)

Overnight, confidence in the economy evaporated. As the *Washington Post* (January 1999 Update) reports: Foreign investors fled and many companies, adversely affected by the currency devaluation, went bankrupt. Like other Asian countries, Indonesia's banks were hit especially hard; by January 1998, 16 banks had suspended operations. The FEER calculated on January 22, 1998 that as much as 80 percent of corporate Indonesia was technically bankrupt.

The World Bank (1998 Country Economic Memorandum) describes the country's woes thus:

Within the space of one year Indonesia has seen its ... economy swing from rapid growth to even rapid contraction, unemployment climb rapidly, and the stock exchange lose much of its value. Foreign creditors have withdrawn, investors have retreated. Capital and entrepreneurs have fled. Long-standing defects in governance, earlier camouflaged by rapid growth, have now been unmasked as fatal flaws. No country in recent history, let alone the size of Indonesia, has ever suffered such a dramatic reversal of fortune. ... The economy is expected to contract this year by 10-15 percent, inflation could exceed 80 percent and the number of poor could well double.

In its Background Note for the June 1998 CGI meeting, the World Bank elaborated on the impact of the Indonesian crisis:

The collapse of the exchange rate from 2,500 to levels as low as 15,000 has contributed to one of the largest real depreciations in the post-world war two era. The turnaround in growth of 22 percentage points (from positive 7.8 percent in 1996/1997 to

possibly negative 10 to 15 percent for 1998/99) dwarfs anything experienced in the OECD countries since the Great Depression. The \$22 billion reversal of private capital flows from inflows of \$10 billion in 1996/1997 to outflows of \$12 billion in 1997/1998 is nearly as large as the total net private capital flows in the entire decade to 1985-1995. The price of Indonesia's key export, oil, has fallen to \$13 a barrel, its lowest level in real terms in 30 years.

Radelet (1998) considers the Indonesian turnaround nothing short of disastrous. From an 8 percent growth rate in 1996 and a more modest but still substantial 1997 growth rate of 5 percent, the Indonesian economy was expected to contract by 15 percent in 1998. He adds:

This single-year collapse in growth is among the largest recorded anywhere in the world in the post-World War II period. Millions of Indonesians, many just surviving over the poverty line during the good times, have lost their jobs. Food production has been disrupted, both because of the crisis and because, by sad coincidence, the country faced a severe drought in 1997, compounding the economic misery. Prices for many export commodities, especially oil, have fallen sharply on world markets. Investors, both foreign and domestic, have fled to safer havens. The banking system is moribund, and thousands of firms are facing the prospect of bankruptcy and closure.

The World Bank (1998) confirms that the real tragedy of the Indonesian crisis is its effects on the poor and vulnerable (who are) confronted by falling wage rates, fewer employment opportunities, and rising prices of food and other essentials, including health and education services. The first line of defense is to work longer hours in the informal sector, sell assets, draw down savings, and seek help from informal family and social networks.

The social consequences were no less dramatic (Bullard, Bello, and Malhotra 1998). Between July 1997 and February 1998, an estimated four million workers lost their jobs. By mid-January 1998, the number of new unemployed rose above six million with no end in sight for wholesale lay-offs. The construction industry alone laid off 950,000 workers. Total unemployment reached 10 percent and kept on climbing. Those who kept

their jobs complained of the minuscule wages; in early 1998 it was equivalent to 63 US cents a day, making Indonesians perhaps the cheapest workers in the world. Per capita GDP dropped from US\$1,000 to US\$230, inflation hit 23 percent, and poverty levels were expected to rise from the official figure of 11 percent to as high as 30 to 40 percent.

Indonesia's woes towards the end of 1997 were amplified by a severe drought brought about by the El Niño phenomenon. The weather disturbance dried up rice paddies, destroyed or delayed harvests, and turned fields into parched expanses. Rural families who expected help from relatives working in the cities have been disappointed by the shrinking sums sent them by equally distressed urban workers. The *Far Eastern Economic Review* (December 25, 1997 and January 1, 1998) reported that in remote regions, people died of starvation. The World Bank estimated that rice production was expected to decline by four to eight percent. Furthermore, severe localized droughts contributed to uncontrollable forest fires.

Other socioeconomic indicators of the crisis are summarized by Bullard, Bello and Malhotra (1998) thus:

Fears of food shortages have proved self-fulfilling, triggering hoarding and speculation, disrupting food supplies and causing shortages... Imported powdered milk has trebled in price poor families are forced to feed their infants sweetened tea rather than milk The poultry business, an important source of protein, is collapsing as it is heavily dependent on imported feed and medicines ...

Food production dropped by 4 percent in 1997 and for the first time in many years Indonesia started to import rice ... Although food shortages could be supplemented by imports, the cost is prohibitive and in any case foreign exporters are refusing to accept letters of credit issued by Indonesian banks ...

The skyrocketing prices of all imported goods have hit all sectors of the economy and services... (including) medical supplies and equipment. About half of the 120+ plus health clinics in one part of Jakarta are reported to have closed... A government source claims there are only enough medical supplies for four months ... Hospitals in the rural areas have gone back to the basics, using cat-gut for suturing and re-using all medical equipment.

In March 1998, the World Bank announced that it was coordinating humanitarian relief for the beleaguered nation of 200 million people and hopes to bring in imports of food and other essentials worth \$1.5 billion in 1998-99" (Roubini 1998a). These were to include about \$1.0 billion in extra rice imports in the 1998/99 fiscal year, and around \$500 million in other food, medicines, syringes and hospital equipment.

The Official Responses

The Indonesian government's first response to the crisis was to order banks to tighten credit (especially for property development) and raise bank reserve requirements (Montes and Abdusalamov 1998). At the same time, Jakarta tried to defend the rupiah to the tune of almost US\$2 billion between July and October 1997 while installing a managed floating currency system. To cut expenditures, the government also announced the postponement of US\$37 billion of public-sector related projects and other measures to lure foreign capital.

When the above measures failed to stem the recessionary tide, the Indonesian government in October finally sought the assistance of the International Monetary Fund (IMF) to support its deteriorating currency and arrest the economic decline. On November 5, 1997, the IMF approved a three-year stand-by arrangement for US\$10 billion that was equivalent to 490 percent of Indonesia's quota. An international bailout followed with the World Bank and the Asian Development Bank pitching in with US\$8 billion and a number of countries pledging an additional US\$18 billion.

In January 1998, Suharto agreed to a sweeping IMF reform package and adjustment program that was meant to restore market confidence, bring about an orderly adjustment in the current account, limit the unavoidable decline in output growth, and contain the inflationary impact of exchange rate depreciation. The standard IMF conditionalities and prescriptions for recovery were imposed: tight monetary policy, combined if necessary with exchange market intervention to stabilize the rupiah; measures to strengthen the underlying fiscal position to facilitate current account adjustment; a plan to strengthen the financial sector (including closure of nonviable institutions); as well as an initial set of structural reforms to enhance efficiency and transparency in the corporate sector.

At the same time, Suharto was forced to end his son Tommy's clove monopoly and the disastrous Timor national car project; end the dominance of long-time crony Liem Sioe Liong over sugar trading; dismantle the plywood cartel controlled by another crony, Muhamad Bob Hasan; cut state-support for then Science Minister B.J. Habibie's aircraft industry; and write *finis* to daughters Siti Hardijanti Rukamana's and Tutut's power station projects. These steps, however, were viewed as being too little, too late.

As an IMF study itself admitted, all the above measures failed to arrest the decline as capital outflows increased and reserves declined sharply. By mid-January 1998, annual per capita income was down to US\$300 from US\$1,200; stockmarket capitalization fell from US\$118 billion to US\$17 billion; only 22 of 286 publicly listed corporations remained solvent, and only four firms retained a market capitalization of US\$500 million or more, compared to 49 before the crisis (*FEER*, January 22, 1998). At this time, the rupiah also earned the dubious distinction of being the world's worst performing currency against the US dollar (Roubini 1998a).

The IMF study blamed the Indonesian government and the unstable political climate for the failure of its adjustment program. Suharto was perceived to be sending contradictory signals about his determination to strictly adhere to the IMF's guidelines. His budget speech of January 8, 1998, fueled speculations that no real reforms were forthcoming as it harped on the illusion that growth would continue, inflation would be checked, and the currency stabilized. An announced plan to create a currency board that would fix the rupiah's exchange rate was violently opposed by the IMF which threatened to withdraw its US\$43 billion credit package (Bullard, Bello, and Malhotra 1998).

Aside from these, the Suharto children and cronies were seen to be busy hatching up schemes to hold on to their economic interests. When Bambang's Bank Andromeda was closed, he simply transferred all assets, staff, and clients to the newly acquired Bank Alfa (*FEER*, January 15, 1998). Tutut herself reportedly continued to lobby for her power station project until as late as mid-December 1997.

Other analysts, however, contend that it is the IMF measures themselves that are at fault. Radelet (1998) argues that the IMF's involvement in Indonesia has been disastrous on three counts: (1) the Fund's policy prescriptions, such as its overly-austere fiscal and monetary conditions and the closure of 16 commercial banks in November 1997, simply worsened the panic; (2) after extolling Indonesia's economy for years, the IMF now announced a long list

of problems describing all that was wrong in Indonesia ... thereby further unsettling nerves and encouraging capital flight; and (3) the IMF-led bailout never took place as only US\$3 billion of the promised US\$40 billion was released, far from adequate to reassure anyone or to stop the panic.

An IMF document leaked to the *New York Times* strongly criticized President Suharto for failing to enact promised reforms attached to Indonesia's US\$43 billion aid package (Roubini 1998a). In the same report, however, the IMF also conceded that its requirement that 16 insolvent banks be closed as part of the plan backfired, helping to cause the panic that prompted global concern and intervention by US President Bill Clinton.

In any case, both the IMF and Jakarta expressed dissatisfaction with the lack of impact of the October IMF package. Prodded by Western leaders led by Clinton and by visits by IMF Managing Director Michel Camdessus and US Deputy Treasury Secretary Lawrence Summers, the Indonesian government and the IMF reached a second agreement on January 15, 1998. In this second accord with the IMF in four months, Suharto was required to dismantle the monopolies, the family-owned businesses, and his iron control of the economy that have marked his 32 years of rule (Roubini 1998a).

In the letter of intent signed with the IMF, President Suharto drastically scaled back the economic forecasts made in his January 6 budget speech on inflation, the rupiah and growth rates. He also agreed to end monopolies on cloves, fuel, and all commodities controlled by the government regulating agency Bulog except for rice; cut the tax benefits of his son Tommy's national car program; and avoid government bail-outs of debt-laden banks. Other announced reforms that came with the package included guaranteeing commercial bank obligations and allowing overseas investment in local banks. Also lifted were foreign ownership restrictions in Indonesian banks. In effect, Indonesia agreed to a "dramatic" acceleration of reforms previously agreed upon with the IMF.

Despite earlier denials of an impending debt moratorium, the government also announced a freeze on (corporate) debt payments until a new framework could be worked out between international lenders and Indonesian borrowers on how to tackle a crippling private sector overseas debt estimated at \$66 billion to \$74 billion out of a total \$137.4 billion in foreign debt.

Reports of plans to create a currency board again floated in local and regional circles and caused the appreciation of the rupiah. A currency board system requires that the entire supply of local currency is 100 percent-backed

by US dollar reserves at a fixed exchange rate—thus ensuring that every unit of local currency on issue is backed by the equivalent in, say, US dollars. Such a system enabled Hong Kong to ward off speculative attacks on the HK dollar in 1997. But since Indonesia did not have the required arsenal of dollar reserves, observers dismissed the currency board plan as a pipe dream. On the other hand, such a move would help out the debts of the private sector, including major firms owned by members of Suharto's family and close associates. But the foreign banking community feared that Indonesians would simply cash in their rupiah quickly and wipe out the country's foreign reserves, leaving it worse off than before. The World Bank pointed out that the only effect of the plan was to detract attention away from the implementation of the IMF package.

Indonesia's debt and currency problems were now the focus of attention in regional markets. Other Asian currencies and markets rose or fell depending on the news that was filtering out of Jakarta. For instance, in early February 1998, Southeast Asian currencies skyrocketed against the US dollar in Asian trading ... amid indications that Indonesia may peg the value of its currency to the dollar through a currency board (Roubini 1998a).

Despite Suharto's reported determination, Camdessus expressed the IMF's strong disapproval of the currency board proposal in a leaked letter to Suharto which threatened to halt payments if the plan went ahead. US Assistant Treasury Secretary Summers echoed the IMF's sentiments, admonishing Jakarta against solving its economic problems through a currency board without undertaking serious economic reforms.

Continuing to play the spoiler's role, Suharto then dismissed the central bank governor, Soedradjad Djiwandono, who was believed to have opposed a fixed exchange rate system through the currency board proposal. His replacement, US-trained economist Sjahril Sabirin, a former World Bank director, was expected to support the currency board plan. A shadowy figure was American economist Steve Hanke, taken in by Suharto as adviser to a top-level economic council and who strongly advocated the currency board idea. Based at Johns Hopkins University, Hanke, however, owns interests in currency trading and has admitted to having profited from the rupiah's current volatility (*FEER*, February 25, 1998).

Towards the end of February 1998, amid intensified pressure from the US and the Group of Seven countries, Indonesian monetary officials announced that the currency peg was being suspended and would not be imposed in the near future. IMF representatives in Jakarta welcomed the

news as the removal of an irritating distraction that has been blocking efforts toward serious banking-sector reforms, as well as plans for dealing with the nation's \$74 billion in private-sector debt (Roubini 1998a).

The damage, however, had been done. As a result of Jakarta's equivocation in addressing Indonesia's serious financial and economic problems, many analysts and the markets remained pessimistic about the nation's outlook and Suharto's ability and will to implement the IMF reforms. The IMF delayed the first review of the reform's progress scheduled for March 15 which meant that the US\$3 billion second tranche of the bail-out package would also be delayed. Indonesian officials, on the other hand, criticized the IMF's plan for being ineffective in addressing the economic crisis. As a consequence of this apparent standoff between Jakarta and the IMF, the rupiah and the stock market in Indonesia and in related regional bourses continued on their aimless drift despite occasional and intermittent gains.

Politics Takes Center Stage

The crisis intimately links Indonesia's economic travails with the country's political future. Presidential elections were due in March 1998 and speculations and uncertainties about the future make-up of the government contributed greatly to the caution exhibited by markets despite Suharto's public pronouncements that he would strictly abide by the IMF accord.

Suharto's announcement on January 21, 1998 that he would seek re-election for an unprecedented seventh term as president and his nomination of Minister for Research and Technology Bacharuddin Jusuf Habibie as his vice president sent the rupiah hurtling down to its lowest level of Rp17,100 to the US dollar. There were also added reports that debt-ridden Indonesian corporations were resorting to rupiah payments on US dollar debt (Roubini 1998a). It was further reported that many companies had ceased servicing their debt.

The focus and the worry, however, were on the likelihood that B.J. Habibie would be the 76-year-old Suharto's successor. The German-trained Habibie's reputation was that of a dreamy technocrat who is short on political and economic savvy, and who lacks the backing of Indonesia's powerful army (*FEER*, January 29, 1998). Experts deride his wild economic ideas, such as his infamous zigzag theory, and depict him as blind to economic reality. As a big-spending Research and Technology Minister, one of his high-flying

projects was the production by the state-owned aircraft maker IPTN (Industri Pesawat Terbang Nusantara) of the very expensive N-250 commuter plane. Under the IMF structural reform program, IPTN was set to lose its government subsidies. The IMF's First Deputy Managing Director Stanley Fischer also criticized the candidacy of the 61-year-old Habibie. One market analyst said that Habibie's reputation for profligate spending flies in the face of the austerity required by a US\$43 billion bail-out deal from the International Monetary Fund. There was also concern about his lack of a military background (Roubini 1998a).

An immediate social impact of the IMF package was renewed unrest. Roubini (1998a) summarizes various news service reports of widespread civil disobedience that filtered out of Indonesia starting on Friday the 13th February 1998:

Indonesians burned shops owned by ethnic Chinese, attacked churches and set cars ablaze Friday during protests against rising prices in three West Java towns, residents and police said. The violence erupted for a second straight day in Jatiwangi, 90 miles (150 km) east of Jakarta, with mobs burning a small tile factory and setting cars on fire, they said. They said riots also broke out in the coastal towns of Pamanukan, 60 miles (100 km) east of Jakarta, and Losari, farther east, over rising prices sparked by the fall in the value of the rupiah currency and by a drought. Residents in the major center of Bandung, 90 miles (150 km) southeast of Jakarta, said troops had been deployed and a number of shops had closed following rumors that students planned to take to the streets.

Days later the unrest continued, as Roubini (1998a) recounts:

Sporadic looting continued in towns along the north coast of Java after days of rioting over rising prices of basic commodities, emphasizing the need to get the rupiah under control and trade moving again. In East Java, police warned rioters "who pose great danger to others" that they could be shot on sight. The police statement came after the country's newly installed armed forces chief General Wiranto played down the impact of recent riots on national stability.

As the riots raged on, Suharto reshuffled his military command (FEER, February 26, 1998). He promoted his trusted chief-of-staff and former presidential aide, General Wiranto, to armed forces commander, replacing General Faisal Tanjung. Also promoted was his ambitious son-in-law, General Prabowo Subianto, who now took command of Kostrad (Army Strategic Reserve), the main two-division combat force used for security and quick-reaction duty across the country. In the process, Prabowo at 46, also became Indonesia's youngest three-star general. Another former presidential bodyguard, and Wiranto's former deputy army chief of staff, Lt. General Subagio, took over as army chief from Wiranto.

Despite international criticisms of his appointment as Suharto's next vice president, Habibie won unanimous approval from the ruling Golkar party and the other legal parties in the MPR. The military establishment also gave its backing by nominating Habibie for the position, thus ensuring that Suharto's personal choice would prevail.

In the meantime, Indonesia was approaching hyper-inflation, with prices soaring at rates not seen since the mid-1960s when President Suharto first came to power. Year-to-year inflation was now running at around 31.74 percent. (Hyper-inflation takes place when price rises reach between 40 and 50 percent.) Food prices, however, were rising at a much faster rate than official figures showed with anecdotal evidence suggesting that in recent weeks, on a month-to-month basis, cooking oil had risen in price by around 130 percent, rice around 34 percent, flour 33 percent, eggs 88 percent, and chicken 34 percent (Roubini 1998a). Skyrocketing food prices caused the riots which saw five people killed when troops opened fire on mobs looting and burning shops.

Suharto Digs In

There were no surprises when the rubber-stamp MPR met on March 10, 1998, re-elected Suharto to his seventh five-year term as president, and affirmed Habibie as the new vice president. As it has been throughout Suharto's iron rule, the composition of the 1,000-member (700 at present) Assembly was strictly the president's choice—500 from the Parliament [DPR - composed of 325 Golkar party members, 75 from the military, 100 from government-accredited other parties (11 from the Indonesian Democratic Party and 89 from the United Development Party)], and 500 other appointed members. All in all, 60 percent of the MPR were appointed by Suharto.

Hours later, 20,000 students from different universities gathered at the campus of the Gadjah Mada University in Jogjakarta, central Java, and boldly called on Suharto to step down. An effigy of the embattled dictator was pelted with sticks and stones and burned to chants of "Thrash him! Drag him to court!" It was the largest anti-Suharto demonstration ever and the first public call for his ouster (*FEER*, March 26, 1998). The next day, 5,000 students were joined by university administrators, faculty, and alumni leaders gathered at the University of Indonesia just outside Jakarta and raised similar demands.

This signalled the beginning of the resurrection of the Indonesian student movement which was to play a pivotal and catalytic role in the months to come. The last time a strong student movement emerged in Indonesia was during the 1975-1977 period which encompassed the January 1975 visit of then Japanese Prime Minister Tanaka and the May 1977 general elections (Bachtiar 1985). Tanaka's visit was met with violent student protests leading to the arrest of 300 student leaders, intellectuals, even some members of the DPR, and the closure of seven newspapers. In the aftermath of the 1977 elections, students demonstrated in university campuses demanding not only a changed development strategy, democracy and social justice but also the resignation of Suharto.

Suharto's announcement of a new cabinet on March 14 only fueled both local and foreign apprehensions because it was mainly a family and crony affair. Eldest child Tutut was named Minister for Social Affairs while golfing buddy and timber magnate Bob Hasan bagged the crucial Trade and Industry post. A Suharto family adviser, Fuad Bawazier, was named Finance Minister while Army chief Wiranto was further rewarded with the Defense Ministry. Other appointments that may have pleased the IMF were overshadowed such as that of Tanri Abeng, a respected business executive, as head of a new ministry for restructuring and privatizing state enterprises, and Ali Alatas, who was popular with diplomats, on his third term as foreign minister. In any case, all ministers were known associates of Suharto, Golkar, Habibie, or Tutut.

Tutut would, in the next month, be designated by her father to head government efforts to aid Indonesia's poor and unemployed, thus pushing her to be next in line as Golkar Party chair (*FEER*, April 9, 1998). On a tour of Jakarta's food stalls, the new Minister heard complaints about exorbitant chicken prices due to the high cost of imported feed. Her Marie Antoinette-like response? Let them eat rabbit meat.

While the new cabinet sought credibility both at home and abroad, Indonesia's troubles spilt over into neighboring Malaysia. Rioting broke out when Kuala Lumpur authorities began repatriating hundreds of illegal Indonesian immigrants who had entered the country seeking a better life (Roubini 1998a). Eight Indonesians and a Malaysian policeman were killed in the melee. Malaysian authorities estimated that 17,000 Indonesians had entered the country illegally since the deepening of the crisis.

On April 8, 1998, a third Letter of Intent was signed between the IMF and the Indonesian government containing a new package of economic reforms and targets. Coordinating Minister for Ginandjar Kartasasmita announced what he said were three main differences from the two earlier agreements in October and January: plans for the IMF to coordinate and monitor the program, a full prior discussion with the cabinet, and measures to resolve corporate overseas debt. Economic growth was expected to contract by four percent compared to the zero growth predicted in January. The IMF also agreed to the continuation of government subsidies on rice and soybeans, with fuel and power prices to be raised gradually. In the January agreement, subsidies were to have been abruptly ended and fuel and power prices were to have increased in April. The rupiah improved to 5,825 per US dollar.

It was the IMF's turn to face its antagonists at home. In the US Congress, a bipartisan group of legislators such as House Majority Leader Dick Armey, a Texas Republican, accused the IMF of encouraging behavior that led directly to financial and economic collapse. House Democrats urged President Clinton to get tough with President Suharto, saying US financial support for Jakarta and the IMF was at stake.

The second-ranking Democrat in the House, David Bonior, and 26 other lawmakers said in a letter to Clinton that the United States is too tolerant of human rights abuses in Indonesia. Critics say the IMF's bailout for Jakarta has benefitted Suharto and his family. They have accused the international lending agency of ignoring Indonesia's record of human rights abuses and history of corruption. In their letter, the Democrats threatened to oppose US financial support for Indonesia and the IMF unless Suharto agrees to improve political, religious and worker rights, and conditions in East Timor (Roubini 1998b).

Suharto's Human Rights Record

Even as the Indonesian economy grew in the 1980s and 1990s and living conditions improved, one aspect of the political situation that never escaped from a dark and dingy past was Suharto's miserable human rights record. His rise to power in 1966 was ushered in by the massacre of about one million Indonesians who were affiliated or merely sympathized with the Indonesian Communist Party (PKI, with 3.5 million members then the world's third largest communist party). Those wholesale killings were precipitated by what observers now agree was an internal army affair—the kidnapping and murder of six high-ranking military officers (Balowski 1996). One of the conspirators, Col. Abdul Latief, who served a 37-year jail sentence, has named Suharto himself as one of the plotters (*FEER*, June 4, 1998). The PKI was blamed for the kidnappings/killings and Suharto led the army and military-backed civilian gangs in launching the bloody counterstrike. The destruction of the PKI was hailed by Western governments led by the US who rallied behind Suharto and his New Order society.

The crackdown on the Indonesian Left saw between 600,000 and 750,000 people thrown into hastily set-up detention camps or work centers in subhuman conditions. They were branded for life as Tapol (tahanan politik or political prisoner). A notorious military intelligence unit, Kopkamtib, was formed to supervise the arrest, interrogation, and trial of Tapols. Most Tapols were released by the late 1970s but until recently continued to be discriminated against and harassed. There are an estimated 1.3 million Tapols in Indonesia today (Balowski 1996).

In 1975, Suharto's military machine invaded East Timor, then a Portuguese colony on the verge of gaining independence. Thousands of East Timorese were killed in the bloody takeover. In the following years and facing an armed independence movement, the Indonesian military and its local allies have killed about 200,000 East Timorese, almost a third of the population. Arrest, torture, and murder of independence activists became commonplace. On November 12, 1991, Indonesian occupation troops fired on a funeral procession for a student killed by the military; they also massacred 270 people in Sta. Cruz, Dili.

In 1975, as mentioned earlier, student-led protests against the visit of Japanese Prime Minister Tanaka resulted in the arrests and trials of hundreds of protestors coming from various social sectors. After the 1977 general elections, students again massed in their respective university campuses in

protest against the Suharto regime and its development strategies (Bakhtiar 1985). Thousands of soldiers invaded and occupied the campuses, drove out the faculty, and arrested the student leaders. The latter were put on trial.

Other notorious incidents include the September 12, 1984 killing and injuring of dozens of Muslim demonstrators by military troops in the port district of Tanjung Priok, North Jakarta and the 1983-1984 mysterious appearance of bullet-riddled bodies on the streets of Jogjakarta, Jakarta, and other major cities in Java and Sumatra. They were found to have been shot by a paracommando unit called Kopassandha. Most of the victims in the latter incidents were petty criminals recently released from jail. By the end of the year, there were 8,500 of these victims of summary executions (Balowski 1996).

A prominent working class victim of the Suharto regime's excesses was the woman labor leader Marsinah who was found dead three days after leading a strike at the P.T. Catur Putra Surya Watch factory in May 1993. She had been tortured and severely beaten. In 1998, it was revealed that the brutal incident took place at the Kodim (District Military Command).

The labor movement gathered momentum in the early 1990s. In 1994, a mass protest of 14,000 workers in Medan ended in violence. Reacting swiftly, the military arrested dozens of labor activists including Muchtar Pakpahan, head of the independent labor union SBSI, and conducted close surveillance of workers and labor advocates (*FEER*, June 17, 1999). Violence against labor continued as three other worker activists were killed in separate incidents in April, May and October 1994—all related to labor strike activities.

The rural areas in Indonesia are particularly vulnerable to gross human rights atrocities by the military (Balowski 1996). On February 7, 1989, troops surrounded a rural hamlet in Lampung, South Sumatra and opened fire on villagers, killing 100 people, about one-third of the residents. This was the culmination of a long drawn-out struggle by residents in the area, begun in 1977, to resist eviction for an alleged reforestation project. The people suspected that property speculators were really behind the move, one of the companies granted reforestation rights was owned by none other than Tutut. In previous months, hundreds of houses were burned down, crops were torched, and rice and other food stocks were destroyed. In July 1993, two Muslim scholars were killed in Haur Koneng, West Java. Two

months after, four people who demonstrated against a dam project in Madura were killed.

Although East Timor has been the center of public and media attention, there are other separatist movements whose members and sympathizers have equally been subjected to human rights violations. These are in West Papua (Irian Jaya) and in Aceh, North Sumatra. In Aceh, the US-based Asia Human Rights Watch reported in 1992 that as many as 1,000 people may have died since mid-1989 in a combination of separatist guerrilla attacks and army reprisals. Disappearances remained unresolved; suspected guerrillas continued to be shot on the spot rather than taken into custody; large numbers of people were believed to remain in unacknowledged detention; and trials which violate international norms of fairness continued to take place (quoted in Balowski 1996).

Journalists and other media practitioners have not been spared. From 1965 to 1994, 2,000 books and other publications were banned by the Indonesian government. Journalists have been arrested and imprisoned for writing against the government. The harassments resulted in direct physical attacks and killings of several journalists between 1996 and 1997.

The Suharto government has signed but never ratified the 1987 UN Convention Against Torture and was not party to other international treaties such as the International Covenant on Civil and Political Rights. In 1992, the US State Department concluded that in Indonesia torture and mistreatment of criminal suspects, detainees and prisoners were common, and that legal protections were violated by the government. Balowski (1996) writes that torture is routinely used to elicit confessions for use at trials, to punish an uncooperative suspect, and, in political cases, to obtain information of the activities of suspected government opponents.

In the early 1990s, reports emanating from the rural areas told of busloads of women being forcibly herded by the military to family planning clinics where, with hardly an explanation nor a choice, they were injected with contraceptives (Budiman 1992). Called safari family planning, the sessions were opened by the local military commander who thanked the mothers' participation in checking the population explosion.

On July 27, 1996, soldiers and hired goons raided the headquarters of Megawati's Indonesian Democratic Party (PDI), killed 50 people and injured many of those holed out in the building to resist a takeover bid by a Suharto-appointed PDI leader. This sparked several street clashes between thousands of Megawati supporters (including students) and armed soldiers.

In August 1996, and partly as a result of the July street clashes, a military crackdown on the small left-wing People's Democratic Party (PRD) resulted in the arrest of party chairman Budiman Sudjatmiko together with other PRD leaders. Organized only in July 1996, the PRD was trying to present a political alternative to Suharto and the other elite opposition leaders. An economics student at Gadjah Mada University in Yogyakarta, Sudjatmiko was sentenced to 13 years in jail for subversion.

The events leading to Suharto's eventual resignation in May 1998 were punctuated by government-sanctioned violent acts against certain sections of the population. The primary victims were ethnic Chinese who were being used as scapegoats for the crisis. The numerous cases of rapes of Chinese women raised international protests. General Prabowo, for one, helped fuel anti-Chinese sentiment by making veiled references to "traitors" who took their money abroad (Human Rights Watch 1999).

As campus protests escalated and security tightened in February (1998), well-known political activists began to disappear, abducted from their homes or workplaces in what was clearly an organized operation. International outrage over the disappearance of activists and pressure for clarification of their whereabouts led to the creation of a new organization, KontraS, to work on behalf of the families of the disappeared, and to the eventual resurfacing of several young men in April and early May. Pius Lustrilanang, the first to give a public account of his abduction, torture, and detention, set an example for others; the evidence they produced pointed directly to the involvement of the army special forces, Kopassus, and to General Prabowo, former Kopassus commander.

Suharto got away with these wanton human rights violations because of the tight authoritarian control he and the military exercised over Indonesian politics and society. Furthermore, the memory (and the trauma) of the 1965-1966 massacres was also still fresh in the minds of many Indonesians especially in Java where it is hard to find a family without a member or relative who did not suffer political repression in one form or another (Anderson 1998). Whenever threats to the New Order took place, military and civilian officials often raised the specter of the 1965 killings and the resulting disorder if communist (read anti-government) elements had their way. So intense was the shock of 1965 that even a modest land reform

way. So intense was the shock of 1965 that even a modest land reform program could not be put in place because of the program's close association with the PKI.

Most importantly, Suharto had the support of the US and other industrialized nations which poured in billions of US dollars in economic and military assistance and whose transnational corporations and other financiers contributed billions more in trade and investments. Early in Suharto's regime, Indonesia was already the most important recipient of foreign funds among Asian and ASEAN member countries (Rahardjo 1984). From 1969 to 1976, 47 percent of private direct investment to Asia went to Indonesia compared with 9.8 percent to Malaysia, 9.3 percent to the Philippines, 6.6 percent to Singapore and 2.6 percent to Thailand. Of the total foreign aid to ASEAN from 1971 to 1975, Indonesia grabbed 64 percent.

Cumulative World Bank lending to Indonesia as of September 1998 stood at US\$25 billion with 75 projects under implementation (World Bank 1999). Despite Western public posturings, human rights was merely a token issue. So long as Suharto maintained a firm grip on power, and peace and stability reigned, he was the West's and the IMF/World Bank's fair-haired boy. As May 1998 approached, however, there seemed no end to the economic and political crisis. When Suharto remained impervious to the reality of the Indonesian situation, things would rapidly change.

The Fall of a Dictator

On May 5, 1998, finally implementing the most socially unpalatable aspect of the IMF reform package, that of cutting fuel subsidies, the Suharto government announced a 70 percent gasoline price hike (*FEER*, May 14, 1998). It also announced sharp increases in public transport fares and a 60 percent rise in electricity rates over the next five months. The day before, the IMF gave its seal of approval to the Jakarta regime by approving the release of US\$1 billion as part of a US\$10 billion loan program related to the reform process. Other multilateral and bilateral donor agencies as well as governments were expected to follow suit.

For the Indonesian masses, this was the last straw. Riots immediately erupted throughout the country. The worst incidents occurred in Medan with looting and other violent acts lasting throughout the day and night. In this north Sumatra city demonstrators denounced Suharto as the "Son of

Satan” and demanded that he be tried in the flesh by the Indonesian people (Roubini 1998b).

The tone of Indonesian financial markets was tense Friday (May 8) on renewed student protests in the capital and continued unrest and looting in cities in north Sumatra. Students ignored a call from Indonesia’s powerful military chief to halt their protests and staged a mock trial of President Suharto in Jakarta on Friday, condemned him to death and burned him in effigy. A chorus of reform demands from establishment organizations grew louder with church leaders representing the nation’s more than 10 million Protestants throwing their support behind the student protests. Earlier in the week, a leading Moslem intellectual organization urged wide-ranging reform.

In response, Suharto promised reforms would come by the year 2003. Still, in a move that revealed further his lack of appreciation for the gravity of the situation, he left the country on May 9 to attend the Group of 15 summit meeting of developing nations in Cairo. He was also due to make a formal state visit to Egypt after the G-15 meeting.

While Suharto was away, events rapidly reached a breaking point. On May 12, a peaceful demonstration by students at the elite Trisakti University turned violent when police attacked the crowd and fired at the protestors (FEER, May 21, 1998). Six students were killed and 15 were wounded. Expectedly, they also energized public sentiment against the regime and generated more protest actions. Crowds of people from all walks of life joined campus protests around Trisakti University and, on at least one occasion, were met by shots fired by security forces. Human Rights Watch (1999) reported that on May 13,

The worst violence Jakarta had seen in decades broke out and continued for three days, with security forces standing by as mobs torched Chinese shops and homes. Over 1,000 died, many of them trapped in burning shopping malls. Foreign embassies and companies evacuated staff and dependents, and thousands of Chinese-Indonesians fled the country.

The rapidly deteriorating situation put Defense Minister Wiranto on the spot. Under his leadership, ABRI had reportedly been trying to find a middle ground between its loyalty to Suharto and a recognition that it must satisfy the aspirations of a protest movement that was fast becoming the conscience of a nation on the edge (*FEER*, May 21, 1998). Wiranto had earlier declared his support for placing political reform on the national agenda and allowed his ally, Lieutenant General Syarwan, leader of the military delegation in Parliament, to state that reform laws could be completed by 2000, three years ahead of Suharto's announced timetable.

Other members of the ruling elite started distancing themselves from the absent Suharto. These were the Association of Muslim Intellectuals (ICMI), still headed by Vice President Habibie, the government-controlled labor union, SPSI, and former ministers in previous cabinets.

Suharto hurriedly returned to Jakarta on May 15, cutting short his Cairo visit. In desperate efforts to salvage his position, he reportedly toyed with the idea of imposing martial law ... and later turned to a group of Islamic leaders for endorsement of his proposal to establish a reform committee (*FEER*, June 4, 1999). He also tried a cabinet reshuffle but could not persuade anyone to serve in it. Desertions became the order of the day. The once-loyal Speaker Harmoko of the MPR joined the call for Suharto to resign and threatened a parliamentary impeachment.

The students decided to take more drastic action. Numbering 30,000, they took over the Parliament building and surrounding streets for three days while military troops stood by. Meanwhile a huge demonstration was being planned by opposition leaders led by Amien Rais for May 20 (later cancelled at the last minute due to fear of bloodshed). The last straw was the resignation on May 20 of all 14 economic ministers headed by Akbar Tanjung and Ginadjjar Kartasasmita. Even Habibie showed signs of wavering. With the situation approaching anarchy, General Wiranto informed Suharto that the military could no longer guarantee security in Jakarta. Finally, the MPR and the students gave Suharto until May 22 to resign.

Alone and left with no other options, Suharto finally gave in and resigned in a televised ceremony on May 21, 1998, handing power over to Vice President Habibie and ending 32 years of iron-fisted dictatorial rule. Defense Minister Wiranto immediately pledged support for the new leader while vowing to protect Suharto and his family.

In the ensuing power play, General Wiranto also came out a winner with the swift removal of chief rival Lieutenant General Prabowo Subianto

(Suharto's son-in-law) of his command of Indonesia's main combat force (Kopassus) and his reassignment to a staff college in Bandung. He was later accused of being responsible for the abduction and torture of prodemocracy activists, the May 12 killing of six student-activists in Trisakti University, and the military-instigated violence against the Chinese-Indonesian community. Prabowo was later dismissed from the military and fled with his family to Jordan.

Even as skepticism met his assumption of the Presidency, Habibie attempted to show a different face by forming a new cabinet minus the Suharto cronies and daughter Tutut. He also lifted curbs on the media and pledged elections in 1999 after new electoral laws are put in place. The influential newsmagazine *Tempo*, banned in 1994, has reopened under the respected journalist Goenawan Mohamad (*FEER*, November 5, 1998). As a concession to the reform movement, the new president released labor leader Muchtar Pakpahan, opposition politician Sri Bintang Pamungkas, and more than a hundred political prisoners (with the exception of East Timorese leader Xanana Gusmao and activists associated with the leftist PRD).

The Key Players

Indonesia's immediate future is to some extent dependent on the actions of key players who are able to exercise significant influence over large sections of the population. First, we have the current crop of leaders led by President Gus Dur, Vice President Megawati Sukarnoputri, and MPR Chairman Amien Rais. Although out of power, the Golkar group cannot be discounted since it had a hand in installing Gus Dur in power. The Indonesian military still looms in the wings as a separate force despite General Wiranto's current troubles. In one sense the military's status is linked to the fate that awaits Golkar and Suharto himself. The third political force would be the social movements and civil society groups, including the student, labor, and peasant movements, and the political parties representing their interests. Lastly, the religious Islamic forces which, in the world's largest Muslim country, holds considerable influence in Indonesian politics and culture.

ABDURRAHMAN "GUS DUR" WAHID. Prior to his being chosen as president by the People's Consultative Assembly, Gus Dur headed the Nahdatul Ulama, the 34-million strong Muslim group and its political

arm, the National Awakening Party (PKB), the country's largest Muslim organization. NU draws its support from Central and East Java, Madura, Lombok, and southern Sumatra. In the June 1999 elections, Wahid's PKB placed third with 12.6 percent of the vote, behind second-running Golkar which had 22.4 percent. As NU head, he commanded "a largely cohesive and rural-based network in all provinces except East Timor (FEER, September 17, 1998).

Gus Dur was born in Jombang, August 4, 1940. His father and grandfather both became Minister of Religion during Sukarno's presidential tenure. He graduated from the Department of Higher Islamic and Arabic Studies at the University of Al-Azar in Cairo, as well as from the Faculty of Arts, University of Baghdad, Iraq (1970). Gus Dur has been Chair of the Executive Board of NU since 1984 and has frequently been at the center of controversy over his inclusive approach to Islam. As NU Chairperson, he initiated the Return to Khittah 1926 which meant the withdrawal of the organization from practical politics since 1948. With the political vacuum created by the *reformasi*, NU returned to practical politics by establishing the PKB. In mid-January 1998, Gus Dur suffered a serious stroke which affects him to this day.

MEGAWATI SUKARNOPUTRI. The daughter of Indonesia's mercurial founding president Sukarno, Megawati was considered the frontrunner for the presidency until her bid was derailed by a group of Islamic parties and the Golkar party that threw their support behind her erstwhile ally Gus Dur. As head of the Indonesian Democratic Party-Perjuangan (PDI-P), she opposed the corruption and human rights abuses of the Suharto regime. Drawing large crowds whenever she spoke, she led the PDI-P to first place in the June 1999 parliamentary elections, defeating the ruling Golkar Party by a wide margin. She then formed an alliance with PKB, and its leader, Gus Dur. This was dubbed a marriage of nationalists, Christians, and Muslims who shared a nationalist orientation and belief in a secular state (FEER, September 17, 1999).

Born on January 23, 1947 in Yogyakarta, Megawati studied Psychology at the University of Indonesia and spent most of her adult life as a homemaker. She was suddenly thrust into the center of politics when she was elected Chairperson of the Indonesian Democratic Party (PDI) Central Leadership Council at the party's 1993 National Congress. Sensing a potential rival, Suharto attempted to sideline Megawati by organizing another

PDI Congress in Medan in June 1996, installing his own man in her place, and ordering troops to seize the PDI headquarters from Megawati supporters. Bloody riots followed on July 27, 1996, after which Megawati was forced to lead the PDI from her house in Jl. Kebagusan in Jakarta. In the 1998 PDI Congress, she was re-elected as Party Chair, and the party was renamed as the PDI-Perjuangan (Struggle).

Megawati espouses a brand of populist politics and draws her strength from Bali and the Christian-dominated areas in eastern Indonesia. Her underlying core support comes from Indonesia's underclass (*FEER*, September 17, 1999)

AMIEN RAIS. Born on April 26, 1944, in Solo, the new Chairman of the MPR first studied in the Faculty of Political and Social Science at the Universitas Gadjah Mahda. He became known as an expert on West Asian affairs following his Ph.D. dissertation on the Muslim Brotherhood of Egypt at the University of Chicago. He has worked as a University Lecturer at the International Relations Department of Gadjah Mada until he resigned in 1999. In 1990, as Chairperson of Muhamadiyah, the second-largest Muslim organization, he occupied a seat on the Board of Experts of the Habibie-led ICMI (Indonesian Association of Muslim Intellectuals). However, he was later eased out by ICMI on account of his critical stance.

Considered the Muslim rival of Gus Dur, Rais was prominent in the 1998 student demonstrations that led to the ouster of Suharto. Rais leads Muhamadiyah, and chairs its political arm, the National Mandate Party (PAN). In the June 1999 elections, PAN did not perform as well as expected and ended up a poor fifth with only 7.2 percent of the vote. Despite this, Rais was still regarded by analysts as a strong national contender and his supporters had hoped to form a coalition with urban intellectuals who considered then frontrunner Megawati too timid to lead.

On the other hand, PAN may be weakened by Rais' attempts to make it more broad-based than Muhamadiyah, whose leadership he relinquished to pursue his parliamentary ambitions (*FEER*, September 17, 1998). In making a pitch for students and the urban middle class and becoming more pluralistic, Rais may have lost the loyalty of half of Muhamadiyah members. The nonpolitical Muhamadiyah, with 28 million members and a comprehensive network, is an urban parallel of the NU.

Social Forces

THE MILITARY. As is widely known, the military (now known as TNI) had always played a unique role in Indonesia, with a constitutionally-enshrined dual function or "*dwifungsi*." This role is ostensibly justified by its revolutionary role in the anti-Dutch struggle for independence. The military, traditionally at the beck and call of Suharto who used it to keep the population in check, has 38 seats in the 500-member Parliament. Many officials in government service, including local government units, are military officers.

Suharto had exercised control over the military by playing off one faction against another, notably in the celebrated conflict between General Wiranto who headed the army's secular wing, and General Prabowo Subianto (Suharto's son-in-law) who was identified with the Muslim extremist wing. By ensuring that both Wiranto and Prabowo had important allies in key military commands, Suharto made it difficult for key officers to reach any sort of consensus independent of his wishes. This type of control was earlier played out when the armed forces was headed by General Benny Murdiani, a Catholic. This factionalism, however, also contributed to the weakening of the military which has not been remedied despite the disgraceful exit of Prabowo from the military establishment.

Dwifungsi has enabled the military to amass extensive business interests in almost every sector of the Indonesian economy. The abolition of this dual function has long been a major demand of prodemocracy movements both during and after the Suharto regime.

Lately, *dwifungsi* has also come under fire from local establishment circles including young generals who believe the military should reduce its civilian role in order to preserve its autonomy (and) prevent manipulation by the president (FEER, February 5, 1998). On the occasion of its 54th anniversary on October 5, 1999, a noted Muslim intellectual publicly urged the military to phase out its role in politics and focus its attention on developing (into) a more professional, credible and modern defense force (*Jakarta Post*, October 6, 1999). This view is supported by no less than the newly elected Chair of the MPR, Amien Rais, who said that by getting rid of politics, TNI would be better able to enhance its professionalism and maintain its neutrality as well.

The Indonesian military as a whole, however, retains an innately cautious approach to political reform (FEER, June 4, 1998). It has seen its powers

clipped somewhat by the reduction in the number of its guaranteed seats in Parliament from 75 to 38 but in other aspects of Indonesian society, its presence remains formidable. At the same time, TNI had assumed an attitude of tolerance for Habibie, although without assurances of unequivocal support.

In April 1999, the national police was separated from the army and the old ABRI was renamed TNI. Human rights groups consider this a positive step towards transforming the police into a democratic institution responsible for the maintenance of law and order, and respecting basic human rights (Tapol, April 1, 1999). The police had often been assigned to deal with street demonstrations and protests through a special antiriot force, *Brimob* (Brigade Mobil), which had earned the anger of the public for its high-handed manner in dealing with popular dissent.

Despite compelling reasons for TNI to do away with or, at the very least, scale down its *dwifungsi* role, the process of doing so is not expected to be smooth and trouble-free. By all accounts, the military is still unwilling to relinquish its privileges and power. Three decades of authoritarian rule have led to the destruction of civil institutions and their takeover by the military. And then there are its business interests which provided the army with a comfortable budget, keeping its members happy and loyal. Losing these will be difficult to swallow, and it will take time for the military to wean itself away from power and privilege. Its reprehensible behavior during and after the East Timor referendum proves that old habits indeed die hard.

In September 1999, outgoing Parliament passed a Security Bill which would give TNI wide-ranging powers, including the suspension of civil liberties, during emergency situations declared by the president. This move was seen as a way for the military to restore its privileged position in Indonesian government and society. Violent demonstrations in major cities, resulting in the death of seven people, greeted its passage.

THE NGO COMMUNITY. Nongovernmental organizations (NGOs) in Indonesia can be classified into two types: the old generation NGOs and the new generation of prodemocracy and human rights NGOs. The first is composed of middle class-intellectuals and activists who initially supported Suharto's rise to power with the hope that this would end the authoritarian style of governance associated with former president Sukarno. At the same time, these NGOs also took an anti-Left position and sought to put an end

to the strong Left influence in government. They would later become disappointed with the new type of authoritarianism under Suharto's New Order government.

As political parties were completely controlled by the government and channels for dissent were closed, many Indonesian social reformers established NGOs that worked on issues related to rural development, environmental and legal issues, consumers and women's rights, among others. These organizations became the channels through which middle class dissatisfaction with the New Order's development strategies was expressed. With few expectations these NGOs represented a moderate form of dissent and were generally viewed as harmless by the regime.

By the late 1980s and early 1990s, however, a process of radicalization took place with the formation of NGOs doing advocacy and campaign work on democracy and human rights issues. Thus emerged the second generation of NGOs, stimulated by the resurgence of student activism in the late 1980s. Interestingly, several of the older NGOs found themselves veering in the same direction as the new ones; dissidents who had been active since the 1970s were often involved in the second group as well, and thus have much in common with the student movement on ideological and strategic issues. Although they are based outside the university and take in nonstudent members, the new NGOs are often run by current or former activists. Their radical approach to political and social issues, however, coupled with their tendency in many cases to reach out to peasants and workers, distinguishes them from the older established NGOs.

Indonesia's NGO activists, however, cannot claim to have a common strategy and political platform for the reform movement. A number of NGO activists who have tried to find a common strategy and political platform have repeatedly failed in their attempts. This is considered a weakness of the NGO movement.

Despite the failure of political parties of the New Order to achieve the people's aspirations, a number of students and NGO activists have joined these parties to try to change them from within. These "political guerillas" hoped to produce changes towards more democratically-oriented policies and programs.

Other NGO activists have adopted the more traditional strategy of acting as a proactive pressure group, i.e., maintaining their nonpartisan nature but without being critical of those activists who had chosen the strategy of becoming political guerillas.

NGOs, thus, have become an important arena where a small, socially-oriented section of the Indonesian middle class could be active. Particularly for former student activists, this type of social involvement enabled them to remain loyal to their idealist aspirations and retain a critical and creative standpoint. Some also underwent a process of proletarianization and became part of leftist movements by joining workers and student organizations, notwithstanding the repressive state apparatus. Despite this development, however, antiestablishment and protransformation NGOs comprise only a small number among the general NGO community. The large number of Indonesian NGOs is either aligned with proestablishment forces or with elitist proreform groups.

THE LABOR MOVEMENT. It was a policy of Suharto's New Order regime to actively oppose the labor movement. In a special operation, *Moertopo*, dozens of trade unions were forced to merge with the pro-government All Indonesia Workers Federation (F-BSI). F-BSI was further forced to transform itself into the unitary All-Indonesia Workers Union (SPSI). Both F-BSI and SPSI were conceived as part of the New Order structure founded on a corporatist state where various sectors were to be united into a single state-controlled organization. For workers in the private sector, the sole option was to join the Golkar-dominated SPSI. Teachers were forced to join PGRI; bureaucrats, KOPRI; and journalists, PWI. Among plantation workers, a pseudo-trade union was also imposed, the Central Organization for Independent Indonesian Employees (SOKSI).

To attract both local and foreign investments, cheap labor and absence of workers' rights served as the come-on. The choice of capital-intensive industrialization as the path to economic development meant that the labor force could not be fully absorbed. With the supply of labor outstripping demand, workers were placed in a weak bargaining position. Furthermore, increases in labor productivity did not result in corresponding wage increases.

In the early 1980s, NGOs specifically designed to serve the needs of the labor force emerged. One of them was the Indonesian Prosperous Laborers Union (SBSI). Despite official bans on its activities, the SBSI, led by Muchtar Pakpahan, survived and managed to strengthen its organization and influence, and gain international prominence. Since 1993, Indonesian laborers have become more outspoken in defense of their rights and against authoritarian rule. Workers' strikes in Medan and Pematangsiantar in 1994 can be considered important milestones in the resurgence of the Indonesian

labor movement. The 1994 mass protests, however, participated in by 14,000 workers, ended in violence. A crackdown followed with dozens of labor leaders (including Pakpahan) and activists arrested. Military surveillance of unions and their supporters also intensified (*FEER*, June 17, 1999). Pakpahan's detention sparked an international campaign for his release.

After Suharto resigned from the presidency, Minister of Manpower Fahmi Idris issued a regulation number 5/1998 which, in his words, granted freedom of association to all Indonesian laborers. While the regulation allowed the formation of trade unions at the enterprise level, national trade unions were disallowed. When newly-formed unions at the enterprise level submitted their constitutions and rules, many of them were rejected on the grounds that their rules of association and their constitutions were the same as those of SBSI. Union board members also faced dismissal by their employers who were under pressure from the local Department of Manpower to do so.

Nevertheless, the fall of Suharto and the more liberalized political atmosphere have emboldened the Indonesian working class to press demands for higher wages and better working conditions. They are now vocal about their refusal to bear the brunt of the economic crisis while they see their factory bosses prospering from increased exports. A month after Suharto resigned, the number of strikes rose from four in February 1998 to 83 in June 1998. In the Medan Industrial Park, nine strikes erupted in early 1999 alone, jeopardizing plans by the park management to attract Malaysian investors.

Pakpahan himself was released from prison and set about rebuilding the SBSI, eventually winning government recognition in July 1998. SPSI broke up into factions; one became the SPSI-Reformasi. A new, independent union among plantation workers was formed. And mobilizations have taken place even among middle-class white-collar workers.

Workers are also beginning to assert their political influence. The once-outlawed PRD, whose leaders are still in jail, has begun to pay more attention to labor organizing. In preparation for the June 1999 national elections, for example, three workers' parties were established. They, however, have a long way to go as electoral parties. Pakpahan's PBN, for example, garnered a mere 111,629 votes (26th out of 48 parties), while the two other workers' parties, Workers' Solidarity Party (PSP) and the All Indonesian Workers Solidarity Party (PSPSI) got 26,499 votes and 34,022 votes, respectively.

Unfortunately, none of the leaders of the major parties (Megawati included) has cultivated links with the labor movement.

In May 1999, a new workers' federation was formed, called the FNPBI, or National Front for Labor Struggles (*ASIET News*, July 20, 1999). In its founding congress held in Lembang, West Jakarta, from May 14-16, 1999, the FNPBI brought together seven provincial organizations from the Jabotabek area (Jakarta, Bogor, Tangerang, Bekasi), Solo, Bandung, Semarang, North Sumatra, and Bitung. Eighty percent of the congress participants came from factories, in contrast to past initiatives in which activists came from the ranks of students or NGOs. Combining economic with political goals, the new federation demanded a 100-percent increase in pay; a 32-hour work week; a stop to retrenchments and contract work; withdrawal of the military's *dwifungsi* character; freedom to organize, release of political prisoners (including labor activist Dita Sari); free and fair elections; and a referendum for the Maubere people of East Timor.

THE STUDENT MOVEMENT. The student movement in 1998 began in Yogyakarta, specifically in the University of Gadjah Mahda campus. This was in contrast to previous periods of activism in the Japanese period, 1966, 1974, and 1979 when it took root in the University of Indonesia in Salemba, Central Jakarta. The PRD actually traces its roots to Yogyakarta, specifically the Yogyakarta Students' Communication Forum (FKMY). As early as 1989 the group claimed to have 1,500 members from 20 high schools and universities.

The contemporary student movement appears to have started in Central Java and spread throughout the area before reaching Jakarta. This could be attributed to: (1) the transfer of the University of Indonesia campus from Salemba to Depok (on the outskirts of Jakarta), and (2) the upper and middle class composition of the students in the campus and paralyzation of the Jakarta-based student movement during the tenure of then Education Minister Daoed Joesef who implemented a program dubbed the NKK (Normalization of Campus Life).

Only a very small minority of Indonesia's student population can be labeled as activists. Most Indonesian students are politically passive and apathetic. Ironically, many student activists actually belong to the middle class and therefore are economically secure. A number of radical student activists are sons or in-laws of the military and political elite and might thereby enjoy some form of political protection. However, their solidarity

with the farmers and workers and their interest in political theories that challenge existing paradigms of development suggest that their role in the current political development is more a part of an increasingly popular protest rather than the politics of elite alienation.

The emergence of the radical PRD gave birth to a more dynamic student movement that began to focus more on the grassroots and organized mass protest. There was also a growing realization that the student movement can never become the motor of revolutionary change, that mass community resistance lies at the center of the process, and that progress in the student movement can only be achieved within that broader community.

The 1997 Asian financial crisis fueled the resurgence and rapid growth of the Indonesian student movement. Such an economic component was absent in the two previous student-led attempts to topple Suharto in 1974 and in 1978. In the 1998 student-led mass action, the call for Suharto to step down became the popular clamor of Indonesian society. State repression, which extended to the killing of students, this time failed to intimidate the restive populace; on the contrary, the movement escalated and intensified with slogans demanding “Turunkan Harga!” (Lower the price of the basic commodities!) and “Turunkan Harto dan Keluarga!” (Bring down Suharto and his family from political and economic power!). The student-initiated protest virtually transformed itself from a moral force to a people’s empowerment movement.

A significant characteristic of the 1998 student movement was the refusal of its leaders to work with the military or older civilian leaders. The consensus was that the risk of forming an alliance with the military would be unacceptably high. The students feared that once a common agenda was reached the military would reassume a dominant political position and marginalize its erstwhile allies. Consequently, the main student groups jealousy guarded their autonomy leading up to Suharto’s fall and were reluctant to change course even after Habibie came to power. Indeed, Habibie’s ascension into the presidency convinced the students that the elite’s commitment to reform was superficial and that they were better off remaining independent. By staying true to their self-image as a moral force, the students were effective in keeping the short-lived Habibie regime on its toes. For instance, the threat of massive student protests forced Habibie to include Suharto’s name in the anticorruption decree passed in November 1998.

The students' posture, however, has also kept them largely alienated from the formal political process, thereby weakening their influence. This stance stemmed from an innate distrust of the main party leaders, although some were more distrusted than others. The students were disappointed when Gus Dur, Megawati, and Rais refused to join the students in an attempt to oust Habibie and replace him with a committee of leaders. The students thought that there was no credible single alternative leader. The students saw politics as a dirty arena where the elite fought over the profits of development.

On the whole, the student movement believed that the June 1999 elections would not be fair, and some radical groups took a boycott position. The PRD was thus criticized by some student groups for joining the June election with the controversial slogan of Boycott Atau Coblos PRD! ("Boycott or vote PRD!"). The PRD, on the other hand, based its electoral position on lessons learned from the Philippine left experience during the 1986 snap Presidential polls when radicals went against the popular tide (read elections) and were rendered irrelevant for a time. The PRD also saw the 1999 elections as an opportunity to introduce its program to the public openly without fear of being arrested.

Because of the PRD position, the Solidaritas Mahasiswa Indonesia Untuk Demokrasi (SMID, or Students Solidarity for Democracy in Indonesia), decided to break away from the PRD. SMID, one of the biggest core group organizations within the PRD, accused PRD of betraying its ideals and transforming itself into a voters' machinery. SMID's departure from the PRD was a big blow to the progressive student movement, but student activism continues to be militant in opposing the return of what they call "Suhartocracy."

The big question is what will serve as a mechanism that will unite and direct the student movement given the sector's fragmentation? Equally crucial is an understanding of how to sustain over the long term a movement whose sectoral base is transitory in character.

THE PEASANTRY. The prospects for the development of a mass-based peasant movement are not bright. Unlike the working class, the peasantry generally lacks a strong common class identity and basic education. More importantly, state repression against attempts at organizing the Indonesian peasants has been particularly severe. Still, there is significant unrest among the peasantry.

Peasants have played an important role in the prodemocracy movement. Since the late 1980s, land disputes revolving around the right to own land and to fair compensation have been increasingly common. People have been forced to leave their lands because of state, military or private development projects. Land evictions have been particularly numerous in West Java, with conflicts centering on disputes between the state and the rural population while rarely involving landlords and capitalist farmers.

Students and NGO activists have become increasingly involved in supporting farmers. One such rural support NGO, particularly in cases of land disputes, is *Lapera* (Labor and Peasant NGO). This Yogyakarta-based organization was set up in 1992. It deals with labor problems, organizes peasants and workers, and arranges seminars and discussions on land, labor and cultural topics. The Legal Aid Institute (LBH, *Lembaga Bantuan Hukum*) often supports peasants in land disputes. In the Bandung area LBH activists undertake organizing and legal education work among peasants whose lands are threatened by private companies, the Department of Forestry and the local government.

In the early 1990s, there were efforts to organize peasants in the mass movement. In 1994, the National Peasants Union (STN) was set up. Close surveillance and harsh repression of peasant activities ensured that attempts at mobilization were far less successful than in the labor sector.

With the fall of Suharto, peasant unrest has been rampant in areas where the New Order evicted farmers in the name of development and built golf courses instead. One of these was owned by Suharto's son Tommy. In one instance, the Suharto family ranch was attacked and the peasants forcibly took back their lands.

The activities of both peasant and labor activists are fundamental considerations when we examine the prospects for a popular form of democracy. Actions within these sections of society are on the rise, but they are not coordinated within a strong movement.

The 1999 Elections

The June 1999 elections of Parliament (DPR) may have been considered successful by the minimum standards of Western democracy, but it was marked by serious flaws (Tapol Factsheet, February 24, 1999). For one, the voters still cannot directly elect the president. This task is left to the MPR.

The huge number of appointees within the MPR is a serious defect since the ruling party has a built-in advantage in influencing the choices.

Among the appointed MPR seats, the most controversial are the 38 allotted for the military. Although down from the 75 seats it held under Suharto, the armed forces will still be the 5th biggest group in the MPR (ahead of Speaker Amien Rais' PAN), giving it command of a swing vote on crucial matters of state. For a political party to gain an equivalent number of seats, it would have had to poll from 9 to 10 million votes in direct elections.

Another flaw in the electoral process is the exclusion of ethnic and other local communities from participation (Tapol, February 24, 1999). The provision that registered parties must have branches in at least one-third of all provinces is the culprit. Given the resurgence of ethnic unrest and separatist movements, this omission will only fuel greater distrust of the national government. The electoral law is heavily biased in favor of Java-based parties and those with nationwide constituencies.

In a bid to ensure the neutrality of the civil service, the electoral law prohibits civil servants from joining political parties unless sanctioned by their superiors. Those who do join parties must take a leave of absence for at least one year. This provision, however, was thought to be beneficial to the then-ruling Golkar party with which most government employees were expected to affiliate.

The law continues to discriminate against individuals alleged to be communists or are descendants or close relatives of a communist. Though they are allowed to vote, these individuals are barred from standing for public office. In relation to this prohibition, political parties are expected to screen their members.

The elitist character of the Parliament was sealed with the disapproval of proposals for district voting. The proposal would have introduced better local representation for Indonesia's electorate (Mcbeth, May 6, 1999, *FEER*). Instead the National Election Commission (KPU) stuck to the Suharto model of a modified form of proportional representation albeit to be reviewed in three years' time. To add to the bias, party leaders were also allowed to choose which of their candidates would gain parliamentary seats.

Despite the serious flaws enumerated above, the June electoral exercise was a big improvement over those during the Suharto era. The KPU resisted government interference in the process and stopped most cabinet members from going on the campaign trail. Thousands of independent monitors

from local and international organizations observed the process. The leftist PRD, tagged earlier by Suharto as a “reborn communist party” and whose leaders remain in prison, was allowed to participate.

In all, 48 parties were registered for the elections, in contrast to the Suharto era when only three parties (Golkar, PDI, and PPP) were allowed to field candidates for parliament.

Election Results

Of Indonesia’s 124 million eligible voters, 117.8 million (94 percent) registered with the electoral commission and 105.8 million valid votes were tallied by the KPU. There was a general feeling of satisfaction and relief by the Indonesian voters (and the international community as well) particularly when Megawati’s PDI-P surged ahead of the Golkar party in the early counting and never looked back (Mcbeth et al. June 17, 1999, *FEER*).

Among the 48 accredited parties, the PDI-P won 33.7 percent of the vote with 35.7 million votes. Golkar came in second with 22.4 percent and 23.7 million votes. A far third was Gus Dur’s PKB with 12.6 percent and 13.3 million votes. Close behind the PKB at fourth was the Golkar-allied and Islamic-based PPP (United Development Party) with 10.7 percent and 11.3 million votes. A disappointing fifth was Amien Rais’ PAN with only 7.12 percent and 7.5 million votes. Two Islamic groups, the Crescent and Star Party (PBB) and the Justice Party (PK), finished sixth and seventh respectively with 2 percent and 2 million votes for the PBB and 1.35 percent and 1.4 million votes for the PK. In eighth position and rounding out the list of parties which took in at least 1 million votes was the Golkar spin-off Justice and Unity Party (PKP) with 1 percent. In terms of number of parliamentary seats gained, the distribution was as follows:

Indonesian Democratic	
Party–Struggle (PDI-P)	154
Golkar Party	120
United Development Party (PPP)	59
National Awakening Party (PKB)	51
National Mandate Party (PAN)	35
Crescent and Star Party (PBB)	13
Justice Party (PK)	6
Justice and Unity Party (PKP)	6

Overall, 19 parties secured seats in the DPR. Three other parties gained three seats each; one party, two seats; and eight parties, a single seat each. The more politically progressive parties, such as the high-profile PRD headed by political prisoners Budiman Sujatmiko and Petrus Haryanto, and the National Labor Party (PBN) which has close links with labor leader Muktar Pakpahan, fared badly: PRD garnered only 78,730 votes while PBN took in only 111,629 votes. To gain a seat, a party should have polled at least 400,000 votes.

On the other hand, the electoral rules also stipulate that new parties should have at least 10 seats in Parliament to be eligible to participate in the 2004 elections. This means that only six political parties will be accredited in the elections for 2004.

Choosing a President

Megawati Sukarnoputri understandably interpreted the results of the parliamentary election as a mandate for her to lead Indonesia, and expressed confidence that the military would back her bid for the presidency (Richburg, *Washington Post*, July 9, 1999). Western observers and diplomats echoed this view, with many of them saying that it would be difficult to deny her power. Exuding confidence, Megawati rejected the idea of a coalition government and instead sought support from all political parties that were “proreform, prodemocracy, and anti-status quo.” But her refusal to enter into compromises with other parties in parliament was viewed as “arrogance” and alienated her from potential allies.

Islamic parties and organizations immediately voiced concerns about the prospect of a woman president leading the world’s largest Muslim country. Two influential organizations, the Indonesian Council of Ulamas (MUI) and Muhammadiyah, announced that they would issue religious edicts (fatwa) if they were asked to make a stand on the issue (*Jakarta Post*, July 16, 1999). However, religious leaders from NU, the country’s largest Islamic group, were split on the question of a woman president. They did recommend though that a president should be a “scholar of Islamic law (mujtahid) and responsible for “the worldly and spiritual” welfare of the people. At the same time, Islamic parties that had gained seats in Parliament combined their forces to form an Islamic faction in the DPR. This faction would be led by the United Development Party (PPP) whose chair, Hamza Haz, quoted Muslim ulamas as decreeing that “the next president should be the best

son of the nation, a Muslim male with noble conduct" (*Jakarta Post*, July 7, 1999).

Gus Dur appeared to be firmly on the side of Megawati as he reaffirmed the PDI (P)-PKB alliance. The PKB chair himself, Matori Abdul Djalil, pledged the party's backing for Sukarno's daughter. With Golkar sitting in second place and expecting to amass additional votes from the appointed district and functional groups, a Megawati-Habibie contest was shaping up.

Subsequent events, however, quickly derailed this match-up. The genocidal killings in East Timor and eventual separation of the territory from Indonesia, the passage of a new security law coupled with renewed unrest, and scandal at the Bank Bali presaged the end of Habibie's short presidential tenure. General Wiranto's refusal to run as vice president under Habibie (reportedly due to US pressure) was a heavy blow. The last straw was the MPR's rejection of Habibie's accountability speech hours before the council vote on the presidency. Golkar was thrown into disarray and with no consensus on a candidate, decided not to contest the presidency.

In the meantime, Amien Rais and his PAN, which won a mere 7 percent of the parliamentary vote, were crafting an "axis force" within the MPR composed of Islamic-based parties. This alliance submitted the name of Gus Dur as its candidate for president. To everyone's surprise, Gus Dur accepted the nomination. Amien later complained about foreign interference, claiming that he was offered money in exchange for supporting a certain presidential candidate. The *Jakarta Post* (July 7, 1999) reported that the foreign interference came from a former US ambassador, and that the favored candidate was none other than Megawati. Amien had also expressed dissatisfaction with Megawati's alleged preference for non-Muslims, citing that 60 percent of PDI-P's legislative candidates were non-Muslim. The PAN leader also took issue with what he perceived to be Megawati's soft stance on communism. When Amien successfully courted Golkar support and, as a result, won the speakership of the MPR over a rival supported by PDI-P, the balance of forces became clearer. A Megawati-Gus Dur match-up was now inevitable.

Megawati's political strength was already in doubt earlier when her party's candidate for Speaker of the DPR, Soetarjo Soerjogoeritno, lost overwhelmingly to Golkar's Akbar Tanjung—411 votes to 54. The axis bloc's demonstration of its ability to deliver the votes and Megawati's continued refusal to reach out to the other parties sealed her fate. The ensuing vote became a mere formality as Gus Dur, supported by the axis bloc, his own

PKB, most Golkar representatives, and a majority of TNI (military) parliamentarians, defeated former ally Megawati by a vote of 373 to 313. As noted earlier, the new president ironically won on the strength of support from groups representing the old Suharto machinery.

Megawati's supporters were outraged by the outcome. They poured out into the streets of Jakarta and other major cities and provinces (including Bali) and engaged police and soldiers in fierce and bloody encounters. Despite the explosion of gasoline bombs, the firing of tear gas, burning of properties, injuries, and two deaths, the protests did not approach the level of unrest expected in the event of a Megawati defeat. When Megawati was elected vice president by the MPR the day after Gus Dur's election, the protests ended. Megawati's selection as vice president, which was challenged only by the Islamic bloc, was seen as a way to mollify her and her PDI-P supporters, and pave the way for a national unity government.

A Government of Compromise

A week after his election, Gus Dur announced the 35 members of his official family. Immediately branded a "compromise cabinet" (*Jakarta Post*, October 27, 1999), it included personalities from among the country's major political forces, including Golkar and the TNI. Six of the new ministers had military backgrounds. Four ministers who had served under Habibie were retained, including former Defense Minister General Wiranto who was named Coordinating Minister for Political Affairs and Security. The list also included eight scholars, three businessmen and three activists. Three members of Megawati's PDI-P were also named by Gus Dur.

As a compromise cabinet, the group was seen as susceptible to splinters and internal fractures, having accommodated a wide range of political sentiments (*Jakarta Post*, October 28, 1999). Political commentators gave it little odds to last, likening it to a bomb which could explode at any time.

Analysts were skeptical over the economic team in the cabinet, expressing disappointment over the naming of Bambang Sudibyo as Finance Minister and Jusuf Kalla as Trade and Industry Minister. Bambang is basically an academic from Gadjah Mada University and belongs to PAN; his presence in the cabinet is viewed as payment of a political debt. Jusuf, on the other hand, hails from South Sulawesi and heads the Bukaka Group of Companies which has bad debts with the Indonesian Bank Restructuring Agency (IBRA).

His nomination is seen as a bid to appease ethnic and separatist rebellions in eastern Indonesia. Another controversial appointment is that of Mining Minister Susilo Bambang Yudhoyono, a lieutenant general in the army.

An economist interviewed by the *Jakarta Post* (October 27, 1999) remarked that "the selection of economic ministers should have been based on efforts to recover from the economic crisis, not for political compromise." He added that Gus Dur and Megawati "should have put more credible and professional people in the economic portfolio because the country was facing a serious economic crisis."

Those in the new cabinet who had served under Habibie and Suharto are (aside from Wiranto), Armed Forces Commander Admiral Widodo, Defense Minister Juwono Sudarsono (a civilian), Hamzah Haz (the PPP chair), Coordinating Minister for People's Welfare, and Sarwono Kusumaatmadja, Minister of Maritime Exploration. Golkar party members include State Minister for Youth Affairs Mahadi Sinambela, Manpower Minister Bomer Pasaribu, Attorney General Marzuki Darusman and Sarwono Kusumaatmadja. Marzuki, however, is known as a human rights advocate and had been critical of both the Suharto and Habibie regimes. Pasaribu, on the other hand, is chair of the Golkar-dominated SPSI, which was organized during the Suharto era as a progovernment labor group.

The TNI was seen as having played a strong role in shaping the cabinet which includes five active military men, including three Army and two Navy high-ranking officers (*Jakarta Post*, October 28, 1999). For the first time since Sukarno's heyday, a civilian was appointed Defense Minister. Juwono is not new to military affairs, having served as Deputy Governor of the TNI think tank, the National Resilience Council, and had been recommended to the cabinet by General Wiranto himself. TNI spokesman Maj. Gen. Sudrajat expressed surprise at the naming of a civilian as Defense Minister adding, "We will wait and see whether a civilian can exert influence in the military's internal reform."

The three ministers from Megawati's party are Kwik Kian Gie, Coordinating Minister for Economy, Finance, and Industry; Laksamana Sukardi, Minister of Investment and State Enterprises; and Mohamad Prakosa, Minister of Agriculture. Kwik is a businessman who became deputy chair of PDI-P; Laksamana is a banker who was instrumental in the formation of giant Lippo Bank in 1988; while Prakosa was the deputy representative of the UN Food and Agricultural Organization. The appointments of both

Kwik and Laksamana have been warmly received by economists and financial analysts.

To his credit, President Abdurrahman has abolished the Information Ministry which observers say would only have reminded people of Suharto's authoritarian rule (*Jakarta Post*, October 28, 1999).

CONCLUSIONS

The International NGO Forum for Indonesian Development (INFID), a broad coalition of Indonesian and international NGOs, issued a statement on January 21, 2000 addressed to the Consultative Group on Indonesia (CGI) and the government of Indonesia. INFID enumerates a number of crucial issues that it wants the new leadership of Indonesia to address "in order to guarantee political, economic, and social stability."

The first deals with the twin issues of Indonesia's external debt and the goal of poverty eradication. The group states that although signs of economic recovery are in the air, the crisis had in fact increased the number of poor Indonesians to 20 million. Furthermore, 1.3 million children have dropped out of school. The external debt service payments of Indonesia which will reach US\$5 billion in 2000 (and US\$9 billion by 2002) and will result in a substantial reduction in social spending (health, education, and food subsidies) for the poor. The debt burden, therefore, becomes an impediment to achieving poverty reduction.

The second set of issues raised by INFID concerns human rights violations and regional conflicts. The group deplores the "systematic and widespread violation of human rights particularly in Aceh, Maluku, and Papua (Irian Jaya)" and calls for a political solution to the conflict rather than a military one. While welcoming the release of political prisoners and the invitation for political exiles to come home, INFID feels that there is a pressing need to prosecute human rights violators in order to increase the level of confidence in the new government. The regional conflicts, after all, can be traced to the "economic injustice" which the provinces had suffered during the Suharto years.

INFID scores donor countries who publicly "declare that aid-receiving countries should not violate human rights" yet turn a blind eye to such violations "if it serves their own economic interests." The group points out that "the Suharto regime received all support possible from the international

donor community” despite “numerous and continuous” human rights violations.

The third issue concerns corruption, collusion and nepotism (KKN). INFID calls for the elimination of corruption which “remains embedded and widespread in Indonesia.” It points to “Suharto and his family and cronies” as the symbol for KKN and who have to be “prosecuted and brought to court.” Reference is made to the Social Safety Net program “of which a substantial amount ... was corrupted ... and no cases have been investigated and prosecuted.” INFID avers that “the international community shares responsibility for corruption in Indonesia ... both through negligent lack of attention to the misuse of funds, and through the payments of bribes by transnational corporations.”

The last issue is the role of the military, an institution that has “dominated Indonesia’s economic, political, and cultural life for more than four decades ... and has destroyed the fabric of democracy and the life of the nation.” The NGO coalition calls for the “abolition of the military’s dual function and ... for subjugation of the military to civilian rule.”

In view of the above, INFID presents the following recommendations to both the CGI and the Indonesian government:

1. Prioritize poverty eradication and protection of marginalized groups in economic development and increase social spending to more than 20 percent of the budget.
2. Cancel all odious debts and declare a 30-year moratorium on debt service payments for repayments due in 2000-2004; all new loans should be subjected to full disclosure, civil society monitoring, and public discussion.
3. Reduce dependency on foreign debt by making effective use of domestic resources; private debt should not become public debt.
4. Set up a Truth and Reconciliation Commission and increase the budget for human rights promotion and investigation of violations and for rehabilitation and compensation of victims.
5. Address and resolve regional conflicts through political and peaceful means.
6. Increase local government capacity and the accountability mechanism.
7. Bring Suharto and other high-ranking officials (including cronies) to trial and prosecution.

8. Establish an independent Anti-Corruption Commission, locate and retrieve corrupted money, and determine which foreign loans have been misappropriated through corruption.
9. End the dual function of the military and subject military aid to strict controls to ensure that it is not used for suppressing the civil and political rights of the people.
10. Prosecute high-ranking military officials responsible for human rights violations in Aceh, Maluku, Papua, and other regions of Indonesia.

In addition, the Indonesian government must bring justice to those victimized by crimes against humanity in East Timor throughout the 23 years of brutal Indonesian occupation. The UN Commission for Human Rights has adopted a resolution to set up an international commission of inquiry into the 1999 mass killings (Tapol, January 24, 2000a). Then President Habibie followed suit by enacting a decree for the formation of a human rights court, while the National Commission for Human Rights (KomnasHAM) set up a commission to investigate human rights violations in the aftermath of the referendum.

All these moves, however, would come to naught if a draft law on creating a human rights court is passed by the Indonesian parliament. The draft "has abandoned the principle of retroactivity," and rules out the prospect of trying human rights violations committed prior to the court's creation (Tapol, January 24, 2000b). The human rights group Tapol states categorically that:

The new government must show the necessary commitment and political will to end the cycle of impunity. Only by doing so will it ensure the supremacy of civilian government over the militarism that has held Indonesia in its grip since Suharto seized power in 1965.

In its statement, INFID recognizes that "the Indonesian economic crisis was not only caused by crony capitalism and mismanagement, but also by the free exchange system and the short-term capital flow." But the NGO coalition stops short of questioning the country's development strategy that is based on neoliberal globalization. It also ignores the trade and investment liberalization cum overinvestment that logically follows and to which non-mainstream analysts point as the root of the crisis (Wertheim 1999, Bello

1997). INFID offers no recommendation on the issue of short-term capital flows and does not extend its analysis beyond the problem of the external debt.

Interestingly, the new Coordinating Minister for Economy, Finance and Industry, Kwik Kian Gie, has written critically about the problem of overinvestment and short-term capital flows (*Kompas* online, July 6, 1999). Quoting Paul Krugman, Kwik traces the economic crisis to “investors, mostly foreign banks, which poured in short-term investment and pulled out again in a rush.” He likens IMF prescriptions to nothing more than a double dose of aspirin and sedatives, questions the views of “present-time economists,” (those coming after 1976), acknowledges the influence of Marx, and alludes to Keynesian solutions to the Indonesian crisis.

The burden of resuscitating the national economy, bringing the Indonesian state into the ranks of civilized governments, expanding the democratic space, and ensuring that justice and proper restitution is achieved weighs heavily on the Abdurrahman-Megawati government. The mass-based Indonesian democracy movement and its unsung heroes, they who risked life and limb in battling the Suharto regime at the height of the dictator’s power, have been sidelined and, for all intents and purposes, disempowered. Elite politicians have taken over the helm of government. Meanwhile, the momentarily humbled Indonesian military hovers in the background, ready to take over and reimpose military rule at the opportune moment. The week-long defiance by General Wiranto of a direct order from President Abdurrahman to resign from the cabinet in February 2000 is an ominous sign that the TNI is not yet willing to withdraw from politics.

The year 2000 will be critical in determining whether Indonesia makes a complete break from its odious past or resuscitates the demons that have plagued the country.

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THE 1998 CRISIS: Change and Continuity in Indonesia

Arief Budiman

The Waves of Democracy

A democratic political system, according to Hegel, is a historical necessity. Sooner or later it comes to all societies. Human history shows that political systems changed from monarchy (in which one person rules) to oligarchy (a group rules) and lastly to democracy (all the people rule). A democratic political system, according to Hegel and later on picked up by Francis Fukuyama, is the end of history.¹

This thesis has been confirmed by history. According to the New York-based Freedom House's annual report, in 1996, 79 more of the world's 191 countries qualified as being free. If one added countries that had become partly free, meaning countries which were democratic but still had some constraints on basic rights, then 62 percent of the world's people were, in 1996, living in relatively free societies, compared to 41 percent in 1987. (Power 1996)

Samuel Huntington stated there had been three big waves of democracy in human history. The first wave was between 1828 to 1926, the second wave was 1943 to 1962. Starting in 1974, he argued, the world was entering the third wave of democratization in which many more countries had become democratic. These waves of democratization were followed by cases of backlashes in which some of the democratized countries became authoritarian again. However, the democratization wave always came back, and more countries became democratized. (Huntington 1991) It is difficult to deny this Hegelian thesis, supported as it is by historical data. Democracy, in spite of backlashes, is inevitable for all countries.

Indonesia was one such country entering this wave. After 32 years of ruling the country, the powerful regime of General Suharto suddenly crumbled on May 21, 1998, in the wake of the Asian economic crisis. The

political situation, however, remained very fluid and it was not clear whether democratic forces would win in the general elections scheduled for June 1999. However, it was difficult to imagine that another authoritarian military government would reemerge. The military had been seriously disgraced and weakened after the revelations of its bad human rights records, and civil society was more organized and united in refusing to allow the military to step back into power.

The Four Modes of Transition

How does an authoritarian political system become a democratic one?

Here again, I would like to cite Samuel Huntington (1991), who introduces four modes of political change: *transformation*, *replacement*, *transplacement* and *intervention*.

The first mode of transition is through transformation. In this case, government liberalizes its political system; democratization comes from above. This happens when the state is strong and civil society is weak. The democratic transition in Taiwan in the early 1990s followed this path whereby the Kuomintang government conducted a democratic election to install democracy in the island.

Transplacement (the third mode) is a mixture between transformation (the first mode) and replacement (the second mode). This mode is possible because government is still strong, and opposition forces are not strong enough to topple the existing order. So, a process of negotiation occurs between government and its opposition on how to gradually transform the political system into a more democratic one. Di Palma (1990) calls it a negotiated change in which the elites of both the state and civil society negotiate political change. Poland is one example: the Solidarity Union led by Lech Walesa started to negotiate with the military to democratize the country. It was a transition towards democracy by way of negotiation.

The fourth mode mentioned by Huntington is *intervention*. This is a transition to democracy imposed by external force. A good case is Panama where the U.S. Armed Forces arrested the president of the military government, accusing him of involvement in the trafficking of drugs. A democratic general election was held afterwards.

It has to be noted that, in reality, none of these four modes of transition exists in a pure form. For instance, in the case of democratization from above (transformation), considerable pressure against the state from below,

albeit weak, always exists. The same is true for democratization from below (replacement) in which a sort of negotiation with the state exists. Only in very extreme cases would a relatively pure mode of transition to democracy happen. Transition democracy in this sense, therefore, is always a mixture of modes.

This article has two parts. The first part discusses the type or mode of transition that is likely to happen in Indonesia. The second part extrapolates on further political development, focusing on the role of political parties as actors on the stage after the 1999 election.

DEMOCRATIZATION: FOUR POSSIBLE PARTS

Indonesia's crisis was, most would agree, an economic-cum-political crisis. These two aspects were closely related.

The economic aspect of the crisis could have been solved if business people, both within and from outside the country, started to invest again. In order to do this, a credible and legitimate government was necessary to guarantee political stability and the rule of law. To have a credible and legitimate government, Indonesia needed to have a democratic election. This was the political aspect of the problem, because it was not in the interest of the government under President Habibie to conduct free general elections. Free elections would very likely have ended Habibie's rule.

The economic situation, even with the help of the IMF and other developed countries, remained in bad shape after Suharto's resignation. This was because the underlying political problem was still unsolved. The struggle to democratize the political system of the country was being fought in the streets of Jakarta by the students, as well as in other political fora by other political actors. Without solving this political problem, it was not likely that the economic problem could be solved.

Until the end of 1998, the political situation was still very fluid. No political actor was strong enough to impose his or her own political agenda. Three of the four paths to democracy, namely transformation, replacement and transplacement, were still possibilities. Another scenario was that Indonesia would revert to an undemocratic rule. Each mode of transition had adherents: transformation by the Habibie government; replacement by the students; and transplacement by the popular political leaders known as

the Ciganjur Four², especially by Aburrahman "Gus Dur" Wahid. Going back to authoritarian regime was presumably the military's choice.

At the end of 1998, however, it became clearer that the transition through transplacement, in which there was a negotiation between the existing government and opposition groups, would be the most plausible mode. Gus Dur, one of the leaders of the Ciganjur Four, even extended this transplacement process by inviting former president Suharto to join what he called the "national dialogue" in which the ruling elites met with the opposition forces to work out an agenda that would prevent social unrest. (*Kompas*, December 20, 1998)

Let us now see the plausibility of each possible path of these transitions.

Transformation

Transformation as a mode of transition is defined as democratization from above. It is also called liberalization. Under this scenario, the pace and nature of the democratization process are controlled by the state.

As mentioned above, democracy in Indonesia after the collapse of the New Order regime seemed to be unavoidable. Even the Habibie administration, which many people thought of as the new edition of the old regime, had to ride the tide of democratization in order to maintain power. The movement towards democratization was not negotiable. So, the least that the Habibie administration could do was to control this democratization process so it would not work against the interest of the existing government.

This "control of the democratization process" was quite plausible because Habibie already had the political ability to do this. All three branches of the state—the executive, legislative and the judicial—were still controlled by people that had been part of the old regime. President Habibie himself had, of course, been a very loyal follower of Suharto and had admitted several times that the latter had been his political mentor. So, almost all state personnel were more or less Suharto's cronies, and therefore had a strong interest in controlling the democratization process for their advantage, if not for Suharto's.³

Habibie had to do two things. First, he had to give many big promises and small tokens to make people believe that democratization was in process. By doing this, Habibie was buying time so that he could consolidate his

power. Second, he would try very hard to court the military to continue to support him.

This was exactly what Habibie and his political colleagues were doing. In order to stay in power, they had to adopt a democratic political system, in rhetoric if not in practice, in the interim. To go back completely to an authoritarian system was like turning back the clock, which they realized was impossible. They could not refuse student demands to reform the political system. Thus, Habibie and the political organization he inherited, Golkar, kept saying that they supported reformation through a democratic election. They made it clear, however, that the process had to be conducted constitutionally, that is, in accordance with existing rules, to be a part of what they called "constitutional reformation." Such a process was to be carried out from above, which equates precisely with the transformation mode of democratization.

To buy time, Habibie and his followers preferred to retain the political status quo, at least until the 1999 elections. They preferred no change in the existing political institutions and procedures in making political decisions.⁴ If democracy were realized at this point, Habibie knew very well that he and his followers would have been too weak to defend themselves and most likely would have been wiped out. So they hid behind existing state institutions and regulations.

The next item in Habibie's agenda was to persuade the military to continue to support him. As in the old regime, the cooperation between state bureaucrats and the military had to be restored in order for the state to become strong again and control the democratization process. It was fortunate for Habibie that the students kept attacking the military, forcing the latter to work with Habibie's administration.⁵

In short, the transformation process was being conducted by Habibie's administration by espousing democratic rhetoric, buying time, and courting the military. Up till the end of 1998, this agenda was carried out quite successfully, especially because it received some support from the Ciganjur Four who preferred to democratize the country through an evolutionary process. Habibie's administration, at this point, appeared relatively strong and was able to control the transitional process.

Replacement

The students were well aware that a genuine democratic election in 1999 would be the real institutional solution for the political and economic crisis. The holding of free elections was at the top of the agenda in their political struggle. Related to this was the total abolition of the military's dual function role.⁶ The other main item at the top of their agenda was to investigate the wealth of Suharto, and to make the former president stand trial.

Replacement of the Habibie administration also entered the students' agenda because they did not believe that his government, which was still controlled by Suharto's cronies, could genuinely democratize the country. To entrust to Habibie's administration the holding of genuinely free elections was, they believed, an impossibility. Being a bastion of ex-cronies involved in the political and economic corruption of the old regime, the present government had no interest in free elections. The students were well aware that what Habibie was doing was mouthing empty rhetoric to gain time in order to consolidate his power. Therefore, the students demanded the immediate replacement of the legislative body with a "People's Committee" and the Habibie administration with a presidium; both institutions had to be free of people who were close to Suharto when he was president.

The task of the "People's Committee" was supposed to be to form the presidium as a transitional government, and the task of the presidium was to prepare and run free elections. In addition to this, the "People's Committee" was also to draft the election law. This approach, supported by most students and other pro-reformation groups, was called "Total Reformation."⁷

This demand for Habibie's replacement by a presidium—Total Reformation—could have materialized if the popular leaders of Ciganjur Four had supported the students. Some proreformation leaders had made several efforts to unify these two forces, but to no avail (Budiman 1998). The students also tried to do this. On November 10, 1998, the students succeeded in persuading the four leaders to meet in Ciganjur.⁸

The result, however, was quite disappointing for the Total Reformation agenda of the students. In a joint statement known as the Ciganjur Declaration, it was clear that these popular leaders preferred an evolutionary transition to democracy. They made it clear that they did not want to replace the legislature nor Habibie; he was acceptable to them as a transitional

president. They thought that the military's dual function could be abolished gradually, i.e., over a six-year period. These leaders agreed with the students only on the matter of investigating Suharto's wealth.

The students continued to struggle for the replacement agenda, but without the support of other proreformation forces; unfortunately, the students were not strong enough to carry it out.

Transplacement

The leaders of Ciganjur Four, as mentioned earlier, preferred a transition that evolved from and was in continuity with the past. This approach was similar to Huntington's idea of transplacement. Gus Dur took the clearest stance on this transplacement position when he initiated "National Dialogue,"⁹ which would include the former president Suharto.

These four leaders had a strong following, based on traditional political organizations. Gus Dur's base was the Nahdatul Ulama (the rural-based Muslims); Megawati had the Partai Demokrasi Indonesia (whose members were loyal followers of the late president Sukarno); Amien Rais had Muhammadiyah (urban-based Muslims). Sultan Hamengkubuwono X was influential among the Javanese people, especially in Central Java. Having this popular support, the Ciganjur Four was in a strong bargaining position to carrying out its agenda for an evolutionary transition.

There were some problems with the proposed National Dialogue, however. It was rejected by Habibie, and ultimately by the Ciganjur Four as well. Habibie was well aware that he would only be regarded as a junior partner in front of his former mentor, Suharto. For Gus Dur's colleagues, it was too risky to have a dialogue with the most unpopular person in the country. Also, the fact that Gus Dur went to see Suharto alone without consulting his friends, and proposing that only he would participate in this dialogue had upset the other members of the Ciganjur Four.

Still, an evolutionary process, in which both the government and the opposition played a role, seemed to be the most plausible course. This inclusionary process was supported both by the Ciganjur Four and the Habibie administration, although both had different hidden political agendas. For the Ciganjur Four, the evolutionary process was understood as a transplacement process. They believed that only through this process was a peaceful transition towards democracy possible. For Habibie, this was

the only way to gain time and consolidate his position. A transformation mode was the only way he could control the democratization process.

Return to the Past

The other possibility was to go back to the past in which the military dominated the political system. This was the agenda of at least some military factions. In order to make this possible, social unrest had to be created, the general elections had to be postponed and, of course, the opposition forces had to be weakened.

To do this, the military needed time as well. In this respect, they would support Habibie's agenda to work together with the moderate forces of the Ciganjur Four. The student forces, together with other radical groups that supported the replacement agenda, had to be isolated, marginalized and weakened.

The military first tried to stop the students by resorting to violent repression, which resulted in the death of the Trisakti University students (May 13, 1998), and the shooting of student demonstrators at the Atma Jaya University (November 13, 1998). This repressive method proved to be ineffective. The students continued to demonstrate, joined by the poor and unemployed people of Jakarta, and the military had become more unpopular. It became clear that they would only get into deeper political trouble if they kept shooting and killing demonstrators.

To counter this, the military mobilized paramilitary groups armed with sharpened bamboo and machetes. This paramilitary or vigilante group was known as Pam Swakarsa (Pengamanan Swakarsa or "Voluntary Security Guard"), which was endorsed publicly by the Commander-in-Chief of the Armed Forces, General Wiranto. It was clear that *Pam Swakarsa* was backed by the military/government. It also used the symbol of Islam. The members of this paramilitary group wore head bands that said: "Allahu Akbar" (God is Great) and "Jihad" (Holy War).¹⁰

The reaction to this development came not from the students but from ordinary people. On November 13, they attacked the Pam Swakarsa in several places, injuring many and brutally killing four of them. After this incident, the Pam Swakarsa disappeared from the streets.

The military, however, did not give up on this idea easily. At the end of 1998, Wiranto, followed by Habibie, again talked about creating another paramilitary group now called Ratih (Takyat Terlatih or "trained citizens")

or Kamra (Keamanan Rakyat or "people security") to ostensibly help the police maintain law and order. This was clearly a benign version of *Pam Swakarsa*.

Failing to stop the radical push for change from below, the military turned to a second method: to create social unrest by increasing racial and religious conflict between the Chinese and the "pribumi," and between Christians and Muslims. This was orchestrated by former Major General Prabowo Subianto, the son-in-law of Suharto, when he encouraged Muslims to blame the Chinese for the economic crisis. It was believed that the May 1998 anti-Chinese riots were masterminded by Prabowo (he was later ousted because of this).

Later, on November 22 and 23 in Jakarta, some Muslim youth attacked churches and Christian schools, killing 13 people in what became known as "the Ketapang Incident." This incident was later followed by the burning of mosques in Kupang, West Timor. Tension between the two religious groups dramatically increased.

In addition, it was also widely believed that the killings of people accused of practicing black magic in East Java were the handiwork of the military. Whether the military was, in fact, involved or not, it was obvious that social unrest was now everywhere, and the cases were increasing. Criminal offenses were also on the rise.¹¹

In this environment, it would not have been difficult to disrupt the 1999 elections. Such unrest would have been reasonable grounds for postponing the election, and for the military to step in and bring back "law and order." Of course, military intervention would only be a "temporary" measure until things quieted down again. We know well enough from history, however, that this "temporary" involvement could last a very long time.

THE 1999 ELECTIONS: CHANGE AND CONTINUITY

In the above analysis I come to the conclusion that the most probable transition will be through the process of negotiated change or transplacement. Habibie's administration, along with the existing legislative and judicative bodies, could have been expected to survive at least until 1999. The outcome of negotiations would determine whether there would be elections in 1999

or not. The possibility, however, of the military's return to dominate the political stage once again has to be taken seriously.

In such a context, the military could reassert itself and slowly but surely assume more power. They might be not as strong as they were in the old regime, but they would still aim to control political life. They would have to be more sophisticated in "dominating" civilian politics, though, and not merely use brute force and violence as they were wont to during the old regime.¹²

Reasonably free elections could be achieved only if the students kept applying pressure on the government by staging street demonstrations. This pressure would be stronger if the Ciganjur Four supported both the protests and free elections. Otherwise, the present government would try very hard to maintain the political status quo in order to protect itself and to stay in power. There were already some indications that this had begun to happen.

In November 1998, the government's faction of the People's Consultative Assembly (MPR) tried to avoid making the decision to investigate Suharto's wealth. The reason was obvious: investigating Suharto would implicate many people in the government, including President Habibie. Only after heavy pressure by the students, plus the opposition of the Islamic party PPP, did the MPR agree to state Suharto's name explicitly in a general decree to fight corruption.

Up until the end of 1998 then, the situation was still very fluid. The MPR would still work on the election law in the beginning of 1999, and the political position of the military was still uncertain. The Ciganjur Four, especially Amien Rais, could only apply pressure by issuing statements and ultimatums, which tended to be disregarded by the government.¹³ This meant that, without the support of the students, the Ciganjur Four's political pressure had no real force.

It would be difficult to deny that, until the end of 1998, the students were the only political force that could apply real pressure against the political direction set by the Habibie administration. The students were not always successful, but their most dramatic victory was, of course, to bring down Suharto.

There were limits to this mode of protest, i.e., the students might tire of it. Ordinary people could grow weary of seeing street demonstrations everyday, without any real results, while the economic situation continued to worsen. Street demonstrations might then be seen as counterproductive. As a matter of fact, the government had already begun making use of this

“public fatigue” by announcing that student demonstrations had jeopardized the government’s efforts to improve the economy.

Therefore, even though it looked like that there would be reasonably free general elections in June 1999, the possibility of “returning to the past” was also very real.

In case elections were held in June 1999, there are two possible scenarios:

Manipulated “Free” Election

Even if the Habibie administration were not able to stop the holding of general elections, chances were high that the election laws would be manipulated for the benefit of the existing ruler. The manipulation would go as follows:

Out of 1,000 members in the MPR, there were 150 appointed members from the Armed Forces, and 425 appointed members representing what was called the Functional and Regional Groups (“Utusan Golongan” and “Utusan Daerah”).¹⁴ With appointed members accounting for 57.5 percent of the MPR, it was no surprise then that Suharto was reelected president unanimously for seven consecutive terms. Before they reduced the members from the Armed Forces, appointed members made up 60 percent of the MPR (Budiman 1992: 90-91). In 1997, due to heavy criticism, the number of appointed members of the Armed Forces was reduced to 75 for both the DPR and the MPR.¹⁵ So the battle being fought between the opposition and the government revolved around the number of appointed members to the MPR.

With substantially more numerous appointees in parliament, the 1999 elections would be devoid of meaning or substance.

Because of the way the government was conducting itself, with very visible support of the military under General Wiranto, the manipulation of the general elections was highly probable.

Genuine Free Elections

Free elections, as has been suggested, could only occur if the opposition forces put enough pressure on the government to conduct them in such a manner. Still, if elections were genuinely free, what could realistically be hoped for?

Indonesian voters, I argue, would still be traditional in their voting behavior. There was strong indication that they would vote based on their

cultural or religious identities, not based on their evaluation of the programs of the chosen political parties. This was known the “aliran” politics,¹⁶ which manifested itself in the 1955 elections. The formal Muslims could be expected to vote for Islamic parties, and the informal Muslim Javanese would vote for PDI-Megawati (PDI-P), because of their loyalty to the late Sukarno. Charismatic leaders would be followed by their constituents, no matter how unreliable these leaders are in other senses. Rational voting behavior based on the evaluation of the parties’ programs could only be expected from educated people in the urban areas. This group, however, was small and outnumbered by those who voted based on their cultural and religious affiliation.

After stating this, it can also be assumed that the political voting map of the 1950s would probably not change substantially. The political voting map of the 1950s is characterized by the following features:

- In 1955, the dominant group consisted of the “*abangan*” (informal Muslim) Javanese group, combining civil servants and the Sukarnoists. In the 1955 election, the PNI, representing these constituents, received 22.3 percent of the total votes (Feith 1962: 434-435).¹⁷ These constituents shifted their support mostly towards either PDI-Megawati or Golkar.
- The second largest group was Masyumi, which received 20.9 percent of the total 1955 election votes. Masyumi was based on Muhammadiyah constituents. At present, the constituents would be dominated mostly by PAN (Partai Amanat Nasional, led by Amien Rais), and some other Islamic parties that were set up recently (see below).
- The third largest group was Nahdatul Ulama, with 18.4 percent of the votes. Most of its constituents would support Partai Kebangkitan Bangsa, which was established by Gus Dur. Some other Islamic parties, the new ones, as well as the old PPP (Partai Persatuan Pembangunan that had just elected a new chairman from NU), would also get some votes from these constituents (see below).
- In 1955, the fourth largest party was Partai Komunis Indonesia, with 16.4 percent of the votes. Many of the cadres of this party were, however, killed in 1965. Still, the radical ideology of defending industrial workers, peasants and other urban poor could be carried out by some radical student groups and trade unionists. Their number, though, might not be large enough to play a significant role in the 1999

elections, after more than 30 years of military rule with heavy anticommunist and other leftist ideological repression.

Still, something similar to these political groupings could emerge again in the 1999 election. A democratic election in 1999 would likely yield the following results:

The largest party would be the Nahdatul Ulama-based party: the PKB (Partai Kebangkitan Bangsa) led by Matori Abdul Djalil. Support for the PKB may be expected to be strong especially if the leader of NU, Gus Dur, was healthy enough to help campaign for this party. Up until now, the NU constituents, unlike Muhammadiyah, were still relatively unified.¹⁸

The second most popular party would be PDI led by Megawati. When this party was harassed by the Suharto government in 1996, many of its cadres became well-trained, and the party setup became more solid and consolidated. Many of the civil servants taken by Golkar had been Sukarno's followers and they might have returned to support the PDI, especially if the government lost its political control of them. Together with the other people who were loyal to the late Sukarno, it was likely that PDI would emerge as the number two political party, or even number one, if some NU members voted for PPP.

The third party was expected to be either Golkar or PAN led by Amien Rais. Golkar, with its political machinery and funds intact, would still be a key player. Golkar, however, would have to transform itself, replacing former Suharto cronies with more proreformist leaders in order to win back a sense of legitimacy. It was interesting to see whether Golkar could carry out this mission successfully.

In order to achieve this, Golkar has to do three things:

Reform itself drastically. The leaders who were too close to Suharto, such as Harmoko (the former chair of Golkar) or Abdul Gaffur (another chairman), were replaced. More proreformation figures such as Marzuki Darusman were to be given a more important role. In addition to this, Golkar's reformation rhetoric needed to be amplified. To this end, the call to investigate Suharto's wealth had also come strongly from Golkar, including from Harmoko. In short, Golkar was seriously reinventing itself in order to survive.

Use its well-developed political machinery effectively. Its hold on civil servants was still effective, in spite of the lifting of the law stating that all civil servants had to join Golkar. The control over the heads of villages, many of them still Golkar loyalists, was very crucial here. Included in the political machinery was the huge fund controlled by Golkar to operate its political agenda. Golkar could still buy votes to win the elections, as well as pay for a good and effective campaign prior to the elections.¹⁹

Try hard to get the support of the military, either officially and openly or unofficially and covertly. It might be difficult to get an admission from the highest command of the military like when General Hartono, then the Commander-in-Chief of the Army, stated publicly that the military was following Golkar's orders. Moreover, unofficial support by the military for Golkar during the election (in the old days the military intimidated the people who did not want to vote for Golkar), especially in the regions, seemed inevitable.

PAN was developed through the merging of the traditional and the modern aspects of Islamic values. As an influential leader of Muhamadiyah, Amien Rais would have received substantial support from this second largest Muslim organization. However, Amien did not stop here. He tried to expand his constituency by reaching out to the educated urban populace. PAN's political platform was progressive, supporting the feminist movement as well as advocating a federal system for Indonesia. Some PAN leaders were Christians and Chinese. (It was yet to be seen whether this progressive political platform would scare away the conservative Muhamadiyah members, or attract even more of them.) PAN's constituents from Muhamadiyah were being mobilized also by the other Islamic parties, namely by Partai Bulan Bintang, Partai Keadilan, Partai Ummat Islam and Masyumi Baru. It would be interesting to see whether the Muhamadiyah constituents would stick to Amien Rais, the official and charismatic leader of this second largest Islamic organization in Indonesia.

If the assumption that voting behavior followed traditional affiliation were true, it is highly likely that the political parties mentioned above would be the dominant forces on the political stage at the start of the next millennium. So, who would lead Indonesia after the 1999 election?

Given the above assumption, the three leaders that would likely play an important role in this country are Matori Abdul Djalil, Megawati, and

Amien Rais. Megawati and Amien Rais are well-known and charismatic leaders. Matori has yet to prove that he is popular and charismatic on his own, free of the shadow of Gus Dur. In his poor health, Gus Dur would not likely play an active role. He would, however, play a crucial role as kingmaker. His choice—strengthening Matori's position or siding with Megawati—would be very crucial. Under the strong advice of Gus Dur, PKB would very likely make a coalition with PDI-Megawati. At the same time, it is unlikely that Gus Dur would advise PKB to work with PAN, given the difficulties in his personal relationship with Amien Rais.²⁰

If a coalition between PKB and PDI became a reality, there was a great possibility that PAN would work with (a reformed) Golkar. Amien Rais is not a stranger to Golkar, especially to its members who had become important since Suharto left office. Amien is one of the ICMI leaders who was assigned to deal with Islamic academics and intellectuals. He is also a close personal friend of Habibie. So, he appears to be taking the side of the opposition camp and would probably feel at home within the Golkar's (and the present government's) inner circle.

Thus, if this happened, there would most likely be two forces playing on the Indonesian political stage in the next millennium. The first force would be the coalition between PKB and PDI; the second would be the coalition between PAN and Golkar. As a consequence, there would be a change in the color of political life in Indonesia. Both these two forces have Islamic and secular flavors. Islam, no doubt, would play an important role in Indonesian politics, although not to the exclusion of secular considerations.

Does this mean that, in the new millennium, Indonesia would enter a new age of political life? It may still be based on "aliran" and charismatic leaders, but certainly it would be different from what it was in the twentieth century. There is, thus, both change and continuity.

CONCLUSION

The transition to a more democratic Indonesia began with the fall of Suharto. This process was (and is) continuing, albeit with some difficulties. It was unlikely that this transition could be reversed, although in the short run there was a chance that the military would come back to power. Internal conditions however—such as the rise of the people's desire for democratic space, the professionalization of organizing sociopolitical groups, the

worsening image of the concept of the dual function of the military—and external conditions—like the growing global capitalism that rejects authoritarian political systems—would make it difficult for a military-led authoritarian regime to re-emerge in Indonesia.

This, however, was still a possibility because the prodemocracy forces were in disarray. Also, Golkar still controlled the state institutions and it was still possible to create political structures to manipulate electoral laws to its advantage. Still, even if Golkar won the 1999 elections, it would have to rule democratically due to the gradual strengthening of civil society.

The other force that may have been a threat to the democratization process comes from the military. Increasing social unrest, both spontaneous and engineered, would invite the military back into civilian politics. I would assume, however, that due to the internal and external conditions mentioned above, it would be unlikely that the military would stay long in power. It would act only as a temporary force to bring society into order under the rule of law.

Thus, even if there were many uncertainties and difficulties facing Indonesia over the short term, it was not unrealistic to be optimistic over the more distant future.

NOTES

1. By quoting Fukuyama, it does not mean that I agree with his conclusion that we are arriving at the end of history by having a democratic political system. Democracy is something desirable, but is it also a project of capitalism to secure free market competition. Democracy does not solve the unjust economic exploitation of the poor by the economically rich. Therefore, rather than arriving at “the end of history,” history continues to struggle for a just society.
2. Ciganjur is the name of the Islamic school (pesantren) run by the popular Islamic leader Abdurrahman Wahid or Gus Dur. On November 10, pressured by the students, Gus Dur met with other popular civilian leaders—Megawati Sukarnoputri, Amien Rais and Sultan Hamengkubuwono—and declared a political agenda later known as the Ciganjur Declaration. Since then, the four leaders have been known as the Ciganjur Four.

3. The interests of Suharto cannot be separated from those of his cronies. For instance, the legal investigation against Suharto's corruption would also damage Habibie and other people holding important positions in the present government (including some military generals), because they had been part of Suharto's network in misusing state power to enrich themselves.
4. The students, the most radical group of the prodemocracy forces, did not agree with this. They did not trust the existing government; they wanted to replace all the existing political institutions and procedures right away, in order to guarantee a genuine democratic election in 1999.
5. The students kept demanding the immediate abolition of the dual function of the military. Thus, it was impossible for the military to work with the students, as they did in 1966. At the same time, the Armed Forces Commander-in-Chief, General Wiranto, did not get enough support from within the military, especially from the senior officers. In order to survive, he had to work with Habibie, which he did.
6. The Minister of Home Affairs, also a military general, suggested that the military be guaranteed 10 percent of the total seats in the legislative body. (Previously, the military got almost 15 percent.) The students, however, wanted no seats for the military. They argued that if the military wanted to become members of the legislature, they (the military) had to join a political party and get elected.
7. Some radical intellectuals and former generals belonging to a group called Barisan Nasional also took this radical position. Habibie's administration reacted by accusing them of committing treachery against the nation (by refusing to accept the legitimacy of the existing government) and taking legal steps against them.
8. It was a public secret that Gus Dur and Amien Rais did not get along well. The two Islamic organizations led by these two leaders, Nahdatul Ulama and Muhammadiyah, respectively, were competitors. When Amien Rais joined ICMI, the Moslem intellectuals' organization set up by Suharto, which Gus Dur had opposed, the rift between these two leaders became deeper. Indeed, it was quite an achievement for the students to have succeeded in bringing these two leaders together with Megawati and Sultan Hamengkubuwono X to meet at Ciganjur.
9. In this "National Dialogue," Gus Dur proposed that former president Suharto, General Wiranto, President Habibie and himself be involved.

He proposed this dialogue in order to avoid social anarchy (*Kompas*, December 20, 1998). For this purpose he met Suharto on December 19, 1998, which created anger and disappointment among many of the reformation leaders and, especially, the students.

10. On this vigilante group, see "Pam Swakarsa: Aktor atau Kurban?" *Tempo*, November 24 - 30, 1997: 41-51. This article clearly describes how this vigilante group used Islam as its banner, and was supported by the military.
11. Trucking companies asked for police protection because of the increasing incidences of crime in the northern Java roads. Some of the truck drivers, after being robbed, were tortured. (*Kompas*, December 29, 1998). In Jakarta, people in cars were being robbed at road intersections.
12. This was because civilian political awareness was higher and organizations were already much better and stronger. In addition, the international environment was not conducive to having a military government rule again in Indonesia (as well as in the other parts of the world).
13. Several times, Amien Rais made ultimatums to which the government did not respond. In mid-1999, Amien said publicly that if Habibie did not step down in three months, he would go into the streets and lead a one-million strong "people's power" protest. Habibie did not step down, Amien did not go into the streets and "people's power" did not materialize. In November 1998, Amien again made a public statement that he gave Habibie one month to investigate Suharto's wealth. The people, however, especially the students, were skeptical about this kind of ultimatum. Although the Ciganjur Four, no doubt, had the support of millions of people, they never mobilized these masses for a clear political goal (Gus Dur did some mass mobilization for religious purposes, although these moves had a strong political impact also). Only the students were able to do this, and the fall of Suharto in May should be credited to the thousands of students who gathered and protested at the MPR building.
14. The representatives of the Regional and Functional Groups were basically appointed. The members of the Functional Group were selected by the government. The Regional Group's members were governors, speakers of local parliaments, and other regional state bureaucrats. Except for the speakers of the parliament, who were always members of Golkar, the others were appointed by the central government. Therefore, with the existing law, the MPR's members representing the Regional

and Functional Groups were basically considered as appointed members, not elected. It was not clear, however, whether the new election laws would change this. (The MPR membership has since decreased to 700-Ed.)

15. In addition to the 57.5 percent-appointed members of the MPR, 70 percent of the rest of the MPR seats were in the hands of Golkar. As we know, Golkar always won the elections because the voting was always manipulated in its favor (as a government party). So, the MPR would have elected someone other than Suharto only if there had been a big split within Golkar.
16. "Aliran" or "cultural stream" was a term used by Clifford Gertz (1960) in his classic book *The Religion of Java*. He basically said that political groupings in Indonesia were based more on cultural identity rather than political programs.
17. Other data on the 1955 election results are quoted from Feith's *The Decline of Constitutional Democracy in Indonesia* (1962).
18. There were some splinter groups in the NU that set up new political parties. Without, however, the blessing of Gus Dur, the most charismatic leader of NU, it was very doubtful that the other NU "parties" would survive. It has to be noted, though, that we also had to be watchful in observing the recent revival of the Islamic party PPP (Partai Persatuan Pembangunan). In late 1998, the PPP rejuvenated its leadership. Hamzah Haz, an economist and a modern Muslim from Nahdatul Ulama was elected as the party's new chairperson. He replaced Ismail Hassan Matereum who, in order to survive as the party's leader, had to work closely and compromisingly with then President Suharto. It was interesting to consider whether the election of Hamzah Haz from NU would be able to attract NU members to vote for this party, even though Gus Dur had endorsed the PKB.
19. For instance, Golkar's money is being spent on accumulating media outifts. In the beginning of December 1998, it was reported that Habibie and Golkar were buying SCTV and the Islamic magazine *Umat*. Due to the economic crisis, many media firms were in financial difficulties. Golkar grabbed this opportunity since access to media would be very important during the campaign period of the election. It was very likely that such control would be extended to other sectors.
20. Gus Dur and Amien Rais' not-so-warm relations were partly due to the traditional rivalry between Nahdatul Ulama and Muhammadiyah, partly

by the different personalities of the two leaders, and partly because Amien Rais joined ICM while Gus Dur did not. Therefore, it is more likely that Gus Dur would work with Megawati, a cooperation that had already existed before Suharto fell, at a time when Megawati was under heavy pressure from the government.

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Currency Crisis and Fragmented Mobilization in New Order Indonesia

Vince Boudreau

When Indonesia's President Suharto resigned under duress amidst the 1998 Asian economic crisis, it reinforced for many the relationship between currency devaluation and broad antiregime protests. Indonesian democracy protests over the first half of 1998, like democracy protests in the Philippines and in Burma in the 1980s, followed, at admittedly various distances, currency devaluations. As the rupiah's value sank from 2,500 per US dollar to as low as 15,000, pressure built on the state from a society that had enjoyed economic prosperity and growth since the early 1980s. To that point, the formula for Indonesian stability consisted of a mixture of state repression, economic growth, and an ideological tonic consistent with the "Asian values" position more explicitly articulated by Malaysian and Singaporean proponents. This equation divided Indonesian society between those willing to support the regime, and those with more fundamental concerns about both democracy and the distribution of those economic benefits.

As the currency devaluation strained the economy, however, it also limited the state's ability economically to compensate for political impositions. As businesses began losing money and working class Indonesians began to starve, widespread anger erupted against both Chinese traders and the Suharto family's own profligacy and corruption. In May 1998, Indonesian society, led by student activists, rose to overthrow that which many earlier had accepted.

This, at any rate, has become a standard line of analysis about how economic crisis helps create conditions for political unrest and social mobilization. To a substantial extent, of course, the argument rings true. Without doubt the economic downturn drove more people to collective action against the state, and helped push democracy protests that led to

Suharto's resignation. Yet the simple association of social mobilization with currency devaluation glosses over important aspects of the Indonesian protest movement that had been shaped by decades of a *particular* authoritarian rule. Currency devaluations in all settings help provide opportunities for different social forces already engaged in struggles by encouraging tighter alliances between them, and increasing the likelihood that populations previously willing to support the regime may join the opposition. Devaluations help synchronize grievances across classes and so even when they fail to develop explicit alliances between different social forces, they can produce coincidental mobilization among a heterogeneous society.

Yet the forces that shape this mobilization, and so determine the larger contours of protest, are usually also rooted in longer term social relations and tensions. Indonesian authoritarian rule substantially rested upon an invasive effort to reshape society, and to prevent virtually any social alliance or organization that was not sponsored by the central state apparatus. The mobilization associated with the 1997-98 devaluations, like other mobilizations during the New Order's long benighted reign, interacted with powerfully fragmenting influences of this rule.

In this article, I critically examine the relationship between currency devaluation and Indonesia's anti-dictatorship protests in 1998. I argue that a simple causal argument linking generalized economic distress to antiregime mobilization lacks the subtlety necessary to fully illuminate those events. Rather, currency devaluation influenced existing relations between the Indonesian state and its increasingly restive society. The generalization of economic crisis, particularly as it helped conjure particular ghosts of widespread chaos and regime paralysis, helped mobilize protest against the regime, and (perhaps more importantly) frightened elements of the economic elite and state apparatus into pressing Suharto to resign. Still, while currency collapse helped encourage widespread social mobilization, that mobilization addressed state authorities in ways that reflect how prior institutions of state repression and social resistance shaped the state and society and constrained their reactions to these mobilizing opportunities.

Democracy Protest as Social Movement

There are two important ways of examining transitions from authoritarian rule to more democratic governments. One broad and internally diverse school looks at the transition to democracy, or democratization, as distinct

political and historical events. For some, the transition is almost evolutionary, determined by maturing class forces and advances in industrial technology. The rise of a bourgeoisie and the move into higher forms of production push demands for equal protection under the law while proletarianization advances pressures for broader enfranchisement.¹

Others have a more diffuse optimism about democracy's inevitability, rooted in conceptions that modern and evolved political systems should acquire essentially democratic contours—and so democratization becomes a natural, rather than a puzzling, phenomenon. A more nuanced perspective on democratic change emerges from the transitions school. Scholars in this field examine patterns of class coalitions and their guiding interests,² and reason from changing coalition patterns to democratization processes.

A second and less established perspective fixes its attention more on the process of democracy *struggle* rather than on the realignment of state forces that affects the transition itself. This analysis views the deeper structural changes surrounding antidictatorship mobilizations primarily as mobilizing protesters or claim makers—and in fact the entire question of the movement's success or failure constitutes a less insistent analytical focus than the process of struggle itself. The risk in this approach, of course, is that when antiregime mobilizations eventually lead to a political transition, analysts may give the movement too much credit for affecting these changes. Yet, if dictatorship fundamentally involves the repression of social challengers, then changes that permit more widespread antiregime mobilization (loosening state repression, the availability of new movement allies, instability in the regime's base of support) seem central to political change, and deserve careful consideration.³ In what follows, I adopt this essentially *processual* approach to examine the relationship between currency devaluation and the 1998 Indonesian protests.

How do democracy protests differ from other social movements? An important clue lies in a peculiar strategic conceit central to many pro-democracy movements. Since the modern nation-state consolidated itself as one primary mode of political authority, a rather clear association has until recently existed between a movement's scope and its level of violence. Those with broader and state-replacing objectives more regularly gravitated toward armed struggle. In the theoretical literature, the association between movements' scope and tactics spawned a disciplinary distinction between the study of protest or social movements and the study of revolutions. Less commonly, essentially unarmed protests set out to replace authoritarian

regimes—but until recently, these were clearly atypical cases. The Indian national liberation struggle helped refine nonviolent resistance as a political form, and later Thai protests in 1973 required no force of arms to drive the regime from office. Still, until the last decade or so, these nonmilitary modes of regime replacement have been relatively rare. Gandhi's ideas about political nonviolence, instructively, have been more widely adopted among civil rights and peace movements seeking to make claims *within existing* political arrangements than by activists setting out to *unseat and replace* regimes.

Since the mid-1980s, however, a series of democracy struggles using primarily unarmed tactics of massed demonstration, boycott and protest have supported extremely broad state-replacing objectives. In most cases, rather than building an autonomous nonstate force that attracts alternative-sovereignty and so overwhelms the state, these movements operate through demonstrations, and work by splitting the regime along nascent or emerging cleavages. This in itself runs against the grain of a line that had divided protest and revolution. Less sweeping reform movements often arise in connection with a newly sympathetic government: Tarrow points out, for example, that the single largest mobilization of US gay rights activists occurred shortly after Bill Clinton's first presidential election, after a campaign where he repeatedly pledged his support to gay backers.⁴ In contrast, social revolutions have often been associated with the regime's intransigence toward claim makers, coupled with factors like fiscal crisis, internal cleavage and international pressure that weaken its repressive capacities.⁵ While defections from the state may form important moments in the revolution's rise, the challenge emerges from forces decisively *external* to the regime. In fact, powerful revolutionary challenges often seem essential to forcing regime-ending state defections. Nonviolent democracy movements raise questions about why tactics formerly associated almost exclusively with demand for reform or representation in existing regimes (protest rather than armed struggle) have recently generated regime-ending defections from the state apparatus. In affecting this split, movements take advantage of loosening central control over the regime's different components, factional disagreements, and perhaps even the state's general political or fiscal shortcomings. *Such movements, that is, rise in association with political opportunities that have most consistently produced revolutionary, rather than reform-oriented, challenges.*

Important structural reasons suggest why movement tactics and scope have until recently been closely associated in dichotomous pairs; the same reasoning also suggests that important structural *changes* may help explain why that association has of late grown less decisive. While a revolutionary movement thrives on regime weakness and paralysis, it also gathers strength by framing the revolutionary struggle in terms of new political and social principles that displace outdated orientations—the classic Marxian idea of new productive forces opposing the superstructure supporting the old order. Hence, the French revolution harassed a restless class alliance against the old state behind legal and political principles on which capitalism would depend. Similarly, socialist revolutionary movements recruited support behind visions entirely different from existing capitalist or mercantilist frameworks. Even restorative and traditionalist movements frame their programs in terms that no longer resonate with state orientations (as for example, the traditionalist Saya San rebellion against the British colonial regime in 1930s Burma); like revolutions, they are entirely inimical to principles supporting the established order.

In contrast, democracy movements against contemporary authoritarian settings often do not juxtapose new ideas about governance with those espoused—a term I use in a strictly limited sense—by the state. Often, the regime in power advocates democratic principles but fails to meet them in practice; promises a democratic future but presents authoritarian rule as a stabilizing transitional phase; pledges to balance development and democracy but presents itself as momentarily leaning toward the former at the expense of the latter. The similarity between what democracy movements *demand* and what established regimes *profess*, I believe, hold important clues to structurally unique features of contemporary democracy movements.

Authoritarian regimes in the modern world are less able *explicitly* to invoke authoritarian principles. Contemporary states are more deeply enmeshed in global political and economic networks than ever before. As members of international organizations, most states pay (at least) lip service to increasingly universal political and social principles, such as the UN's Universal Declaration of Human Rights—even when they do so with reservation or violate these principles in practice. International economic connections demand that states guarantee foreign investors' property rights and equal protection, even if those guarantees periodically lapse or hardly apply to domestic entrepreneurs. Expanding business volume, moreover, requires states that once extended such assurances to valued investors bi-

laterally to now promote them as general principles. Hence even where states base their rule upon undemocratic ideological foundations, interactions with the international community erode those positions. The "Asian Values" position in the international human rights debate always had the character of a rearguard action against the global flow, and within most proponent states had as many adversaries as advocates. Even a state like contemporary Indonesia, constructed on the ideological foundations of order (against the threat of chaos), national unity (against fragmenting individual or community demands) and a kind of modern developmentalism was eventually forced to establish its own human rights body, to announce principles of political reform and openness, and to attempt to deny corruption and nepotism.

Many argue that the international spread of ideas about political democracy and economic liberalism *themselves* places significant pressures on entrenched authoritarian regimes. As we will see, under particular conditions (especially when these principles are brought into play by institutions empowered vis-a-vis the regime), this may be so. Yet the expansion of these principles *also* has been crucial in allowing democracy movements to mount nonrevolutionary collective action capable of splitting regimes and triggering transformative defections from the state's ruling apparatus: if nominal regime principles do not differ fundamentally from those mobilized by democracy movements, then such movements can use the regime's ideological and even legal foundations as political resources.

The struggle for regime transformation thus allows alliances between activists outside the regime and disaffected regime sectors based on *shared* ideas, as well as the recruitment of broad and often moderate support based on ideas with an established currency in society. Even a divided authoritarian state may close ranks in the presence of a strong communist challenge, and a socialist revolutionary force will not easily recruit even disaffected members of a state built on capitalist foundations. But when an authoritarian regime acknowledges principles of democratic participation and economic liberalism—as even repressive states like New Order Indonesia increasingly have done—a crisis of weakened central authority may send disaffected elements of the regime in search of more reliable allies. Indeed, state defections may acquire the character of efforts to defend central state principles against a degenerating leader who has slipped the rails. This possibility not only enables popular but peaceful protest to destabilize the fragmented regime, it also explains why such protests have increasingly risen

in response to political opportunities (like regime crisis) that commonly produced revolutionary movements in the past.

That authoritarian states nested in the international system contribute normative and ideological resources to democratization movements perhaps grows clearer if we consider a comparison between Eastern European socialist states and right-wing fascist regimes. Shlomo Avineri, for example, argues that socialism's ideological framework constitutes one of their most important differences. State socialism has difficulty justifying itself without reference to citizens' social and economic conditions, and this admits a gap between conditions it actually has established, and those it professes to pursue. This element of the state's ideological foundation provides resources for people treated *inhumanly* by the socialist apparatus, and helped economic dissatisfaction accelerate into demands for regime replacement. In comparison, classical fascist states offered far less guarantees of citizen prosperity or social equity, and based the project of ideological legitimation on conquest and racialist strivings. Having promised so little, however, the state has provided a correspondingly slim internal framework for antiregime mobilization.⁶ Contemporary and internationally-nested authoritarian regimes, unlike their classically fascist precursors, participate in an international capitalist society whose admittedly minimal promise of procedural justice still provides resources against corrupt, brutal or patrimonial regimes. Regimes that guarantee equal protection before the law, denounce corruption and condemn nepotism—but still plunder their own societies—violate narrow principles of capitalist justice. Those that stage elections to legitimize their rule, but prevent free political expression in those elections violate narrow principles of procedural democracy. In both cases, the regime provides normative resources to antiregime movements.

The *potential* continuity between the authoritarian regime's base of support and members of the democracy movement explains another distinctive feature of many recent democracy struggles. While revolutionary state replacement often seeks to root out all vestiges of the old regime and replace it with the revolutionary apparatus or party, many democracy movements accommodate former members of the authoritarian state. In many cases, movement leaders had been state functionaries who fell out of official favor. Elsewhere, the democratic transition accommodated and retained vast segments of the old regime. In this, too, the democracy movement constitutes something of a hybrid between the revolutionary

and protest movement: a process of state replacement that does not, in fact, replace all, or often even most of the old order. In part, of course, ideological bridges between the authoritarian regime and democracy activists help explain this tendency, for without necessary strong ideological contrasts to the old regime, post-transition purges seem unnecessary.

But even where ideological differences sharply divide some movements from the state, the process of defection often helps push former regime supporters to define their political terms more democratically. Retired Indonesian generals that signed the "Petition of 50" demanding democratic reform in the early 1980s, for example, in many cases *themselves* brutally violated human rights and democratic processes while still in office.⁷ Soldiers may potentially divide between professional and political factions, and take up the banner of democratic reform in the service of the nation. Economic technocrats who deal regularly with international organizations like the World Bank and IMF, or with international business partners, may decide that corruption and nepotism undermine economic health and prevent growth. Defections from these camps, and others, ease the way for the transition itself, but also create large degrees of continuity between personnel staffing the state on either side of the transition.

But why have state defections been so central to democratization movements? In part, the answer can be found in the democratization literature itself, which expects that state growth and expanding international linkages will open the way to democratizing impulses. The contemporary authoritarian state is typically larger and socially more diverse than (particularly) colonial or postcolonial states. In place of narrowly aristocratic, royal, or class systems of entitlement, the modern state often employs criteria like education or territorially-dispersed patronage, both of which can pave the way for a diversifying upward social mobility. To be sure, political, economic and ascriptive elites still often hold the most important state positions. Yet the extension of their rule also depends on the support and cooperation of a large official cadre recruited from outside elite and established social and economic networks. Colleges provide politicians and bureaucrats; military service, particularly during armed independence struggles, often turns peasants and clerks into statesmen. Local partners of foreign investors, particularly of the variety often referred to as "pariah capitalists," often can develop both domestic and international connections to support successful careers of increasing power and influence. Where an expanding and diversifying state still concentrates power within a closed

inner circle, the loyalty of state actors outside this circle may grow tenuous. Officials forced to choose between loyalty to state leaders and to the state's underlying principles may lean increasingly toward the latter.

In combination, these factors help democratization movements imagine that a successful campaign to replace the state can consist largely in moderate forms of protest, rather than in armed revolution or insurrection—and explains how, in some situations, that campaign succeeds. It also indicates the direction of a possible synthesis between different theoretical approaches to democratic protests. On the one hand, transitions do not occur merely from realignments in the political coalition that had supported authoritarian rule. Political mobilization often constitutes a central factor in forcing that realignment into areas the old order can no longer contain—and I will argue that this precisely was what occurred in Indonesia. As such, factors that trigger mobilization and antiregime protest were central to setting in motion events that led to the transition.

At the same time, however, it is unlikely that mobilization itself generated enough pressure on the regime to explain its capitulation. Splinters in the authoritarian armor, while perhaps important causes of social mobilization, may also, somewhere down the line, constitute consequences of that mobilization as well. Transitions scholars, if often less mindful of how social mobilization factors into the process, have been keenly aware of the coalitional realignments that are often central to democratic changes. Hence an important interdependence emerges between factional conflict within the regime and antiregime mobilization. Cracks in the authoritarian armor provide political opportunities to counterhegemonic movements, precisely as political process models in the social movements literature predict. At the same time, however, widespread political mobilization provides opportunities, or ultimata, for activist sections of a state that, in the authoritarian settings, may act more like a movement than a stable structure.⁸

In large measure, of course, the balance between the movement and the state's role in the struggle for change constitutes an empirical question. Where movement institutions are weak, protest may produce its strongest effect by triggering more decisive state action. Where movement organizations are more fully developed, they may constitute the senior partners in an alliance with defecting state actors. In this connection, patterns of authoritarian rule, and particularly how state repression shaped movement institutions, plays a decisive role in how activists are able to engage the state, and what balance will be struck between managed transitions presided

over by elements of the state, and more open shifts that propel movement organizations more directly into power.

Indonesia, the New Order and Political Dissent

Thirty-two years of New Order rule left particularly strong legacies on Indonesian society. The state had from the beginning set out to destroy any organized political bases apart from those it had itself established, and this forced the opposition into patterns of localized organization, combined with fragmented and uncoordinated activity. The New Order's inaugural state-sponsored violence killed somewhere between 500,000 and a million Indonesians, mainly affiliated with the Indonesian Communist Party (PKI). These murders also provided the basis for *continuing* intimidation, for any strong regime opponent could be tarred by the dangerously evocative brush of communist suspicion.⁹

Moreover, the program to construct the state's corporatist machinery replaced independent labor and farmers' organizations with captive state-sponsored associations (*golongan*) and combined vastly different opposition parties into two large official parties (representing nationalist and Islamic streams of Indonesian society). The consolidation of diverse parties, however, produced crippling internal tensions and assured the official GOLKAR (*golongan karya*, or functional groups) (non-)party's regular electoral victory.¹⁰ The state's monopoly of organizational power also contributed to sweeping ideological efforts to depoliticize Indonesian society. This campaign disseminated ideas about the Angkatan Bersenjata Republik Indonesia's (ABRI or Armed Forces of the Indonesian Republic) as the prototypical national institution, about the importance of state-brokered consensus, the primacy of order over individual rights and the lurking danger of chaos, national fragmentation and political subversion.¹¹ The state's organizational and ideological power shaped political dissent so that even activists retooled their very ideas about protest: instead of a struggle to defend interests and demand rights based on a group's political power, activists increasingly described themselves as constituting a "moral force" that prevailed upon those in power to exercise their mandate wisely.

A series of restrictive policies on political organization complemented the ideological campaign. When student activists demonstrated their ability to use campus institutions to coordinate and sustain antiregime protest in

the 1970s, the state-promulgated legislation (NKK/BKK, or Normalisasi Kehidupan Kampus/Badan Koordinasi Kemahasiswaan or the Campus Life Normalization/ Body to Coordinate Student Affairs Act). When students responded by forming study groups and eventually devoted more efforts to organizing off-campus NGOs (which were nevertheless small, fragmented and locally based associations rather than coordinated movement organizations) the state responded first with Mass Organization legislation that narrowed the possibility that such groups could recruit mass bases,¹² and then by establishing provincial level bodies to oversee and coordinate NGO affairs.¹³ Legislation had early on been erected to limit workers' rights to strike or to organize, and like other associations, precoup labor unions had been replaced by state-sponsored and controlling peak associations that gave little play for workers' struggles.¹⁴ Measures regulating the press and preventing political dissidents from working constrained dissent as well, as did an extremely broad and adaptable set of antisubversion laws, on the books since the Guided Democracy period in the late 1950s.

The construction of an utterly dominant state structure, of course, complemented the New Order's efforts to fragment society. Even before the military seized power in 1965, officers had assumed an active economic and political role in Indonesia. ABRI Commander General Nasution had developed the concept of *dwifungsi* (dual function) to legitimize broad non-combat duties for the security forces, but up until 1965, administrative duties had always been shared among ABRI members and civilian political actors. From 1965 onward, however, ABRI's role in Indonesian society intensified and broadened so that it was the unrivaled central organizational power in Suharto's Indonesia.¹⁵ Under ABRI's authority a new corporatist structure, including state bureaucrats and members of the new *golongan*, were assembled in GOLKAR, a peak association that contested political elections and held parliamentary power. Since GOLKAR was expressly not a political party, the state could promulgate laws that granted it rights and privileges denied to parties. Political parties could not maintain provincial machineries, but GOLKAR could. Political organizations, including parties, could not build or maintain mass bases, but GOLKAR could. Beyond GOLKAR, the military developed teams to monitor and intervene in labor disputes, to help diffuse land tenure cases, and several different and highly complex security and intelligence organizations that could penetrate all corners of society.¹⁶ Even at the neighborhood level, government officials were tasked with keeping track of local events, including who was visiting

whom. Security guards hired by local businesses were linked to ABRI, and could be assumed to report suspicious activity to the military.

The combination of these measures, therefore, meant that political contention in New Order Indonesia developed under crippling constraints. The 1965-66 PKI murders established the dead seriousness with which the state would pursue subversives, while a large share of the state's cultural and ideological campaign worked to define subversion in ways elastic enough to cover any determined dissent. In this campaign, the language of national unity and harmony helped undercut resistance, while the explicit ideological association of nonstate and counterhegemonic political *organization* with *communism* conjured the restless ghosts of mass state murder.

At the same time, state policies doggedly narrowed the legal ground for independent social organizations and institutions. The sequence of mass murder, justificatory ideological campaign, antiorganization policies, and the expansion of the New Order's own apparatus took place with such speed that no opposition movement was ever able to find its feet and dig in against the regime. In the flow of anticommunist attacks, critical groups lost their organizational independence. When counterhegemonic institutions had been cut from beneath activists, no apparatus outside the political and economic mainstream existed to fortify and support long-term resistance to the regime. Deprived of strong countervailing institutions, dissidents became more vulnerable to the New Order's ideological field of gravity, and soon began *themselves* to define protest in ways that echoed the New Order—as with the idea of the moral force. Since the Indonesian mainstream represented the only viable career destination of even critical Indonesian dissidents, most were extremely careful to avoid risking exclusion from that mainstream—and this caution granted the state a licensing power that it used to great effect. This general caution and organizational underdevelopment also left society especially vulnerable to human rights abuse and surveillance, for no determined opposition was positioned to resist these excesses.

Apart from the state's regulation of political dissent, sustained economic growth from the late 1970s onward also undercut protest, particularly by eliminating its material basis among the upper class. In the early 1970s, elite concern with rising foreign investment and large development projects helped spur some disruptive protests. By the time the oil boom had triggered broader Indonesian prosperity, members of the privileged classes who worked with labor groups and farmers did so mainly as students or NGO members,

in fragmented institutions (limited by regime policies) that did not provide sufficient career opportunities to satisfy most ambitions. Not only did these groups fail to retain their staff over time, the prospect of crossing over from NGO or activist work to mainstream positions tempered activities among men and women unwilling to risk a future career. The same threat of denied access to the economic mainstream also helped inhibit a second source of dissent: from the late 1970s onward, influential retired military officers gathered in a number of fora, including the well-known "Petition of 50," to denounce the regime's undemocratic tendencies. While the state did not prosecute these dissidents, it did follow an explicitly announced policy of allowing their business permits to lapse, excluding them from state functions, and denying them exit visas—all designed to exclude them from the prosperity and social influence that men in their position might otherwise have expected to enjoy.¹⁷

Over time, fairly clear rules developed for dissent under the New Order. Protests occurred with comparative frequency, but demonstration participants normally kept activities unorganized and informally structured. Activists respected curfews and protest bans that government officials predictably announced after several days of protest. NGOs avoided forming large coalitions among local mass constituencies, and avoided most kinds of organization-building among them.¹⁸

State policy, however, did not merely inhibit protest; it also changed the objectives of collective actions, and the sorts of opportunities that encouraged popular mobilization. When the state achieved its near-organizational monopoly over Indonesian society, it also created conditions under which the most important debates and conflicts would most likely occur within that state, rather than between the state and social constituents. In 1973-74, for example, it was General Soemitro's dissatisfaction with the power and policies of a clique of generals called the "finance" generals that led him to begin tours of university campuses across Indonesia to discuss issues of democracy and reform. Amidst those consultations, and in the apparent belief that Soemitro was poised to take power and instigate reforms, students led the wide-ranging and coordinated protests that eventually led to the Malari riots in early 1974.¹⁹ Some sources also argue that people from working-class neighborhoods who turned those protests into riots had *also* been organized by one of Soemitro's principle antagonists, General Ali Moertopo.²⁰ In similar moments, events demonstrate that a kind of state sponsorship provided what turned out to be essential encouragement for

activists to organize anything more than symbolic or moral protest. Moreover, the protests worked primarily to lend support to someone conceived to be reform oriented who was moving to make changes in the character of the New Order state. Importantly, however, the task of making those changes was all along conceived of as resting within the state, or some faction of it.²¹ Across the New Order period, protest gravitated towards demands for reform which appealed to authorities and urged them to action—rather than more directly challenging their authority. Not only, therefore, were activists prevented politically and ideologically from organizing strong antiregime movement institutions, they also had developed a movement methodology that seemed to render those institutions unnecessary.

Keterbukaan and Protest: Persistent Fragmentation, Emerging Organization

The 1998 Indonesian protests occurred during the political thaw known as *keterbukaan*, which we can date from around 1988 onward. *Keterbukaan* allowed some political expressions that had been banned for years. Student newspapers began to publish in the mid-1980s for the first time in almost a decade, and elections from 1988 on, but particularly in the 1990s, featured bolder and more decisive attacks on Suharto and his family than ever before. Journalists and academics openly advocated electoral reform and other measures to establish broader democracy, and groups such as Democracy Forum began holding public discussions on *reformasi*. At the same time, activists pursued new collective forms in ways utterly consistent with established New Order political patterns, and produced demonstrations that remained largely localized and fragmented. Most still responded to New Order threats; curfews, demonstration bans or well-placed remarks by military officers usually ended protests within a day or so. More importantly, general prohibitions against political organization remained in place, and the tentative political culture bred over years of New Order rule ensured that activists would criticize the state with extreme caution. Precisely because these political and ideological constraints provided impressive barriers against broad or powerful antiregime mobilization, the state could resist or even ignore most protests—and even acquiesce to demands made at some demonstrations.²²

Typically, too, some of the most important advances of *keterbukaan* responded to initiatives by one or another faction of the state. By the 1980s,

some Indonesian officials began to question Suharto's political orientation. For some, particularly among still-influential retired military officers, questions first emerged about the regime's understanding of *dwifungsi*, and particularly about ABRI's relationship to elections and to GOLKAR. This questioning crystallized in demands by a group of mainly retired officers who signed the "Petition of 50," and continued thereafter periodically, to press the regime to reform itself. Similar efforts, such as Retired General Jasin's numerous letters to cabinet officials and the DPR criticized regime corruption. Some officers began to look past the Suharto presidency, and began to position themselves for a post-Suharto transition. Even critical Suharto ally Benny Murdani raised questions about what post-Suharto Indonesia would look like—a temerity for which the president dispatched him from the inner circle.²³ Dissent inside the military reached a public high point in 1988, when ABRI representatives in the MPR objected to Suharto's vice-presidential nominee; this highly unusual objection almost certainly provided an example for more pointed and critical electoral challenges from the PDI and PPP in the 1990s, and by extension, the entire rise of Megawati Sukarnoputri within the PDI. More generally, however, military critics of the regime provided an opening for other forms of social opposition, and may particularly have encouraged student activists to demand broader reform.

The realignment in state forces opened opportunities for groups outside the state. In 1987, Education Minister Wartasan, attempting to strengthen his position in the government, sent a former 1966 student activist, Surito, to consult with students on their demands and, not incidentally, to cultivate student support. These meetings set the stage for the reintroduction of the campus press, and the organization of a new student governance organization to replace student councils that had been banned since 1978.²⁴ Despite these new resources, however, student protests remained largely episodic and reactive. The most powerful demonstrations usually involved protests on limited localities that engaged the state on narrow policy issues—such as a rise in electricity rates or the implementation of a motorcycle helmet law. In such protests the state could make policy concessions—as to Muslim activists protesting a state-sponsored lottery—without substantially eroding the balance of power between the state and society. In the main, however, student activity acknowledged established limits on antiregime organization, and also conformed to more general New Order prohibitions against direct or sustained antiregime activity. The new movement organizations, that is,

emerged among a generation of students who no longer looked to direct political action toward powerful confrontation with the state.

During the 1980s, falling oil revenues also compelled the state to shift more initiative for social development onto private agents, and it adopted a broader acceptance of both NGO-based development work, and organized labor.²⁵ NGO advocacy had over its first decade been divided into a dominant development-oriented strand, that concentrated on administering socioeconomic assistance to local communities (assistance that grew more urgent as falling state revenues reflected international oil price trends), and more mass mobilizing political styles. Even these latter NGOs, which grew more common and assertive in the *keterbukaan* period, however, failed definitively to establish more ambitious and powerful mechanisms to coordinate their activities. In the main, even when several NGOs did champion the cause of a particular local community, they carefully avoided establishing a political network that transcended that individual case—and never built multisectoral national movement organizations that could adopt and pursue a broader political program. Labor protests, organized initially at the factory level, increased every year from the 1990s on. In 1990, the first nonofficial national labor union, the Sariket Buruh Merdeka “Setia Kawan” or Solidarity, was organized.²⁶ Although the union eventually dissolved under state pressure, by 1993, a similar group, the SBSI emerged. Initially, the SBSI undertook only symbolic one-hour national strikes. After 1993’s violent labor riots in Medan, increased state action against the SBSI made many workers reluctant to support the union. Such state action underlined the important political boundaries of *keterbukaan*. Hence, as with the student activists, existing legal and ideological structures laid down by the New Order prevented both NGOs and labor groups from mounting a sustained and coordinated national movement against the state.

The ambiguous character of *keterbukaan* more clearly emerges in what were called *tokoh dari rakyat*, or *tokoh-tokoh yang Kritis* (literally, public or critical personalities, but perhaps more generally, public intellectuals).²⁷ Such intellectuals (such as those who met in Democracy Forum under the leadership of Nahdatul Ulama leader Abdurrahman Wahid) met and discussed democracy, often criticized the government and urged it toward reforms.²⁸ The fora themselves spawned groups of NGOs devoted to study and analysis—perhaps direct descendants of the student *kelompok studi* (study groups) of the late 1970s. Dissent, however, remained essentially rhetorical. Because the fora tended to produce research groups and written statements,

they also developed a particular mode of addressing democratization as dependent primarily on people understanding how democratic systems operated.²⁹ State prohibitions on political organization remained, moreover.

The democracy debates, then, emerged within the larger culture of New Order Indonesia, and responded to most of its restrictions. Those who challenged the regime could often be silenced by well-placed threats, which few had the apparatus, or the will, to withstand. The state could accept moderate dissent and calls for reform as elements of an approved democratic *discourse*—but would not allow organizations opposing the state, or more pointed accusations against individuals positioned within its apparatus. Democracy advocates adapted to allowable forms of dissent; the regime allowed only what it could withstand.

Nevertheless, changes were under way as the 1990s progressed. While labor strikes did not grow any more organized or coordinated, they increased to the point where even the regime appealed to investors and capitalists to try meeting workers halfway in order to prevent strikes.³⁰ Activists jailed in the late 1980s spent time in Cipinang prison in Jakarta alongside more organized activists from separatist insurgencies, especially those in East Timor and West Papua (Irian Jaya). These encounters both helped convince Indonesian activists to begin thinking of establishing more powerfully organized opposition institutions, even if this meant underground struggle, and paved the way for greater cooperation among these movements at a time when international support, particularly for the East Timor cause, was growing.³¹

Electoral politics also began to attract activists from the reinvigorated campuses and NGO. The 1992 general elections featured some of the strongest anti-Suharto speeches in the entire New Order period.³² After those elections, the PDI elected Megawati Sukarnoputri, a symbolic link to the old order and a figure that could be associated with demands for reform, as its new chairperson. In 1996, in the run-up to new general elections, the state ousted Megawati from the PDI leadership, and oversaw the election of Soerjadi (a man they had ironically ousted some years before) as replacement. In response, PDI supporters loyal to Megawati occupied the party's Jakarta headquarters and turned it into a staging ground for almost two months of defiant antiregime speeches and demonstrations. When military operatives, posing as Soerjadi cadres, invaded the compound on July 27, protests and riots erupted across Jakarta.³³

Several themes unite these different events. First, antiregime activists in the 1990s were finding more institutional support for their activities. Although protest remained generally fragmented and loosely organized, the PDI-related demonstrations used existing and formally sanctioned state institutions. National elections, campaigns and party congresses were all opportunities for mobilization available as *irreplaceable* elements of the state's formal claims to democratic processes. Particularly in the 1996 protests, NGOs and student activists had decided to invest substantial energies into these legal political avenues and became new kinds of activist party cadres. A similar strata of young Islamic activists began working inside the PPP, which accounts for that party's more combative electoral tone as well. The government-backed insurgent movement inside the PDI produced a strange situation in which a group of politicians with a fair degree of organizational and institutional resources were suddenly pushed outside approved government institutions and yet retained an identity as a political organization. The PDI's Megawati faction thus existed in some middle ground between an actual protest organization (which would have been banned) and approved (and tractable) New Order institutions. The PDI's so-called struggle faction, in fact, brought resources accumulated during its official period in power with an opposition commitment strengthened by its ouster.

A new kind of Indonesian opposition group also emerged around the 1996 PDI headquarters siege. The PRD had been organized in connection with student and labor protests in the early 1990s, but had escaped direct government repression by working through front organizations. In the 1996 PDI protests, however, the organization emerged as a prominent and militant section of the pro-Megawati coalition. Perhaps more alarmingly from the state's perspective, during the latter part of July, the PRD successfully mobilized solidarity demonstrations in cities like Semarang and Surabaya. Such rallies were possible because the PRD had committed itself to building a national organization that united different sectoral organizations, such as labor unions, women's groups and student associations, under a central political leadership.³⁴ From this point forward, the PRD drew heavy state surveillance and repression, in large part because of its avowed Marxist sympathy. In organizing an underground movement network with sectoral organizations and broad geographic spread, the PRD violated central regime proscriptions.

Nevertheless, by mid-1997, efforts to construct a more organized opposition to the Suharto regime had made but small inroads into

established Indonesian patterns of protest. The 1996-97 elections had been among the most violent since the New Order began.³⁵ Still, since few civil institutions existed to frame or organize mass discontent as resistance to the political system, conflicts like that between GOLKAR supporters and devout Muslims in Benjarmasin inflamed local passions and eventually turned to intercommunity, and particularly anti-Chinese, violence. Most mass activity remained local, and often took the form of violent rioting rather than coordinated demonstrations against the state. More organized mass activity, such as labor strikes and land protests, also remained essentially localized.

NGO workers involved in planning such actions were usually quite careful not to build mass organizations that would run afoul of the 1985 Mass Organization legislature. Following protests surrounding the 1997 elections, the PDI's Megawati faction had little purchase on unfolding political events and seemed resolved to wait for the next state-sanctioned open moment: 1998's March 1-11 Special Session of the MPR (People's Consultative Assembly) to elect the President. In the months following the July 1996 protests in Jakarta, the PRD's leadership had been rounded up by intelligence agents, and most remaining cadres remained underground and on the run. Mass leaders, such as the SBSI's president Muchtar Pakpahan, were also arrested. While the *tokoh dari rakyat* continued actively to speak against the regime, their most flamboyant moves—such as Megawati Sukarnoputri's announcement that she'd be willing to challenge Suharto for the presidency, or Amien Rais's call for a national consultation—remained well within *keterbukaan's* safely symbolic and rhetorical parameters, and most who supported these movements applauded them at this level.

Currency Devaluation and the Established Opposition Repertoire

The 1997 currency devaluations produced what no opposition had so far achieved: coordinated and multisectoral grievances across Indonesia. If the targets of public anger varied from place to place—concentrating more on Chinese merchants in some spots, on government policy in others, on Madurese or Christians in still a third—in *all* places state policies and Suharto himself came in for increasingly direct public criticism. For the last half of 1997 in particular, spiraling consumer prices, lower rupiah rates and currency flight spawned pointed and simultaneous anxieties among rural

village residents, urban slum dwellers, local entrepreneurs and foreign investors. This simultaneity helped prospects for cross-class cooperation against the state similar to that which emerged in the Philippines or Korea in the 1980s. As things in fact played out, the currency crisis was arguably more influential in stimulating external pressure on the Suharto regime, and in increasing renegade activity within the state. These factors, rather than protest per se, more decisively triggered Suharto's ultimate crisis. Despite the potential of the currency crisis to produce broader and more coordinated social mobilization, New Order legacies continued to prevent social alliances. Ultimately, segments of the state itself would retain the initiative for reforming the Indonesian political system and replacing its president.

Influences that fragmented the 1998 mobilization will by now be familiar. First, with few counterhegemonic institutions to help coordinate the opposition, collective action, except among social elites, never transcended narrow or immediate participant interests to produce a broader and more integrative set of demands. The elites, however, did not have the mass following to back up their demands for power. The anti-Suharto movement produced few leaders with clear organizational authority—except for jailed PRD and SBSI leaders. Prominent personalities bravely denounced the regime at some public forum, rode the consequent tiger of press coverage and popular excitement for several days, and then (often after veiled government threats) retreated into relative silence.³⁶ Indeed, the organizationally and even programmatically diffuse opposition in 1998 can only tenuously be called a *movement* at all.

The second reason is more cultural. The habit of protest as cautious moral commentary was, by 1998, deeply seeded in Indonesia, as was an elite satisfaction with debate and discussion as a proxy for political action. The absence of clear movement organizations pushed leaders of social and religious groups into positions of *de facto* leadership. But in most cases these personalities had ambivalent relations to protest groups, and were as likely to recommend calm and caution as mobilized activity.

The third is historical. The legacy of the late Guided Democracy and immediate post-coup periods in Indonesia left an important imprint on the national memory. Among activists, that memory cautioned against too reckless opposition. Among broader segments of Indonesian society, the state-cultivated memory of *chaos* predating the New Order triggered a powerful fear of mobilized mass society—which the state proper, along with several of its renegade factions—played on with ease. In this situation, news

of mass protest pushed potential movement allies, particularly among social elites, to seek state support for reform to help pacify mass society. Few suggested an alliance with these social strata.

Apart from these longer term influences, the state pursued shorter term efforts to limit or internally dissipate protest and unrest. Over the first several months of the currency crisis, Suharto could enact or promise measures designed to mollify (or at least divide) aggrieved members of society. In addition to existing consumer price subsidies, government moved to distribute relief goods and support price reductions when rural riots had risen to an alarming level. Consumer riots abated when the government initiated this program and stepped up relief distribution. Even before this, state leaders either sought to shift blame to Chinese merchants, or to encourage these merchants themselves to distribute their goods to starving populations. Not only did these Chinese distributions help alleviate immediate hardship, they also provided tangible evidence that perhaps the problem consisted substantially in Chinese hoarding. In combination, relief measures worked to bring down consumer prices in basic commodities even as falling rupiah rates, capital flight and business closure *increased* concern among economic elites during the period February to March. This state activity desynchronized different social classes' sense of the crisis either deepening or abating, and so undercut the tendency to breed a shared sense of crisis. Nearer the MPR meeting in March, when elites seemed pushed to the brink by capital flight and onerous debt payments, Suharto and close associates announced plans to institute a fixed exchange rate and currency stabilization board. For the two weeks the proposal was debated, speculative attacks on the rupiah slowed; whether the currency was overvalued or undervalued, at least in the short term, depended on whether the stabilization board would push through.

Had the crisis merely involved the state and its domestic challengers, perhaps these efforts might have scattered the opposition, at least until the regime could construct some sense of mandate following the March MPR. The currency crisis and Indonesia's consequent need to seek external assistance, however, empowered international finance institutions more than at any time since the oil boom. IMF antagonism to price supports and to the currency stabilization board directly diminished Suharto's ability to follow through on programs to diffuse unrest. More damagingly, from the onset of the currency crisis, officials in these institutions had critically examined Indonesian financial practices, from corruption and nepotism

to faulty and suspect bank loans—and including the important system of domestic price supports. Several times, the IMF had withheld short-term assistance in moves that forced the president to revise the national budget, admit that announced growth rates were unrealistic, and announce measures that would remove subsidies from businesses owned by his children. The admissions were severely damaging both to the idea of impending economic recovery, and to Suharto's general prestige. In the long standoff between Suharto and the IMF, international leaders from around the world made widely-reported phone calls to Suharto to urge his compliance with IMF demands—calls that also hurt the president's prestige. Over several weeks, the regime's resistance to the IMF faltered, and it was increasingly unable to provide resources that might mollify aggrieved sections of society.

As external pressure on the regime built, renegades inside ABRI also began initiating mass unrest, calculated to boost their own political position. The moves decisively accelerated the crisis at several critical moments. The riots in Java and several outer islands in early 1998, were primarily the handiwork of troops loyal to Suharto's son-in-law, Prabowo Subianto, as subsequent investigation has established with reasonable clarity. Prabowo had risen rapidly through ABRI's hierarchy, and was promoted to commander of the Army Strategic Reserve Command on February 16 at the same time that General Wiranto (of whom Prabowo had been critical) took command of ABRI.³⁷ He apparently set out to incite unrest and violence to boost his position in ABRI, particularly before his promotion when he served as Kopassus (special force) Commandant. According to trial evidence, Kopassus troops also abducted activists in early 1998. In publicized remarks, as those he made at a January 23rd breaking of the Ramadan fast, Prabowo also cultivated anti-Chinese sentiment, blaming the Chinese for the economic crisis.³⁸ Before the May 1998 riots, Prabowo reportedly attempted to secure emergency powers from Suharto before the president left Indonesia on May 9 for Cairo. His (Prabowo's) supporters seem to have both provoked some of the worst of the May rioting and raped an estimated 66 Chinese women during that time.³⁹ Prabowo and several allies probably planned much of this activity at a meeting at KOSTRAD headquarters on May 14.⁴⁰ On May 21, the night Suharto resigned, Prabowo's KOSTRAD troops surrounded Habibie's house. Only the next day was ABRI Commander Wiranto able to order those troops back to their barracks, on instructions from the new president.

The currency crisis, then, increased the general level of antiregime mobilization in Indonesia, and also raised sharper internal and external pressure on the state that impaired its ability to contain dissent. Not only were price supports growing more expensive for the financially strapped state, international financial institutions' increasingly sharp and public countermoves forced an end to subsidies and the regime's currency stabilization proposals. Over time, international pressures diminished the regime's ability to mollify its domestic population, while increased social unrest weakened its ability to forego IMF short-term assistance.

With his options thus narrowed, Suharto acceded to IMF demands and began enacting economic reforms that once more exposed the Indonesian population to the full force of economic decline. This only provided new opportunities for anti-Suharto protesters, primarily in the form of allies of and support for student demonstrations.

The deepening crisis, moreover, enabled renegade elements of Suharto's ruling circle to incite already aroused and angry Indonesians to violence. The resulting May spate of unrest was not organized enough *itself* to contest for power, for New Order legacies continued to divide elite democracy advocates from the angry mass of Indonesian society. The demonstrations did, however, create conditions that finally moved members of the government to shift support away from the president and finally prevail on him to name a successor and step down. With this explanatory gloss as background, let us now turn to a narrative of the collective action that ended Suharto's decades in power.

The 1998 Protests

Indonesian political contention in the first months of 1998 conformed to patterns of scattered and localized incidents that characterized collective political contention throughout the New Order period. As more and more industrial firms closed shop or scaled down their operations toward the end of 1997, workers' strikes sharply declined, for these still were organized at the factory level and diminished job security eroded worker power. Rural community riots began on January 3 starting in East Java's East Jember and spread across that island until February 13-16 where they crested outside Cirebon in West Java. Near the end of that period, similar action also occurred in Sumatra (February 13), Sulawesi and Lombok (February 14).⁴¹

In most cases, small and local incidents touched off the riots—long-standing antagonisms between Chinese merchants and local Indonesians, or a dispute between a vendor and a consumer. Markets and bus terminals incubated many of these riots, for it was there that angry consumers confronted rising prices, and gathered in sullen knots deciding who to blame. It was also in such places where outsiders, including provocateurs, could most easily mingle with local populations, and ensure that simmering anger reached the boiling point.

Media reports in Jakarta often cast the riots as part of a single and integrated phenomenon, lurking in the countryside and gathering strength against the cities. Evidence suggests that the impression may not entirely have been mistaken, particularly if bands of agitators were responsible for fanning the embers of consumer dissatisfaction into mobilized anger. Still, the idea of a creeping and dangerous chaos rapidly acquired currency in the cities, particularly when toward the middle of February, riots in West Java caused authorities to blockade roads leading in and out of the capital city. Trains from there to nearby Bandung were also frequently interrupted. Over time, the sense of rural riots moving toward the cities gave way to broader urban fears: rising mass discontent engulfing more privileged sections of society. It was a fear that did much to prevent broad social alliances against the state, and instead promote efforts to appeal for state-led reform that could restore order and social peace.

As the riots were running their course, Indonesia's public intellectuals accelerated their prodemocracy meetings and pronouncements. Many seemed to view mass society with a certain ambivalence, both as allies and threats. Stories of untrammelled violence and destruction of property accompanied coverage of pitiable citizens struggling to keep body and soul together. Still, the democracy meetings, and even demonstrations from these activist circles, generally begged off from mobilizing or recruiting mass participation, and more often undertook activity *on behalf* of impoverished society. At the same time, urban activity in 1998 rose, as it had every five years, in anticipation of the approaching MPR Special Session. Participants at round tables, lectures and seasonal Halal Bihalal celebrations expressed spirited criticism of the regime. They often articulated what in Indonesia (at the time) was the surreal prospect of putting together an electoral challenge to Suharto or his vice president. Several prominent opposition figures began the year by announcing their willingness to stand for election. Yet even those who professed support for these declarations described them

as symbolic moves to help society “practice” for a democratic future. The challenge, however, remained rhetorical which in fact seems to have been a state condition for their continuation.⁴²

More commonly, these meetings sought to enlist state actors’ support for the idea of social change. On January 7, for example, Muhamadiyah leader Amien Rais called for a national dialogue between social leaders and the government. Many later viewed general Wiranto’s promotion to ABRI head as an important opportunity, for the general had a reputation as a professional soldier who might support reforms if the situation continued to deteriorate. IMF arguments with Suharto, as well as periodic phone calls from world leaders, bolstered hopes that the regime would need to give ground on important reform issues. Much elite discussion centered around policy questions that almost looked past the prior issue of power. Even the financial markets seemed to support the push for reform, and the rupiah plunged in the aftermath of Suharto’s unpopular announcement that B.J. Habibie would be his vice-presidential candidate. Hence, because of an inherent cautiousness, a palpable fear of mass activism, and a sense that official sources might successfully move toward reform, public intellectuals remained attached to symbolic and rhetorical forms of opposition—and detached from mass activity.

As the rural riots tapered off in the second week of February, small street protests demanding electoral reform began. In the main, these were small and largely secret; typically, activists faxed an announcement of the protest to the press barely 20 minutes before it would begin.⁴³ The groups sponsoring these marches adopted ad hoc titles, such as the Barisan Merah Putih (BMP, or Red and White Front) and the Tim Pembela Demokrasi Indonesia (TPDI or Team for the Defense of Indonesian Democracy). In the main, they were composed of pro-Megawati factions of the PDI, PRD activists, and militant students from campuses in Jakarta and Bandung.⁴⁴ The demonstrations remained small and seldom received full media attention. But information about the protests spread rapidly through Jakarta particularly among activists. Some newspapers even reported that the BMP protesters included several men in military haircuts, which sparked speculation that soldiers might be supporting the reform movement. These demonstrations ended by February 20th, partly because the government issued repeated statements prohibiting street demonstrations and threatening arrests, and partly because soldiers (later identified as part of the Kopassus)

began covertly abducting activists. News of these abductions soon made the rounds.

Despite the prohibition on street demonstrations, a women's group called Suara Ibu Peduli (SIP or the Voice of Concerned Mothers) rallied outside the Hotel Indonesia on February 23. The group tapped a network of Indonesian feminists largely associated with the democracy discussions. For weeks before their demonstration, they had gathered to sell milk and other basic commodities to impoverished Jakarta residents at 30 percent below market value, a mode of action that rather clearly defines the relationship between this group and the *rakyat*.⁴⁵ They assembled posters and leaflets that expressed concern, as women and mothers, for Indonesians across the archipelago who could not afford basic commodities. Despite efforts to keep the rally secret, however, security forces were in place before the marchers left the Hotel Indonesia coffee shop to assemble at the fountain outside. Troops allowed the protest to proceed for barely two minutes before moving in to disperse and arrest demonstrators. The event produced several follow-up press conferences and a courtroom confrontation, but did not spark further protest demonstrations. Still, the trial of women arrested in the SIP protest did provide a boost to the demonstration's moral message and to other groups eager to issue support for the protesting "mothers."⁴⁶

To this point, the protests and riots remained isolated from one another. Labor strikes ended before riots began; riots tapered off as electoral protests got under way; the SIP protest occurred when electoral protests had ceased; and, throughout, "critical social leaders" gave lectures and issued statements, but refrained from taking direct leadership roles in protest. Long-standing New Order prohibitions on political dissent and organization caused a good deal of this separation, for aggrieved populations had little political connection with one another that might help coordinate their activity. But shorter term state actions in 1998 further divided the different streams of protest from potential allies. Consumer price subsidies, as we noted earlier, helped ease tensions that underlay earlier rural riots. Activist disappearances combined with government warnings in late February to discourage electoral protests prior to the Special Session. Intelligence agents also intimidated potential elite opponents in advance of that meeting. In January, military sources reported that they had captured documents circulated by PRD members that included prominent businessman Sofjan Wanandi in a group of alleged elite conspirators willing to fund efforts to disrupt the MPR Special Session. The investigation never produced charges against Sofjan or others,

but did warn elites about disrupting the special session. At around the same time, news circulated about a February 5 opposition meeting (that included Amien Rais) that set forth plans to disrupt the MPR.⁴⁷ As with the Sofjan case, military accusations were enough to keep potential dissidents away from such meetings or disruptions, and to convince many to call for national unity.⁴⁸

The most pointed efforts to inhibit and isolate cross-sectional unity among protesters paradoxically granted student activists institutional resources they had long lacked. On February 20, Armed Forces Major General Djaja Suparman publicly denied that the state had banned demonstrations, and suggested that they actually helped the state. Accordingly, authorities would permit demonstrations by students, workers or citizens, "as long as these actions take place in (participants') respective places. If they enter the streets, however, (the military) would take firm action."⁴⁹ Students regarded this announcement, perhaps correctly, as indicating that campus protests were explicitly *tolerated*. As the SIP protesters were being hustled away by police and soldiers, therefore, University of Indonesia students began their own campus protest, among the first in what soon grew to a sustained and coordinated series from March through May. Over the next days, other officials adopted Djaja's distinction between permissible and banned demonstrations, and students protested in larger and more frequent demonstrations. In the last week of February, at the University of Gadjah Mada (UGM) campus, for instance, a small delegation of committed student activists (many from the PRD and the Student Council) staged a hunger strike at a small and isolated encampment. Police moved onto the campus to break up the hunger strike on March 2.⁵⁰ By then, however, enough signs existed that campus protests would be tolerated as to encourage activists to mobilize over the next several days, culminating in a demonstration in which 10,000 protesters formed a two-kilometer procession, led by the University Rector.⁵¹ It was then one of the largest campus demonstrations since the late 1970s. On that same day, and from then on, similar protests took place across Indonesia.

This coordination appeared at a particularly strategic moment. In the past, open moments like general elections or the MPR's Special Session produced fleeting and sporadic demonstrations, but never dissent coordinated or resilient enough to outlast the moment. The end of the election or the Special Session dissipated the slender and probably illusory chance that decisions were being made and authorities might be influenced,

and drove off lingering expressions of dissent. Compelled to feign a deluded optimism to support this electoral facade, political parties gamely made antiregime speeches and sent forth doomed opposition candidates to certain defeat. As these exercises moved toward their inevitably pro-Suharto, pro-GOLKAR decisions, however, this tentative opposition rapidly yielded to the rush to join the pro-Suharto consensus. While protests were expected before and during the MPR, space for dissent closed rapidly afterwards. When Suharto then announced his new cabinet, the government was to have reestablished itself as the stable national center with a mandate which, if not popular, was at least impregnable.

In 1998, state authorities were more than anxious to restore their normal hegemony. The financial crisis and international pressure made unrest more volatile, and the sooner established routines could squeeze aside faith in nonroutine political modes like demonstrations, the better. Moreover, IMF-mandated reforms, particularly the explosive requirement that the state eliminate consumer price assistance for fuel oil, were slated to come into effect in April (though this actually occurred on May 4th). These uncertainties opened the prospect of more powerful unrest than the state wished to encounter, and officials probably anticipated the end of the electoral season with relief.

In 1998, however, the student protests did not end after the MPR Special Session. University demonstrations took place throughout the 10 days of the MPR's special session, and, over the course of those protests, increasing number of professors and prominent alumni began to join the students. More significantly, the campuses provided resources to activists that earlier legislation had stripped away. University grounds and buildings supplied a physical base for more intensive planning and coordination. Working within university social structures, activists could proactively call forth student participation. They did not have to depend on the prospects of new state attacks igniting spontaneous dissent. When state moves did arouse renewed dissent, movement leaders had an apparatus with which they could more efficiently respond. When Suharto announced his new cabinet featuring prominent cronies and family members, demonstrators almost immediately came out in protest. At the same time, the universities themselves helped pull in support from established members of Indonesian society successful alumni from each campus' large family (*keluarga besar*). The economic crisis motivated these alumni to support the call for reform, and the centrality of university campuses to that struggle, *their* university campuses, helped give

them particular standing in those protests. Hence the campuses provided common ground between active students and alumni, and helped seal that important alliance.

Buoyed by these resources, student protests became durable enough to begin coalescing nationally into what approached a united (or at least, federated) movement. Protests on different campuses and in different cities made similar demands and adopted similar collective strategies and modes of expression, like hunger strikes and *aksi keprihatinan* (action of concern).⁵² Student mobilizations also began more frequently to combine and coordinate delegations from different campus although this was not unheard of during the New Order. As protests grew larger and bolder, their participants began also to resist restrictions confining demonstrations to campus grounds. From March 20th on, virtually every campus demonstration made some effort to move into the streets, and often touched off clashes with police or soldiers guarding the University gateway.⁵³ Perhaps most revealing of unfolding connections between different student groups was the fact that security force violence against protesters on any campus called forth howls of protest and demonstrations against such violence from other student communities. Hence, while New Order student activists had frequently assumed the detachment of a Greek chorus, bearing moral witness but not entering the fray, the 1998 demonstrations began collecting founding support for an organizational machinery that also underwrote the germ of a national network.

Throughout April, a stalemate existed between the student movement and the state. While campus protests drew increasing support from some segments of Indonesian society, they also served as safety valves: restricting protests to campuses worked to isolate active students from the rest of society, and provided an outlet for anger that did not overly complicate other aspects of the state and the economy's already troubled routines. Nor were the students entirely averse to some separation from the rest of society—whatever their rhetoric: when students did break through military barricades and poured into the streets, they still distinguished themselves from mass society by setting up cordons around the demonstration and wearing University jackets. Students reflected a more general elite ambivalence toward mass society, and although their demonstrations grew larger and more frequent, they did not cultivate a socially broad and active base of support.

The events that finally broke Suharto's weakening hold on power combined influences of broadening protests, international pressure and

the activities of rogue groups within the military. On May 4, in response to IMF demands, the government lifted consumer price subsidies on gas and oil. Immediately, student protests grew larger and (in a number of places) were joined by transportation workers and other nonstudents (often reported in the press as *rakyat*, or members of society). With active support for protests once more apparent outside the campuses, security forces began to take measures to prevent broader violence. Starting with the May 5th protests, Marines often accompanied these demonstrations, marching with the students in what was described as a relaxed manner, sharing songs and drinks. Without taking antiregime positions, accompanying Marines urged students to conduct their activities jointly for the country's benefit. Students reportedly valued the Marines' good-natured presence which seemed to diffuse tension between demonstrators and other security forces.⁵⁴

This general goodwill, however, was shattered on May 12 when troops (also suspected to be acting on orders from Prabowo) fired on student demonstrators at Trisakti University, killing four. Popular outrage at the murders was immediate and national. At Trisakti University itself, students, faculty and critical social leaders⁵⁵ gathered the next day in a memorial free speech forum. Speakers asked for calm and pointedly requested that students and media representatives not stir up mass passions. By ten o'clock, however, violence had broken out, first in the vicinity of Trisakti University, but soon across Jakarta. As angry mobs spread across the city, they burned vehicles, gasoline pumps and stores, and (with provocation by soldiers) began also to loot and burn large shopping centers. By mid-morning of May 14th, much of Jakarta was on fire, and would continue to burn for three days. One fact-finding team estimated that 2,244 people died and 31 went missing in the riots.⁵⁶ Over 60 Chinese women were raped in what appeared to be related assaults coordinated by troops loyal to Prabowo.⁵⁷

Security forces managed to calm Jakarta's streets by May 15, but the riots had shaken people's faith in Suharto's ability to govern. The riots pushed social and economic elites to the brink of panic. Many sought to flee the country, while others waited for mobs to ransack their homes. Reports were everywhere of mobs roaming the highways, waylaying car passengers, and snatching cellular phones. Most ominously for many, reports often centered on a particularly efficient gang that worked the toll road leading to the airport. As if to validate the sense of general collapse, the Indonesian currency, which had settled into a stable exchange rate of between 9,000 and 10,000 rupiahs to the dollar, plummeted once more to an

astounding 15,000 rupiahs per US dollar. Those who watched international news reports on satellite television heard reporters describe the end of the regime as an almost foregone conclusion.

In this atmosphere, the students regrouped for one last attack on the Suharto regime. Protests resumed on May 17, and converged on the parliamentary building behind the pointed demand that Suharto resign. No longer content with campus venues, students gathered at the national assembly building in a clear tactical escalation. Soon, student activists from around Java began to arrive at the building to join the encampment, and participants estimated that more than 200,000 eventually gathered to demand Suharto's resignation. The military reacted with a mixture of anxiety and sympathy: they set up roadblocks throughout the capital and on May 20 prevented students from marching into the city. They refrained from taking action that might provoke student anger, and allowed the occupation to continue with little interference. It certainly helped military officers curious to find out where the protests would lead that Suharto himself was initially out of the country, and not likely to demand decisive action.

Yet, sympathy for political reform, for a clear plan of succession, and for moves to end nepotism and corruption also existed in no small measure inside the state. Reformers that could never have taken on a consolidated President Suharto (as even Benny Murdani had failed successfully to do in the late 1980s) now saw an opportunity to make what seemed to be an inevitable decision. Increasingly, government officials suggested measures (like a special election) to provide a face-saving exit for Suharto (or a possible chance to regroup), but events moved too quickly for an elegant exit strategy. Democracy advocates, party leaders and even parliamentary officials began speaking at rallies, and, on May 21, 14 members of Suharto's cabinet resigned. That night, after pressure from House Speaker Harmoko, ABRI Commander-in-Chief Wiranto, and Habibie himself, Suharto resigned the presidency.

Currency Crisis, Class Alliance and Democracy Protest

The class alliances supporting the Indonesian democracy protests reflect the influence of the New Order's long-term and invasive policies to reshape Indonesian society at least as much as the mobilizing influences of currency crisis. Sharp devaluation of a nation's currency can *potentially* create simultaneous mobilization and new solidarities, especially by encouraging

businesspeople and other social elites to support popular coalition demands for equity and justice. However, the New Order's policies of repression and social manipulation prevented these alliances and channeled discontent to other, instructive directions. Early rural riots were largely unconnected to ongoing elite and student advocacy for democratic reforms—except in February when some electoral protests in Bandung turned into rioting.

More commonly, democracy advocates and the middle class feared that riots would reach Indonesian cities. While these fears in part produced more furious accusations against the government, they also prevented activists from considering efforts to organize, mobilize or ally with mass society. Demonstrations in explicit solidarity with starving Indonesians, such as the SIP march on February 23, seldom *included* these people. Throughout, opposition politics conformed to a parable the New Order State had told its society for decades: Sukarno and the PKI had let a dangerous genie out of the bottle that combined both Marxist leadership and unruly mass mobilization. Anticommunism had been a regular part of subsequent state propaganda—but a repeated stress on the dangers of mass politics had repeatedly complemented those efforts.

But even if activists had considered mass-elite alliances, the organizational scaffolding to support such an alliance did not exist. Indonesian state policies regulating dissent and protest had, since the early 1970s, prohibited the organization of dissent into counterhegemonic associations. Throughout the New Order, the interplay between state and society reflected authorities' consistent efforts to narrow the scope of organized activity outside of the state's own corporatist apparatus to the point that the unorganized protest that was then possible posed scant threat to the state.

The implications of this steady pressure on the 1998 protests were two-fold. On the one hand, almost no dissident organizational structure existed to help manage alliances between mass society and political elites. Those organizations that had most successfully challenged state proscriptions on this kind of organizing, like the PRD, the SBSI and the Megawati faction of the PDI, were all under sustained attack by state intelligence agencies. On the other hand, any protest or reform movement would almost certainly need to rely on a strategy of triggering reform initiatives from within the state, rather than challenging the state itself, for the movement had no capacity to pose such a challenge. For both ideological and institutional reasons, then, the economic crisis that generated widespread dissatisfaction with Suharto and mobilized activity still never produced the kind of

coordinated movement activity that would allow opposition elites to harness and direct mass discontent against the state.

Rather, and characteristically, the protests from students and elites stood more *between* mass society and the state. Voices demanding *reformasi* were not speaking as leaders of a mass society, and never professed to steer movements poised to contest for power. Opposition elites seldom claimed leadership over mass society, but rather spoke from a perspective of what a progressive and more equitable Indonesian society demanded, and of dangers (including mass violence and anarchy) that threatened in the event that such changes did not take place.

In contrast, a typical Philippine rally in the middle 1980s invariably included speakers from labor unions, farmers organizations, student and indigenous groups—representing associations that were part of the movement. Indeed, movement leaders' authority and authenticity frequently originated in their ability to produce such mass members, and the connections between opposition elites and mass organizations made the antidictatorship movement a more formidable and tractable political force.

Indonesian rallies had far fewer mass speakers, and consisted more entirely in experts and elite oppositionists speaking on the nation's direction and needs. Indonesian students, and those that joined the university rallies, stood at the balancing point between potential allies in the state and mass society. Demonstrations sought to trigger some reaction from the state—to force Suharto's resignation, to call forth pressure from within the state apparatus of the military in time to counteract the threat of mass chaos. While activists adopted the *Aksi kaprihatinan* (the "demonstration of concern") in large measure to avoid state repression, the term accurately describes the protest as tending to urge state actors to action rather than threatening to overrun state positions.

In the end, the relative institutional weakness of the Indonesian opposition, and the sheer mass and internal diversity of the state apparatus may have turned ideas about state structures and social protest on their heads. Clearly, divisions within the military and changes in the character of the ruling coalition (the political exile of Benny Murdani, the rise of political Islam inside Suharto's inner circle, increased criticism from retired military officers, broader dissatisfaction about the corruption of the Suharto family) helped provide the long-term opportunities for the extended thaw of *keterbukaan*. At the same time, in terms of decisive political action, protests and mass dissatisfaction seemed most significant in the activity and

opportunities they provided to elements in the state struggling with one another for power. Certainly Prabowo, looking to secure emergency powers that would seal his position as Suharto's successor, understood that riots and chaos in Jakarta might be approached in ways calculated to deliver to him special powers, and indeed made this bid to Suharto as the President was preparing to leave for Egypt in May.

Even for those without such specific plans to seize power, the dilemma of the regime's decay was manifest. Suharto's rule had clearly become more divisive than at any other time in his regime. As the 1998 cabinet demonstrated, the President showed no willingness to address domestic, and increasingly important international apprehensions of his regime's corruption and nepotism.

Yet, to move against the president remained utterly unthinkable for most. Jakarta riots, international pressure and the sustained student protests, however, provided opportunities for Suharto's allies—men like General Wiranto, B. J. Habibie and House Speaker Harmoko—finally to press Suharto to resign. Moreover, shared apprehensions among these different actors about the regime's descent into corruption and nepotism, as well as about the need for more open political expression, made tacit alliances between them possible. Hence mounting student protests did not trigger a consolidating reaction within the New Order that would have strengthened Suharto. Rather, a more understanding position, based on shared apprehensions and grievances, as well as an accurate reading of international inclinations, began to form toward the demonstrations.

In that process, however, the prodemocracy movement was something less than a junior partner. It would take another round of protests, that included a *second* military massacre of student protesters in November 1998, to allow activists more forcefully to begin attacking some of the more central aspects of the New Order's repressive legacy, especially ABRI's *dwifungsi*. That stronger activist push, significantly, occurred amidst an organizing effort unmatched and impossible during the New Order, which eventually provided important institutions for the 1999 elections.

Had those institutions existed a year earlier, during the full flush of the currency crisis, it is possible that the campaign against Suharto may have looked very different. Perhaps stronger and more organized movement institutions could have recruited mass followings and directed more focused challenges against the state. Perhaps, under these conditions, members of the New Order would have been compelled to defend the state's ramparts

more vigorously (even if this meant supporting the president) and move toward a confrontation on par with what occurred in Burma or China. Alternately, the flow of democracy protests may have produced sufficiently strong and politically moderate leaders to have won some military support—even to the extent of creating the kind of transition that swept Marcos from power.

As it happened, however, the currency crisis swept across an Indonesia that still bore the deep and lasting impressions of the New Order, and Indonesian society rose under the pressure of that crisis in ways that reflected the fragmentation, depoliticization and fear of mass politics that had been among the New Order's deepest political legacies.

ENDNOTES

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2. Juan J. Linz and Alfred Stepan, *Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-communist Europe* (Baltimore: Johns Hopkins University Press, 1996); Terry Karly and Philip C. Schmitter. "Modes of Transition in Latin America, Southern and Eastern Europe." *International Social Science Journal*, 128 (1991): 269-284, and also Guillermo O'Donnell and Philip C. Schmitter, *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies* (Baltimore: Johns Hopkins University Press, 1986).
3. See, among other works, essays in Marco Giugni, Doug McAdam and Charles Tilly, eds. *From Contention to Democracy* (Lanham, Md.: Rowman & Littlefield Publishers, 1998).
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5. See Theda Skocpol's classic formulation of these factors in her *States and Social Revolutions: A Comparative Analysis of France Russia and China* (New York: Cambridge University Press, 1979).
6. Shlomo Avineri, "Reflections on Eastern Europe." *Partisan Review* 3 (Summer 1991): 442-448.
7. David Jenkins. *Suharto and his Generals: Indonesian Military Politics 1975-1983* (Ithaca: Cornell Southeast Asia Program, 1984), 174-187.
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9. Harold Crouch, *The Army and Politics in Indonesia* (Ithaca: Cornell University Press. 1978); Helen Fein. "Revolutionary and Anti-Revolutionary Genocides, A Comparison of State Murders in Democratic Kampuchea, 1975-1979, and in Indonesia, 1965 to 1966," *Comparative Studies in Society and History*. (1993); Robert Cribb, ed. *The Indonesian Killings of 1965-66: Studies from Java and Bali*, Monash Papers on Southeast Asia, 21. (1990).
10. Leo Suryadinata, *Military Ascendancy and Political Culture in Indonesia* (Athens: Ohio University Center for International Studies, Southeast Asia Series No. 85. 1989).
11. See Heri Akhmadi's critique of the New Order's ideological/cultural attacks on critical political thought in Indonesia in his *Breaking the Chains of Oppression of the Indonesian People* (Ithaca: Cornell Modern Indonesia Project, 1980).
12. See Delia Richard. "New Restrictions on NGOs," *Inside Indonesia* (Summer 1987): 10-12.
13. George Adijondro, "Networking to Promote or to Control Indonesian NGOs? Questions Concerning the Networking and Coordinating Rush Among Jakarta-Based NGOs, Ministries and Donor Agencies," cited in Fredrick Bunnell (With Assistance from Alice Bunnell), "Community Participation, Indigenous Ideology, Activist Politics: Indonesian NGOs in the 1990s" in Daniel S. Lev and Ruth McVey, eds. *Making Indonesia? Essays in Honor of George McT. Kahin* (Ithaca: Cornell Southeast Asia Program, 1996), 180-201.

14. Douglas Kammen, "A Time to Strike: Industrial Strikes and Changing Class Relations in New Order Indonesia" (Ph.D. diss. Cornell University Department of Government, 1997); Vedi R. Hadiz, "Working Class Politics in the 1990s" in Arief Budiman, ed. *State and Civil Society in Indonesia*. Monash Papers on Southeast Asia no. 22. Centre of Southeast Asian Studies, Monash University (1990).
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16. *Democracy in Indonesia: 1950s and 1990s*. David Bourchier and John Legge, eds. (Centre of Southeast Asian Studies, Monash University, 1994).
17. For a description of these sanctions, and the offenses for which they were brought into play, see David Jenkins, *Suharto and His Generals: Indonesian Military Politics 1975-1983*, (Ithaca: Cornell Modern Indonesia Project Monograph Series, 1984), especially 164-187.
18. Fredrick Bunnell (with Assistance from Alice Bunnell), "Community Participation, Indigenous Ideology, Activist Politics: Indonesian NGOs in the 1990s," in Daniel S. Lev and Ruth McVey, eds. *Making Indonesia? Essays in Honor of George McT. Kahin* (Ithaca: Cornell Southeast Asia Program, 1996), 180-201.
19. See Harold Crouch, *The Army and Politics in Indonesia*, 314-316; C. van Dijk, "Political Development, Stability and Democracy: Indonesia in the 1980s," Occasional Paper No. 17. Centre of Southeast Asian Studies. 1989, 12; Nordholt, *Citizen-State Relations in Suharto's Indonesia*, 49; Edward Aspinall, "Students and the Military: Regime Friction and Civilian Dissent in the Late Suharto Period," *Indonesia* 59: (October 1995): 30.
20. David Bourchier, "Law, Crime and State Authority in Indonesia," in Budiman, ed. *State and Civil Society in Indonesia*, 193.
21. Edward Aspinall, "Students and the Military: Regime Friction and Civil Dissent in the Late Suharto Period." *Indonesia* 59 (October 1995).
22. Michael van Lagnenberg, "The New Order State: Language, Ideology and Hegemony," In Budiman, ed. *State and Civil Society in Indonesia*, 135-138.

23. R. William Liddle, "The Islamic Turn in Indonesia: A Political Explanation." in *The Journal of Asian Studies* 55 (no. 3), (August 1995): especially 629-631.
24. Edward Aspinall. *Student Dissent in Indonesia in the 1980s*, Working papers. (Monash University: Centre of Southeast Asian Studies, 1993).
25. See Philip Ethridge, "NGOs and the State in Indonesia," in Arief Budiman, ed. *State and Civil Society in Indonesia*, 508.
26. David Bouchier, "Solidarity, The New Order's First Free Trade Union," in David Bouchier, ed. *Indonesia's Emerging Proletariat* (Clayton, Victoria, Australia: Centre of Southeast Asian Studies, Monash University 1994).
27. Amien Rais used the phrase *tokoh-tokoh masyarakat yang kritis* (critical leaders of society) on January 6, 1998, to describe the sort of people I mean (*Kompas*, January 7, 1998). University professors, journalists, NGO leaders and heads of large religious organizations all fall into this category, and draw attention not because they speak for specific organizations, but because they have somehow attracted a more diffuse following, largely by the force of their ideas or suggestions.
28. Anders Uhlin, *Indonesia and the "Third Wave of Democratization:" The Indonesian Pro-Democracy Movement in a Changing World*.
29. This perspective had also colored the research done about protest by scholars. See, for example, Anders Uhlin, *Indonesian Democracy Discourses in a Global Context: The Transnational Diffusion of Democratic Ideas*. (Centre of Southeast Asian Studies, Monash University, 1993).
30. David Bouchier. "'Solidarity,' The New Order's First Free Trade Union," 55.
31. Interview with Indonesian activist jailed in the late 1980s for selling banned novels—promised anonymity by author. Interview recorded on February 17, 1998, tape I-1.
32. See *The White Book on the 1992 General Elections* (Translated with an Introduction by Dwight King) (Ithaca: Cornell Modern Indonesia Project, 1992).
33. For a narrative of these protests, see 1996: *Tahun Kekerasan: Potret Pelanggaran HAM di Indonesia* (1996, Year of Violence: A Portrait of Human Rights Violations in Indonesia.). Made Tony Supriatma, ed. (Jakarta: Yayasan Lembaga Bantuan Hukum Indonesia, 1997).

34. For an indication of the consciously more intense organizational efforts of PRD members, consult "Strategy and Tactics in the Struggle for Democracy," unpublished paper. National Committee of the PRD. Jakarta. July 22, 1996. The document lays out a program for building a network of mass organizations in response to its own criticism of past efforts as being too unorganized to pose a substantial challenge to the regime.
35. 1996: *Tahun Kekerasan: Potret Pelanggaran HAM di Indonesia*. (1996, Year of Violence: A Portrait of Human Rights Violations in Indonesia.)
36. For examples of this sequence, see press coverage of Amien Rais's announcement of possible unity between himself, Megawati and Gus Dur in mid-January 1998, and the flurry of excitement that surrounded speculation of Emil Salim's ultimately abortive vice-presidential candidacy (February 11-16, *Kompas*, *Suara Pembaruan*).
37. *Suara Pembaruan*. February 12, 1998.
38. "Soal Permainan Politik di Balik Krisis Rupiah, Mereka Pengkhianat." *Republika* (January 24, 1998).
39. This information was contained in the November 1998 report of the government-appointed multisectoral fact-finding team on the May riots. See for example, "Angkatan Darat Terlibat Kerusuhan Dan Pemerkosaan Mei '98." *SiaR* (November 10, 1998).
40. In an interview with the *Straits Times* on November 5th, Marzuki Darusman said that "testimony on what transpired at the Prabowo meeting further suggested that the "riots were a high point in an escalating process which started long before the May riots took place."
41. Data on these strikes come from a review of reports in the Indonesian periodicals *Jawa Pos*, *Kompas*, and *Media Indonesia*.
42. All of those who allowed their names to be circulated as alternative candidates for the presidency and the vice presidency, for example, had withdrawn their names before the MPR met, and so the discussion about alternative presidential and vice-presidential candidacies at the special session never produced a movement to advance those candidacies.
43. This was communicated to me by an Australian journalist who had come to Jakarta in February to cover the expected unrest between then and the March Special Session of the MPR. As we stood at a round-table on democratic reform at the Presidential Hotel on February 11th, a beeper he was holding went off, signaling a message from a colleague that an activist's fax had just come in, and a rally was about to get under way. (Field notes, February 11, 1998).

44. Interview with activist involved in planning these demonstrations, tape I-1, February 17, 1998.
45. Nor was this an unusual mode of "activism." Several weeks after the SIP protest, I interviewed a group of young people who described themselves as "activists" working for Indonesian democracy. They came together mainly in a weekly lecture series—but also considered their secondary work, distributing food in poor communities, to be a more important mode of "prodemocracy struggle." (Interview tape I-19, March 22, 1998)
46. The front page of the newspaper *Suara Pembaruan* on March 14th, for example, conveys the demand by a woman's NGO that the government stop harassing the SIP arrestees. "GAKTPI: Tindakan Karlina Dkk Suara Nurani" (March 14, 1998).
47. News of the case was front-page fare in Indonesian dailies such as *Kompas* and *Suara Pembaruan* from early March through the 20th.
48. See March 18th and 19th issues of *Suara Pembaruan*, for example.
49. *Jawa Pos*. (February 20, 1998): 1: "Asal aksi itu dilaksanakan di tempatnya masing-masing. Kalau sampai turun ke jalan, kami tindak tegas."
50. See, *Suara Pembaruan*, "Unjuk Rasa Lagi Di UI Dan IAIN Yogyakarta" (More Protests at University of Indonesia and the National Islamic Institute), (March 3, 1998).
51. "Mahasiswa Bali, Yogyakarta, Bandung, Ujungpandang Unjuk Kaprihatinan" (Students in Bali, Yogyakarta, Bandung Ujungpandang Demonstrate Concern) *Suara Pembaruan* (March 5, 1998).
52. The word *kaprihatinan* actually is fraught with implications more profound than mere concern. Those who feel *kaprihatinan* have a moral discomfort about affairs almost fundamentally at odds with the just ordering of things. The term also bears the stamp of New Order double-speak; however, *aksi* is a Sukarno-era word denoting dynamic activity, while *kaprihatinan* can produce almost a concerned *paralysis*. Student activists I talked to during those protests often explained that they used the word *kaprihatinan* to moderate the idea of their protests in ways designed to avoid military reprisals: those who felt *kaprihatinan* could normally be expected to make appeals to authorities' moral sensibilities, rather than to challenge them directly.
53. The efforts of students to leave campus in their demonstrations is reported as something new in a *Kompas* article on April 3, 1998. "Kekerasan Pecah di UGM dan IAIN Yogya, 29 Mahasiswa dan Pelajar

- Luka-luka" (Violence Breaks Out at University of Gadjah Mada and the Government Islamic Institute, 29 Students Wounded).
54. According to *Suara Pembaruan*, for example, 10,000 university students, accompanied by high school students and members of "society" staged a 4-kilometer march in Jakarta on May 4. In Semarang, on that same day, a smaller demonstration march of 500 students joined with workers and *becak* (trishaw) drivers to denounce increased oil prices. That same story reported other demonstrations on May 5 in Bogor and Bandung, and an additional 10,000 person-protest in Ujungpandang the next day. *Suara Pembaruan*, "Mahasiswa Dan Pasukan Keamanan 'Long March'," (May 6, 1998).
 55. Among those public intellectuals at the demonstration were Megawati Sukarnoputri, Amien Rais, Prof. Dr. Emil Salim, Sarwono Kusumaatmadja, Ali Sadikin, Wimar Witular, Siswono Yudohusodo, Hariman Siregar, Haryadi Dharmawan, Rendra, Adnan Buyung Nasution, Tuti Herati Noerhadi." As reported in *Suara Pembaruan*. "Kronologis Aksi Massa 13 Mei" (Jakarta, May 14, 1998).
 56. These figures were assembled by a fact-finding committee called the Tim Relawan untuk Kemanusiaan (Volunteer Team for Humanitarianism) in its July 28, 1998 report. These figures are generally supported by the report issued by the government sponsored Tim Gabungan Pencari Fakta (TGPF or Consolidated Fact-Finding Team). "Pemerintah Akui Ada Perkosaan Massal (Government Admits that there were Massive Incidences of Rape), *Media* (September 22, 1998).
 57. *Suara Pembaruan*, "Tindak Lanjut Secara Hukum Terhadap Prabowo Dan Syafri Direkomendasi TGPF" (November 3, 1998).

Indonesia— Uncertain Transition*

Mastinah Saleh and Joel Rocamora

*"Whom the gods would kill, they first blind." Greek saying
paraphrased by Herbert Feith (Jakarta Post, October 8, 1998).*

*"All must be populist in the new era. There's no room for
antipopulist leaders." Cooperatives Minister Adi Sasono (AWSJ,
November 11, 1998)*

In the end, the Suharto regime destroyed itself. President Suharto had become so used to automatic compliance to his wishes that he did not see how much of his authority had been eroded by the uncertainties of the last few years, and more recently, by the economic crisis. He did not see that his political weakness would push his palace courtiers to take steps to preserve their power, including sacrificing the old man. He did not sense the build-up of popular anger that, fueled by military provocateurs, would engulf his regime in a paroxysm of blood and fire.

Suharto can make a reasonable claim to having presided over the most sustained period of economic growth in Indonesia's history. But the government's authoritarian methods increasingly ran up against middle class people who wanted to play roles in decision-making, and who had growth-generated material and intellectual resources to play such roles. To put it more simply, the frenzied rush by Suharto's children to corner as much of the benefits of growth as possible, especially in the last decade of Suharto's rule, generated resentments among those in the middle class and the military who benefited from growth.

"...the issues of *korupsi*, *kolusi*, *nepotisme* (corruption, collusion, and nepotism) moved increasingly to the center of public discourse as the business interests and political ambitions of Soeharto's children were given free reign. National development policy was transparently subordinated to the predatory

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interests of the family. Rumors of the latest depravities of the children and grandchildren regularly shocked, titillated and angered the political public, and embarrassed even many otherwise-loyal supporters of the president. (Aspinall 1998: 133)

If corruption is injury, Suharto corruption was so gross, so open, and paid so little attention to the niceties of civilized corruption that it added political insult to economic injury. Everyone who knew anything about Suharto's Indonesia, of course, knew about the need to course projects through the children or cronies such as Bob Hassan. Natural resource extraction permits and large infrastructure projects invariably included one or another Suharto offspring or crony or both. Perhaps because the project touched so centrally on national development efforts and pride, perhaps because it was so unequivocal and open in its favoritism, the grant in February 1996 by presidential decree of monopoly preferential rights for national car production to presidential son Hutomo Mandala Putra (Tommy) generated an avalanche of protest.

The project's antecedents in industrial policy is more prevalent and accepted than neoliberals would like to admit, but the way this project was handled gave industrial policy a bad name. Funding, to start with, came via presidential instructions to the central bank governor and minister of finance to form a consortium of banks that would provide \$1.3 billion to the project. Exemption from luxury-goods taxes enabled Tommy to sell the car at half the price of imported Japanese models. Government offices were ordered to buy the car, called the "Timor." It was the violation of the project's central justification, increasing local content in manufacturing a key industrial product, however, that got everyone's goat. Another presidential decree allowed Tommy to circumvent local content provisions with the ludicrous excuse that a few Indonesians worked at the South Korean plant where the "Indonesian" car was fully manufactured! (Manning 1996: 18-21, Feridhanusetyawan 1997: 25-27)

Projects such as Tommy Suharto's Timor gave the impression of Suharto moving ahead on corrupt projects even if foreigners were tearing out their hair in anger. The larger picture, especially after the decline of oil income after 1982, had Suharto bending to the will of foreign business interests. Regime dependence on foreign funds to finance high rates of growth required acquiescence to the kind of economic policies demanded by the international business community and its "enforcers" the IMF and the World Bank. "To gain greater access to foreign funds, [Suharto] had undertaken tax reform,

and trade and financial market liberalization, since the 1980s. Until then a complex licensing regime determined access to the market, making investors dependent on political connections. By depriving him of many of these powers, liberalization created economic interests that Mr. Suharto could not control. Those interests grew to resent his domination of the economy, and caused the erosion of his authority.” (Root 1998)

While “middle class” individuals and groups were critical of Suharto’s nepotism and resentful of being shut out of decision making, careful distinctions should be made of different “middle class” groups. Big business, mostly Chinese, tended to avoid political controversy. “For the Chinese conglomerates, their position is so vulnerable to social resentment that political stability takes precedence over any preferences for state accountability or the establishment of liberal or democratic reform. Hence the greatest concern of Chinese businessmen in Jakarta today is that the succession should be achieved without prejudicing either the social order or the economic and political environment provided by the current amalgam of authoritarianism and *dirigisme*.” (Robison 1993: 58)

Pribumi business people and their organizations were, if anything, more supportive of the Suharto regime for the simple reason that they were even more dependent on government favors than the bigger Chinese business people. “Public criticism of authoritarian rule and demands for liberal and democratic reform ...have come primarily from within intellectual and professional elements of the middle classes rather than the bourgeoisie. Reformist academics, lawyers, political and cultural figures, popular entertainers, Muslim preachers and economic commentators enjoy high profiles in the media and have achieved celebrity status. Nongovernmental institutions (NGOs), with a leadership drawn predominantly from the urban middle classes, increasingly constitute the institutional channels for reform in a variety of areas from conservation and environmental policy to legal and human rights.” (Robison 1993: 60; Uhlin 1997)

Because the type of growth generated during the Suharto years exacerbated distribution of assets and income, there was a much larger and an even more volatile pool of people who were increasingly resentful of the kind of society Suharto built. To facilitate decision making, Suharto built an efficient authoritarian regime. But “Suharto’s efforts to depoliticize Indonesia have all but eliminated the secular, moderate middle ground, leaving politics to be played only at the margins.” (Schwarz 1997: 124) This political economy of dictatorship set the stage for the entry of two key

players who rushed in from the margins into the center of Indonesian political life, students and urban poor youth.

The role of students in pushing Suharto out is well-known. Student power was not conventional power. Students were important because their courage gave expression to the thoughts and feelings of many Indonesians. Students have been and in mid-1999 continue to be the "heart and soul" of the prodemocracy movement. "...the opposition's power was overwhelmingly symbolic. The democratization movements and the symbolic rejection of the New Order by students and other leading opposition figures were potent because they symbolized and gave focus to a widespread desire for change throughout the country." (Young 1998: 106-107)

While largely middle class, high unemployment among university graduates pushed them lower in class standing. The combination of uncertain prospects, enough education to see through regime propaganda, and youthful idealism provided the heady mix resulting in student activism. "In part, students were clearly motivated by the destructive impact that the financial crisis had on their own middle-class lifestyle and aspirations (such concerns were sometimes expressed in a humorous and self-deprecating manner, as when one of the students (later killed at Trisakti University) attended a demonstration holding a placard reading, 'Reduce the price of photocopying and perfume!' (*Gatra* May 23, 1998: 36). They were, however, also motivated by broader political aims. For most, it would seem these centered on students' sense of historic mission to act as a 'moral force' and speak out on behalf of the people at times of national crisis. A wide range of liberal, Islamic and radical ideas also motivated many." (Aspinall 1998: 143)

Politically self-conscious students provided the organized base of the democracy movement, but the inchoate resentments of urban poor youth did at least as much damage to the regime when they rioted not just in Jakarta, not just in 1998. Riots in urban areas in various places in Java, Sumatra, and Kalimantan dating back to three years before Suharto's fall worked insidiously to erode the authority of the regime. As events later showed, "The urban poor are the single most important factor in future Indonesian politics. It's the urban poor who are the most politicized, the most deprived and therefore the most volatile, and it's not difficult to incite them to violence."¹

The "aging of the regime was also partly the result of the aging of Suharto. Succession is always difficult for authoritarian regimes, more so for someone

who has been in power for 32 years. Because the issue was bound up with the person of Suharto, his health and even the death of his wife became key factors. "In the final years of the New Order, Suharto became an increasingly remote political figure, more and more isolated at the apex of power and turning inward to an ever more narrow palace coterie consisting of family members and a few select favorites. More and more cabinet and other senior government positions were filled by sycophants and loyalists who lacked significant personal support bases and had little credibility in the ruling elite, let alone in the broader political public." (Aspinall 1998: 132)

The succession issue was exacerbated by the presidential election in 1997. "The country is moving into election mode amid increasing speculation over the succession, and political uncertainty is more widespread and deep rooted, according to many analysts, than at any time in recent history." With unintended clairvoyance, the authors then continued to say that "With a very open capital account, Indonesia can be vulnerable to destabilizing capital movements caused by sudden changes in investor confidence, the result of actual or potential (or even imaginary!) political crisis." (Manning and Jayasuriya 1996: 11)

Succession was also an important element in one of the key political events in the years immediately preceding 1998, i.e., the July 1996 riots. The July 27 riots happened after the regime allowed goons hired by the Surjadi leadership of the PDI and at the behest of government officials to attack the headquarters of the Megawati faction of the PDI. Jakarta urban poor youth turned the anger of Megawati followers into a riot that foreshadowed the May 1998 riots. Regime attempts to remove Megawati from the PDI leadership seemed out of proportion to the threat from a leader of a small, government-controlled party, unless one links it to the fact that Megawati was the first prominent Indonesian to challenge Suharto's presidency directly and that she is the daughter of the only other president Indonesia has had, Sukarno.

Organizing his own succession was particularly difficult for Suharto because there was so much resentment of his greedy children. He toyed with the idea of making his daughter Tutut his successor because she was the only one he trusted fully to defend the family's massive economic stake. He did not have enough authority in 1997 to make her his vice president, so he selected Habibie, a politician so low in people's regard that appointing him was a signal that Suharto was not yet prepared to select a successor. In

the end, history played a trick on him when his loyal “nonsuccessor” participated in forcing him out of office.

Yet another of the costs of authoritarianism is the constriction of the regime’s political options. A strong and vital regime can afford to liberalize because it is confident of its ability to return to repression. A regime under siege feels it has no option but to further tighten the screws for fear that even a slight opening will bring a deluge. The 1998 crisis created conditions for bold new moves. Suharto moved ruthlessly to signal that the dynamics of politics remained unchanged. Thus the appointment of daughter Tutut and crony Bob Hassan to the cabinet. Suharto knew these were provocations, worth the risk to signal that he was still in charge. (Feith 1998)

Suharto might or might not have been aware of other moves by his men. The arrests, torture and disappearance of prodemocracy activists in March 1998 were military “standard operating procedures” so he was probably informed. The killing of the four students at Trisakti University in May 1998 was the first among a series of risky moves that may have been made by Suharto lieutenants on their own. Media and NGO and human rights groups provide credible information of organized, military-looking men inciting urban poor to violence and providing them with materials for burning cars and buildings. There are various confirmed reports of widespread and apparently organized, simultaneous incidents of gang rape, especially of Chinese women.

A government-appointed team assigned to investigate the May riots said the killing of the students and other provocations were made at “the highest decision-making level...The whole process preceding the riots had a very clear political dimension ...including efforts to secure extraordinary powers based on (an existing) decree which would have given the president (Suharto) extra constitutional powers to overcome any temporary emergency situation.” (*Jakarta Post*, November 4, 1998) The team then called for further investigation of Suharto son-in-law and Army special forces commander General Prabowo Subianto and former Jakarta military commander Major General Sjafrie Sjamsoeddin for their involvement in these incidents.

The provocateurs succeeded beyond their wildest dreams. But their success had a result contrary to their calculations. The riots were so widespread and caused so much damage that it sank the economy further into the ground. The students, now outside of their campuses and occupying the parliament, demanded no less than the resignation of President Suharto. More and more groups, including former supporters of the regime made

the same demand. The political tension generated by the riots required a political step to calm the situation.

It is no accident that Chief of Staff General Wiranto presided over Suharto's resignation ceremony. Suharto was forced to resign because the military leadership decided that he had become one of the main obstacles to the survival of the political system which supported their political and economic interests. The political circumstances of the third week of May 1998—the economic crisis, the riots, student demonstrations, middle class defection from the regime, perceived dependence on the IMF and the international market—militated against the further use of violence to suppress pro-democracy forces. The next best thing was to sacrifice the king to save the kingdom.

Economic and Political Crisis

The Asian financial crisis has spawned an avalanche of debate, of blame and recrimination, of claim and counterclaim. Battered by criticism from many, often unexpected quarters, neoliberal ideologues have claimed the resignation of Suharto and the advance of democracy in Indonesia as the result of the intervention of the market and the IMF. In this storyline, Suharto-led rent seeking and cronyism in state-market relations in Indonesia distorted local markets and weakened the economy. The withdrawal of foreign capital and speculative attacks on the rupiah were the well-deserved “punishments” of an angry international market for Suharto's sins.

The IMF, the “enforcer” of the international market, then follows after the necessarily destructive economic storm to clean up and to organize the reconstruction of more market-friendly economic structures. Since the root of the problem was too much government intervention in the economy, reform, of necessity, will spill over into political structures. The IMF, of course, did not deliberately work to ease out Suharto, but if Camdessus, standing over Suharto like a Prefect of Discipline, helped to erode the Sultan's *wahyu*, why, thank you, the IMF will take a bow and modestly admit to having contributed to democratization in Indonesia.

The problem with this deliberately stylized storyline, of course, is that it simplifies the story into good and evil. If you don't particularly like the way the IMF intervened in the Indonesian crisis, then you have to defend Suharto. If you attack Suharto, you have to applaud the indignities the IMF subjected

him to. The usual analyst's recourse: the story is much more complicated than this storyline. It's not just Suharto who worked to defend his interests. Far from being a politically neutral technician of economic well-being, the IMF carried its own share of political baggage. Indeed, in providing a standard prescription, the IMF could very well be accused of being blind to Indonesia's political realities and irresponsibly ignoring the social cost its prescription would bring about. There is more than enough blame to pass around.

One of the reasons the currency crisis turned into a firestorm of generalized economic crisis is that Suharto did not see the seriousness of the economic crisis any more than he could see the political crisis of his regime. More than a month after Thailand ignited the crisis in early July 1997, Suharto failed to see the gathering storm. In his independence day speech on August 16, 1997, he blithely ignored the serious problems of Indonesia's economic fundamentals. Instead, Suharto insisted that they were "very solid." The currency crisis, he said, is a "temporary upheaval" that would soon pass. To be fair, Suharto was not the only one who has had to eat his words. Dennis De Tray, World Bank director for Indonesia said at the time that he "...would be very surprised indeed if Indonesia would require such an international aid package as Thailand did." (Lindblad 1997: 6-7)

If Suharto had seen the size of Indonesia's unhedged foreign debt, he should have been worried. Private sector foreign debt (including short-term debt) grew from US\$15 billion in 1989 to \$37 billion in 1993 (according to World Bank data), an increase of \$22 billion in just four years. (Radelet 1995: 46) This debt doubled again in the next four years. While public debt remained manageable by international standards, private debt was more than \$70 billion at the onset of the crisis in mid-1997. Worse, much of this was short-term. Short-term debt rose from 17.7 percent of total debt in 1994 to 24.8 percent in 1998. (Montes 1998: 7)

"Foreign loans were especially attractive sources of financing...new private sector investments, for several reasons. First, interest rates on rupiah loans were very high compared with offshore rates. Second, a significant portion of the investment was by joint ventures with foreign firms that had well established offshore banking relationships. Third, in May 1989, BI [Bank Indonesia, Indonesia's Central Bank] lifted the ceilings that had limited the foreign exposure of domestic commercial banks and other financial institutions, allowing them to borrow offshore and on-lend locally. Fourth, BI's "swap" facility eliminated foreign exchange risk for offshore borrowers

by guaranteeing an exchange rate at which foreign exchange could be repurchased at a specified future date. Indeed, at times the swap premium implicitly subsidized offshore borrowing." (Radelet 1995: 46)

Apart from the size of total debt and the short-term maturities of a large chunk of this debt, "a substantial portion of the build-up since 1989 in what is labelled as 'private sector' debt has financed projects in which the public sector plays a significant role, such as oil refineries and infrastructure construction. To differing degrees, some of this debt carries what creditors probably perceive as implicit government guarantees." (Radelet 1995: 49) "The public sector connection can take many forms: low interest (or no interest) loans from state banks, subsidised inputs from state enterprises, guaranteed supplies of raw materials at favorable prices, guaranteed monopoly power, or government capital participation. What such projects share (to differing degrees) is an implicit guarantee, so foreign (or domestic) creditors have less incentive to appraise projects carefully, and relatively weak projects are more likely to obtain financing. When such projects threaten to fail, public resources are likely to be used to keep them afloat." (Radelet 1995: 61)

These practices created a massive mess in the banking system. "A survey found that 39 of the 239 banks had performed very poorly in 1996 and are at high risk of bankruptcy. The most common reason is nonperforming loans to members of the bank's own business group... Following deregulation of the sector in 1988, many investors appear to have established banks simply to provide their businesses with easier access to funds." (Feridhanusetyawan 1997: 24) The worst performers were government banks. As early as 1993, the government knew that six out of seven state-owned banks were technically insolvent, but not much was done. In April 1995 state banks accounted for 72 percent of all bad debts in the banking sector. (Montes 1998: 5; James 1995: 9)

Problems of Indonesian banks can be traced to political sources. "First, standards of accountability were ignored so that funds could be channeled to friends of the regime. Nonperforming loans to cronies of the Suharto regime, meaning those on which no interest is currently being paid, account for much of the \$84 billion in private sector foreign debt...Second, internal corruption within the banking system was tolerated. Loan supervisors, typically, would collect 10 to 15 percent of a loan up-front as a kickback. Projects to be financed were not chosen on their economic merits. Banks

did not develop skills at assessing the risk of particular investments because such skills were unnecessary." (Root 1998)

Another source is the policy regime geared towards attracting "emerging market" funds: liberalization of capital markets, overvalued currencies, high interest rates, narrow monetary parameters, government surpluses. As in other countries in the region, this led to hypergrowth of the financial sector pushed by cheap foreign funds, stable, pegged currencies, and high local interest rates. Much of this money went into speculative real estate and stock market assets which consequently got pushed to "bubble" proportions. This type of growth, whose emblems are the gleaming skyscrapers of Jakarta, Bangkok and Manila, could only be sustained at high velocity. Like a moving bicycle, a pause would lead to a fall. Bangkok, July 1997, was the pause.

While Suharto could not see the Indonesian economy's vulnerability, business people and some senior government economists could. It was not necessarily foreign currency speculators who started the stampede. "Rather than foreign speculators attacking the currency, it was local and regional investors who had their ear to the ground and realized the overexposed nature of their investment. In particular, they sensed a property glut and were the first to pull out, as was the case with Indonesian industrialists who held dollar loans and feared a devaluation against the rupiah...In their wake, the rest of the international "pack" followed, causing a panic." (Purcell 1998: 14)

Instead of examining the policies which led up to the crisis, Suharto's economic managers intensified implementation. Forced to allow a free float of the rupiah, the government then squeezed liquidity hard in the hope of restraining speculation and attracting capital back with high interest rates. Reserve or base money fell by a massive 17 percent in the month of August 1997 alone. "The money supply contracted at a very rapid rate, reportedly by several hundred billion rupiah a day. Interest rates on monthly deposits climbed to 40 percent per annum, and the overnight rate on interbank loans briefly touched 125 percent during the tumultuous days following the free float." (Lindblad 1997: 9)

Manuel Montes, one of the most insightful analysts of the Asian financial crisis said, "The Indonesian financial system...faced the 1997 Asian currency crisis with a banking system heavily in need of recapitalization (and the consequent writeoffs of nonperforming debt). The private corporate sector and the banking system had heavy external liabilities unhedged and denominated mostly in US dollars. A fall in the international value of the

rupiah would immediately impose debt servicing difficulties on the part of the corporate and banking sector. A strategy of tight liquidity to defend the rupiah had the potential of causing a crash in the banking system teetering on bankruptcy.” (Montes 1998: 5-6)

Indonesia’s macroeconomic policy before and soon after the start of the crisis was classic IMF-World Bank policies, but Indonesia did not conclude a formal agreement with the IMF until October 31, 1997. “With the start of the IMF program...16 commercial banks were closed. Instead of improving confidence in the banking system, the closures had the opposite effect to that intended; it accelerated deposit withdrawals from the remaining banks and forced the central bank to provide liquidity beyond the IMF ceilings.” (Montes 1998: 7) J. Soedradjad Djiwandono, former Bank Indonesia governor said, “The domestic reaction to the closure of the banks ran contrary to expectations. Ironically, a step taken to bring back confidence in the banking sector plunged it into further chaos and resulted in a massive flight of capital...” (IHT, August 19, 1998)

Loan defaults were estimated to be 75 percent of total loans by end 1998. To prevent the outright collapse of the banking system, the government started a massive infusion of liquidity from November 1997 to January 1998. In early October 1998, outstanding liquidity support to ailing banks was still 141.6 trillion rupiahs (\$13.30 billion), down only 566 billion rupiahs paid back. (AWSJ, October 6, 1998) Recapitalizing the banks could cost as much as 200 trillion rupiahs, more than the government budget of 132 trillion, and nearly one-third of GDP of 624 trillion rupiahs. The World Bank says the cost could be equivalent to 20-30 percent of GDP. As we shall see later, this policy was to have profound implications on Indonesia’s post-Suharto political economy. (IHT, August 19, 1998)

The economic situation continued to deteriorate in the first few months of 1998 as the near collapse of the banking system added to regional currency dynamics to push the rupiah further and further down. Another factor was the perception that Suharto was not seriously implementing the IMF stabilization program. When Suharto announced a new budget with large projected deficits and low rupiah exchange rate assumptions on January 11, 1998, this was interpreted as defiance of the IMF. The following day, the rupiah fell to 10,000 per dollar. Suharto’s announcement of Habibie as his vice president pushed the rupiah down to 17,000 to the dollar. On January 15, 1998, a new agreement with the IMF was announced, one which like the October agreement was quickly overrun by events.

Between January and May 1998, political events became the main determinants of the economic crisis. Economic measures such as the currency board proposal that under other circumstances might have at least gotten more consideration were dismissed out of hand. Suharto's resistance to Western pressure to dismantle family and crony monopolies led to even more pressure. Western leaders, led by US President Clinton, were mobilized to support IMF demands. Suharto then digs in even more by appointing his daughter and top crony to the cabinet. Meanwhile, the deadly mix of student demonstrations and military provocation steadily increased the pressure generated by mayhem and destruction. In the end, Suharto was forced to give way.

The role of the IMF in dealing with the crisis in Indonesia has been a cutting-edge issue in the larger controversy over the IMF and its handling of the Asian crisis. (Bullard 1998) Many critics use Indonesia as a prime example of the inappropriateness of the IMF austerity formula for dealing with the Asian financial crisis. In particular, most analysts and apparently even some people within the IMF believe that forcing the Suharto government to close 16 banks in November 1997 was one of the main steps in the transformation of Indonesia from an ordinary, garden variety country in the Asian crisis to an unmitigated economic and political disaster. Another item in the IMF formula, cutting fuel and transportation subsidies is blamed for the intensification of social unrest and its explosion into the May riots. The timing of the cutbacks was apparently made by the Suharto government,² but the IMF cannot be exonerated for what was in the end clearly a terrible economic and political mistake.

Not all IMF demands, however, were negative. The IMF voice was crucial in the dismantling of government-sanctioned monopolies, the repeal of Suharto decrees for his family interests, and the lessening of other opportunities for corruption. These were only a few of the 150 items in the IMF shopping list. Another set of IMF demands, what Rizal Ramli (1998: 30) calls "sponsored items" cannot be seen as anything other than the IMF taking advantage of an economically prostrate Indonesia to push the demands of the US and other Western countries for retail trade, banking and other forms of liberalization.

Apart from the political issues raised by this kind of IMF bullying, even mainstream economists now believe that these demands got in the way of solving the immediate crisis. "The list of reforms contained in the third and current IMF agreement was so extensive that reformers would have

virtually nothing more to talk about if they were all implemented...The IMF would have done well early on to pare down drastically its wish-list of reforms to those unambiguously relevant and necessary for Indonesia's recovery from crisis. Nirvana could well have waited." (McLeod 1998: 46-47)

After the Fall

There is a palpable sense of controlled excitement in Indonesia today. People go about criticizing the military or the president, organizing political parties or labor unions, all the usual things people do in democracies with a mood of grateful disbelief, as if they have to pinch themselves to believe this is reality. Indeed it is. There is a vibrant, dynamic, very creative democracy in Indonesia today. The fall of the man who ran the country for 32 years is a big deal. It is as if a big banyan tree has been cut down (or at least retired to Jl. Cendana), giving way to long-denied growth-giving sunlight; all kinds of flowers and weeds are suddenly sprouting all over the place.

The crucial constraint under authoritarian regimes, Suharto's not excepted, is psychological. People have to believe in the overwhelming power of authoritarian rulers. People have to be convinced of the uselessness of political action, either because of its certain political cost or the uncertainty of political gain. This psychological prison has been shattered. How this freedom is felt, of course, varies from one section of the opposition to another. Students and their allies among urban poor youth are most exuberant, most unrestrained in their demands and their tactics. Opposition political parties and their leaders suffer the moderation of those who believe and are perceived to be closer to power. Everyone else is in between.

It is true that except for Suharto, most of the top leaders of the (old) New Order, starting with Habibie and Wiranto, remain in power. It is also true that the structures of authoritarianism mostly remain in place. At the same time, the democratic space seized by the prodemocracy movement was seized from the authoritarian regime. Being able to demonstrate freely means that the old repressive apparatus for preventing and controlling demonstrations has been badly damaged if not altogether destroyed. Being able to organize political parties means that the old charade that passed for a political party system has been shattered. Being able to publish critical

newspapers and magazines means that the old system of self-censorship has been overwhelmed by renewed courage and self-respect among journalists.

The main arena of the democratic movement is the street, what in the Philippines used to be called the "parliament of the streets." Its shock troops are the students and their allies among urban poor youth. The movement's most important source of power is belief in its capacity to generate political instability. This power is magnified by the fragile and highly fluid political and economic order that has been carved out of the aftermath of May. Those who hold political and economic power in Indonesia today are particularly vulnerable to the power of destabilization because they have created an economy extremely dependent on the "confidence" of foreign sources of investment and markets.

Indonesian democracy, of course, cannot be shaped only in the streets. It cannot long sustain the democratizing energies of instability. At some point, democracy has to settle into the stability of new political relationships, new institutions. The question is where that point will be. How much more of the structures of dictatorship will be dismantled? This is the crucial first step, one that requires dealing with Suharto and the issue of corruption. The other is the military. More important than the issue of *dwifungsi* is human rights violations.

The next issue is what we might call "reform and restoration." How much democratic space will remain after the struggle between those who would extend it further and those who would push it back to old molds? What formal institutions of democracy—electoral systems, systems of representation, local-central government relations—will be put together? What organs of popular power—social movements, NGOs, political parties—will succeed in channeling the passions and energies of today's warriors of the street?

Dismantling Dictatorship

Suharto

Suharto insists that he was not fired. He did not even resign. He merely stepped aside. This is not just an attempt at cushioning the blow of being forced out of the presidency. It is careful manipulation of the delicate Javanese nuances of power. It is a claim to a continuing share of power. It is a claim

which the ABRI leadership remains willing to concede. In his speech at the ceremony of Suharto's "stepping aside," Wiranto made a point of saying that defense of Suharto and his family is one of ABRI's most important tasks. Other generals twist themselves into political pretzels arguing against Suharto's prosecution for corruption.

Attorney General Muhammad Ghalib is one of the most adept at this special skill. Ghalib chose to visit Suharto at his home instead of inviting him to his office because, Ghalib said, he was not "investigating" Suharto, only gathering information. When Suharto denied allegations of corruption in a TV address early in September 1998, Ghalib went out of his way to say that he saw no reason to believe that Suharto was lying. "Suharto is a former President, so he would not lie." (*Today*, September 9, 1998) When Habibie revoked several Suharto presidential decrees because they had created opportunities for corruption, Ghalib said Suharto's intentions were "noble but had been manipulated later." (*Jakarta Post*, October 23, 1998)

Prodemocracy groups insist on Suharto's prosecution for corruption and other crimes because he will have residual power and the capacity for a comeback (no matter how small) unless he is actually seen to be punished. One of the attributes of power in Javanese culture is invulnerability. Other holders of power, most importantly those in the military, will continue to defer to him until he is perceived to be completely powerless. There is also a practical side. The government cannot deprive Suharto of his financial resources and their potential uses for political intervention until after he is convicted of corruption.

There has, of course, been some movement on the issue of corruption because the pressure, mainly from the students but also from abroad, has been intense. The November MPR session produced a resolution that required the government to investigate. There have been reports from lower government units of Suharto wealth, especially concerning hundreds of thousands of hectares of land. In March 1999, one of the Suharto children got indicted on a corruption charge. But there has been no evidence of political will on the issue at the highest levels of government. Clearly, one of the reasons is the threat that one Suharto lawyer has made several times, i.e., if Suharto is seriously prosecuted for corruption, other heads will roll.

Because the head of the gargantuan system of corruption remains unpunished, you cannot make those lower down in the system accountable. You cannot dismantle the dictatorship until you dismantle the elaborate system of patronage that reaches down to the villages through the structures

of the military and civilian bureaucracy. It is this system of patronage that Habibie and Golkar *are* using to lay the constitutional and organizational groundwork for victory in forthcoming elections. As long as Habibie and Golkar remain in power, the dictatorship remains. The possibility of rolling back the democratic gains of the last few months then comes closer to (a different kind of) reality.

The Military

The military leadership has been insistent on defending Suharto because they continue to see Suharto as one of their own. They know that Suharto's political fate is in many ways bound up with their own. As long as they have the power to prevent Suharto from being punished for his crimes, they cannot be made accountable for their own crimes. Unlike Habibie, whom Suharto accuses of being an ingrate, Wiranto remains close to Suharto. Although Wiranto admits to having visited Suharto only a couple of times since May, rumor has it that the two consult each other at least once a week.

Because the current military leadership has not distanced itself from Suharto, it has also suffered from his fall. Because the military is perceived as the main prop of the Suharto dictatorship, all of its sins have been visited on the military. Unlike Suharto who thus far has been targeted mainly for corruption, the military has been subjected to a lot of pressure on the human rights issue. The issues raised range from the kidnap, torture and murder of human rights activists in the months before May 1998 to the killing of Trisakti University students, military provocateurs and rapists during the riots; extensive human rights violations in East Timor, Aceh and West Irian, continuing imprisonment for political "crimes;" "ninja" killings in East Java; and unnecessary violence against demonstrators during the MPR sessions in the second week of November 1998.

The most damaging among these is the military's role in the events leading up to the traumatic May 1998 riots. In July 1998, the military admitted its role when the police announced that seven Kopassus (Army special forces) soldiers had been arrested for involvement in kidnapping and torture of oppositionists. The following month, General Prabowo Subianto was discharged from military service, while Major General Muchdi Purwopranjoto who replaced Prabowo at Kopassus, and Colonel Chairawan, Kopassus intelligence chief, were removed from their posts, although not

dismissed. More recently, General Prabowo was also implicated in provoking the May riots by a government-appointed investigating body.

While the military has been forced to concede involvement in human rights violations because of overwhelming evidence, the light punishments it has meted out and more importantly, its packaging of these punishments has limited the political uses of admitting to human rights violations. Of Prabowo and his two staff officers, Wiranto said, "We should know that a mistake has been made by those officers. But on the other hand, we don't close our eyes to what has been done by them while serving the country." On the seven Kopassus soldiers, ABRI spokesman Major General Syamsul Ma'arif said they were guilty of "procedural errors" in carrying out the orders of a superior officer in trying to discover the roots of a radical movement. (*IHT*, July 15, 1998) It should be noted that 14 activists are still missing and feared dead.

Apart from making vague apologies about violations, Wiranto has not done anything concrete about human rights violations in East Timor, West Irian and Aceh. In Aceh, human rights groups say 10 mass graves have been discovered. Local reports say over 1500 people have disappeared over the past 10 years. (*IHT*, August 8-9, 1998) More disturbing still are reports that the military continues to use terror tactics against its political opponents. Internationally, the most damaging reports of human rights violations have been the organized gang rapes of Chinese women by groups suspected of being military special forces. (*IHT*, July 15, 1998)

More ominous still is the possibility that some elements in the military might be provoking interreligious violence in rural areas in East Java. Starting in July 1998, rural religious leaders, mostly members of Nahdatul Ulama, were murdered by small groups of men dressed in black (thus the description "ninja"). Vengeful villagers have, in turn, killed suspected shamans, village idiots and strangers. In a recent public opinion poll, an overwhelming majority of Indonesians (91.6 percent) believe these East Java killings are politically motivated (*Jakarta Post*, November 4, 1998). NU leader Gus Dur has been more direct, accusing two unnamed cabinet ministers of organizing the attacks on NU.

Recent developments have not been uniformly bad for ABRI. In intra-elite factional competition, they may be stronger now than in the last years of Suharto. While close, the Suharto-military connection has not been unambiguous. In Suharto's last years, he tried to develop a civilian base of support especially among Muslim middle class groups to counter criticism

of his children's business depredations by resentful military leaders and broaden his support base within a group of which the military, including Suharto himself, has traditionally been suspicious. The possibility of recapturing some of their economic and political power under a weaker president such as Habibie was probably one of the factors that influenced the military decision to push Suharto into resigning. The military's increased power under Habibie is captured in one of Habibie's rare charming remarks. "I take General Wiranto with me everywhere," Habibie recently said. "As long as he is smiling, I know I'm OK."

Most observers of the Indonesian political scene consider Wiranto more powerful than Habibie. While a Suharto appointee, his role in the political compromise that led to the resignation of Suharto and the political neutralization of General Prabowo has given him considerable political capital in elite circles. His calm and nonthreatening demeanor, clear contrast to the volatile and arrogant General Prabowo, has helped in his TV packaging as a "responsible leader." Some analysts say he might be a more effective presidential candidate of a military-Golkar status quo than Habibie.

Before Wiranto starts fantasizing about occupying the presidential palace, he has to deal with a number of formidable organizational and political problems. He has reportedly put together a skilled and cohesive military staff including the respected military intellectual General Susilo Bambang Yudhoyuno. Military finances will be a more intractable problem. The military budget has been cut; its money-generating "foundations" under attack for corruption; its businesses insolvent like many other large businesses. With "contributions" from local businesses also down, there are reports of local commanders engaging in smuggling, drugs and other illegal activities to sustain payments to their men. Apart from the damage to military professionalism, these illegal activities have reportedly led to competition and even outright firefights between different military units.

Politically, Wiranto will have to learn to deal more effectively with pressure from pro-democracy groups to remove military representation in the national legislature. While reaffirmed in the mid-November MPR meeting, the military's 55 seats in the 500-seat lower house (DPR) was reduced to 38 when the DPR passed the election laws in January 1999. Even in this severely reduced form military representation in parliament continues to be attacked. Wiranto's problem is that military *dwifungsi* (dual function) has moved out of "not to be discussed basic principles of state into the detailed discussion of institutions, its powers, functions and balance with each other.

Opponents of *dwifungsi* point out, for example, that even with the reduced ABRI representation in the DPR proposed by the Home Affairs Ministry (from 75 to 55 seats), each ABRI seat would represent 10,000 soldiers while other seats will be in constituencies with 600,000 voters. The economist Emil Salim (November 3, 1998 interview) points out that military representatives in parliament will automatically strengthen the ruling party because military lines of command mean they have to obey the commander-in-chief-head of government. In fact, military representation in parliament is logical only in an authoritarian system when parliament is largely ceremonial, where all those who have power in society are "represented" in parliament to lend legitimacy to government policy and to pay obeisance to the king.

Another Wiranto problem is increasing division in the military leadership. Unity in the military was easier to maintain during the dictatorship. The onset of democratic politics, no matter how limited, has exacerbated divisions as jockeying for positions among civilian politicians spills over to the military. Although Wiranto successfully dealt with the challenge from Prabowo, there are reports that some units loyal to him and to Suharto are behind many of the disturbances in the provinces. Latent divisions between "Islamic" officers and "secularists" have reportedly become activated. The Islamic group has reportedly gotten stronger, forcing Wiranto to focus on appointing "secularists" like himself in the military reshuffle in early January 1999.³

While Wiranto and Habibie are potentially political competitors, they have been forced to work closely together under current conditions. The only way they can justify continuing to occupy positions of power in government is by arguing "constitutional continuity" which gives Habibie an advantage. Despite the fact that hardly anyone, apparently including Suharto, took him seriously as vice president, the fact that he's a civilian gives him an advantage over the military at a time of widespread antimilitary sentiment. On the other hand, Habibie desperately needs the military to take back the streets, to narrow the democratic space won by prodemocracy activists.

Reform and Preservation

The main players in the reform process on the government side are, of course, Habibie and Wiranto. As major players in the (old) New Order,

they have a lot to defend. They are both desperately trying to regain control over a political situation marked by the severe deterioration of government authority and the rambunctiousness of newly liberated political groups. Habibie has, because of his political location, been more open to reform. As a civilian politician without a military background, unlike Suharto, Habibie is more open to lessening the power of the military. Desperate for a political base, he has promoted the demand of Islamic groups for more political power, including within the military.

Wiranto wants to retain the secular politics of the military leadership, a tradition that goes back to the early years after independence. Habibie is a politician who wants to build a strong enough base to get reelected president later in the year. Habibie might not be around by the turn of the century, but the military will, so their time perspectives are quite different. Habibie wants to ride the demand for reform (minus the demand that he resign) and to develop both the Islamic and populist avenues for winning more popular support for reelection. Whatever happens in the election, the military will still be around. They will continue to carry the institutional burden of curbing dissent and maintaining the territorial integrity of the country.

Conservatism is an occupational hazard of the military. A document on the reform process billing the ABRI HQ as a source says, "ABRI believes that reform should take place as soon as possible but conducted in a controlled manner...the unity of the nation is a condition that should be maintained..."⁴ In a later article published in the English language newspaper *Jakarta Post*, General Judhoyuno said, "The reform movement must be wisely managed and directed so that it does not inadvertently create more problems than it solves." Under current conditions, this is more easily said than done.

Because of the central role of the military in the (old) New Order, almost all areas of reform require dealing with the military. The military has maintained structures parallel to civilian structures all the way down to the village. Retired and in-service officers occupy half of the "civilian" governorships, and 40 percent of district heads. In building new institutions, the issues involve more than military representation in the national parliament. The most important thing to do in dismantling the dictatorship is making the military accountable for human rights violations and for its share in corruption.

Habibie

Habibie is the most unlikely president. No one, least of all Suharto, thought of Habibie as president material. His often outlandish ideas about economics inspired fear among Western neoliberals because they thought he was an economic nationalist and spendthrift. Suharto chose him as his vice president early in 1998 because he wanted to "give the finger" to his Western tormentors but also to show his domestic audience that he was still in charge. The presidency has not really changed Habibie. But it is precisely because he is perceived as weak that he has survived much longer than the few months he was given to remain president. He has shown the cunning of the weak and carefully, quietly laid the groundwork for being elected president on his own.

Habibie does not really make economic policy. The agreement with the IMF is so detailed, supervision so close (including monthly reviews which determine disbursements of IMF loans) that the IMF and its Indonesian technocrat allies make economic policy more often than not without Habibie. Another large chunk of policy, public security and supervision of the military and the police, is in the hands of Wiranto. What is left to Habibie is what might be called for lack of a better term "political policy," the shaping of new political institutions and preparing to use these institutions so that the current holders can retain their hold on the centers of power.

No doubt Habibie is a remnant of the Suharto era. More than half (20 of 36) of the ministers in Habibie's cabinet served in the last Suharto cabinet. Wiranto is a Suharto appointee. The legislature, both the lower and the upper house are still vintage (old) New Order. Since he refused to move out of the way to enable Suharto to stay by making constitutional succession difficult, however, Habibie has warmed to the job. The new members of the cabinet are people loyal to him. More than 250 MPR members, mostly from Golkar have been replaced with Habibie people. (*Asian Wall Street Journal*, November 9, 1998) The seven-member Home Ministry team crafting the new political laws and the electoral and political party system is stocked with pro-Habibie academics.

Habibie has focused much of his energies on reshaping Golkar, the government party. At the Golkar congress in July 1998, Habibie put up his own candidate against Edy Sudradjat, retired Army general and former defense minister, reportedly the Suharto family candidate.⁵ He supported his state secretary, Akbar Tandjung, who won 17 out of 27 provincial Golkar

chapters. Habibie moves here were supported by the ABRI leadership. Habibie went one step further and excised all remaining avenues for the Suharto family to recover its position in Golkar. Suharto himself was moved out of the way when the board of patrons headed by Suharto was abolished. Suharto's two children were removed from the Golkar national leadership. (*IHT*, 13 July 1998)

Habibie has also devoted considerable energy to winning the support of the West. Because he was advised that East Timor was one of the issues that preoccupied Western governments, he quickly took initiative on the issue. In June 1998, Habibie met with Bishop Carlos Ximenes Belo and offered "special status" for East Timor as part of a deal to secure international recognition of the Indonesian position in the territory. Habibie also offered to withdraw some troops and release political prisoners. The following month, Foreign Minister Ali Alatas submitted a plan to the UN providing more details on the "special status" proposal. In the plan, East Timorese can elect their own local legislature and executive which will have power over immigration, internal security, education, religious and economic policy. But Jakarta will retain external security, foreign affairs, monetary and fiscal policy. (*IHT*, July 29, 1998)

In response, UN Secretary General Kofi Annan sent Jamsheed Marker to Portugal, Indonesia, and East Timor. In early August an interim agreement with Portugal was concluded. (*IHT*, August 6, 1998) The Habibie government made a big deal out of withdrawing 400 troops, and releasing 16 Timorese political prisoners. All of these steps subsequently proved to be less than they were made out to be. Fretilin leader Xanana Gusmao was not among those released. An internal ABRI report said there were actually more troops now than before the so-called troop withdrawal. In September, Alatas said that Indonesia and Portugal are still at odds on whether agreement on autonomy would be a prelude to independence or an "end in itself." (*AWSJ*, September 11-12, 1998) In November 1998, Portugal withdrew from further discussions with Indonesia pending clarification of reports that as many as 50 East Timorese were killed in a recent Indonesian military operation.

On January 27, 1999, Habibie moved again to push the East Timor process further when he opened up the possibility of independence for the territory. There is a lot of probably deliberate ambiguity about the whole process that hopefully can be clarified once the UN-brokered talks between Indonesia and Portugal produce an agreement towards the end of April. The plan outlined in earlier talks call for a referendum in the next few

months, perhaps at the time of the June elections where the East Timorese choose between autonomy and outright independence. The MPR will then ratify the results of the referendum when it meets in October 1999.

In the meantime, elements in the Indonesian military moved to sabotage the process by arming pro-Indonesia militias and standing by while these goons attacked proindependence groups. The most gruesome episode was when pro-Indonesia militias killed more than 50 people huddled inside a Catholic church. The military plan apparently was to so destabilize the situation so that further progress would be impossible. What they did not count on was provoking Nobel laureate Bishop Belo into renewed political activity and more importantly, getting Western governments more actively involved. Western pressure from countries such as Australia and the US was the key element that finally pushed Habibie and Wiranto to regain control of the situation and to rein in the military in East Timor in late April 1999. (Baker 1999)

The opening up of democratic space since May 1998 happened despite Habibie. Space opened up because people simply took it. This was especially true with freedom of the press, freedom of assembly and the organization of political parties, unions and other popular organizations. Habibie acquiesced to intense pressure and released some political prisoners. There are limits, however. Many political prisoners including PRD leader Budiman Sudjatmiko and Timorese leader Xanana Gusmao remain in jail. Habibie has refused to abandon the government-created Suryadi leadership of the PDI and tried to prevent Megawati from holding the party's congress in Bali.

Together with the military, Habibie is trying to take back some democratic space.

To provide legal basis for controlling demonstrations, the DPR passed a "Freedom of Expression" law in the third week of October. While opposition legislators prevented passage of sections requiring demonstrators to get a permit, the new law requires notification of police three days before a rally with details on leadership, purpose, site, and other information. (*Jakarta Post*, October 23, 1998) More important, the military has gotten increasingly brutal in its handling of demonstrations. To secure the MPR session in mid-November 1998, the military fielded 30,000 troops one week before, organized over 100,000 civilian vigilantes, and used electrified barbed wire. Even the Navy weighed in, saying its ships would be used.

Because civilian “volunteers” quickly earned opprobrium with their thuggish tactics, they had to be withdrawn by the military in the middle of the MPR sessions. As the session wore on and demonstrations intensified, security forces’ tactics also became more and more brutal. Although reports are conflicting, Reuters says as many as nine demonstrators have been killed by the military. (*Manila Times*, November 23, 1998) Foreign observers were particularly aghast when troops lined up in front of Catholic University Atmadjaya and fired repeatedly at students who had retreated there. Media reports say troops fired at point blank range. One foreign diplomat said “What’s the objective of this military operation? To wound the students? The kids are inside the campus now. The shooting should stop.” (*IHT*, November 14-15, 1998)

By providing demonstrators a convenient political target—a largely appointed Suharto-era MPR passing resolutions (among others affirming *dwifungsi*)—then by raising the level of student anger with brutal crowd control tactics, the Habibie government has extended the demonstration-driven period of political instability. The military also angered journalists by beating up some reporters. Already sympathetic to the students to start with, angry journalists helped to mobilize public support for demonstrators. Foreign accounts of military shooting at students cowering within a Catholic university campus is not going to do much to restore investor confidence in Indonesia.

New Political Institutions

In the long term, the instability of the street can only be countered by the stability of political institutions broadly accepted by key political actors and the public. As Habibie adviser Dewi Fortuna Anwar put it, allowing opposition groups to organize political parties and prepare for elections has diffused the political situation by providing “safe” channels for political energy. (Interview, November 2, 1998) Because several crucial issues remain unresolved, however, the process of shaping these institutions has generated occasions of instability. Demonstrating students, for example, were most incensed about the MPR’s failure to deal decisively with Suharto’s accountability for corruption, and to remove the military from the parliament.

No one denies the need to shape new political institutions. The old Electoral Law was tailored to keep the Golkar in power.

- (1) Only two "opposition" parties created by the government were allowed.
- (2) These parties were forbidden to set up branches below the district level, keeping out of their reach the majority of the population who live in 50,000 villages.
- (3) Civil servants were not allowed to join an opposition party but were compelled to join Golkar.
- (4) ABRI was allocated 25 percent of parliamentary seats (100 out of 500, 75 since 1997) automatically making the military one of the largest fractions in parliament. (Indraneel 1998: 1)

The electoral bill submitted to the DPR on October 2 was drafted by a team of academics (Team 7) commissioned by the Minister of Home Affairs. Two other drafts entered public debate without being submitted formally to the DPR, one commissioned by the Indonesian Institute of Science (LIPI) a government body critical of the Suharto regime, and by the National Committee for Legal Reform set up after Suharto's fall by prominent opposition lawyers. The Home Affairs draft proposed the election of 420 members of parliament through a first past the post, single member district system of election and representation. To counter criticism of the proposal, another 75 seats will be allocated through a system of proportional representation based on the votes cast for losing parties in single districts, accumulated nationally. Another 55 seats in the 550 seat-DPR will be reserved for the ABRI.

Opposition parties and critics of the government in media, NGOs and academe denounce the bills as "made by Golkar for Golkar." In the 87-strong special committee of the DPR to deliberate on these political laws, 52 are Golkar, 14 ABRI, 16 PPP, and 5 PDI. These seat proportions are reflected in the full DPR. (*Jakarta Post*, October 24, 1998) Critics point out that a system of district representation puts a premium on local organizations and provides insurmountable advantages to Golkar because of its long-term links with local government officials and other local elites. Opposition parties only began to organize after May 1998. Even the government-sanctioned PDI and PPP were not allowed to organize below the *kabupaten* (district) level.

Other critics point out that "...the rules for the funding of parties are so restrictive that Golkar stands to benefit enormously because currently it holds \$90 million in its coffers. By contrast the [other] parties will find it almost impossible to keep to the ceilings on funding if they intend to set themselves up at the national level. The problem of funding is further complicated by the fact that a party is required to establish offices in at least 14 out of the country's 27 provinces and half of the districts (usually 10) in each of the 14 provinces." (Indraneel 1998: 2) While in theory free to establish as many parties as people want, registration requirements (branches in 14 out of 27 provinces; 1 million signatures) and minimum threshold of votes required to participate in subsequent elections (10 percent) are pretty steep.

The election law passed by the DPR on January 28, 1999, surprised many people. The most important departure from the Home Affairs Ministry draft was the return to the old system of proportional representation. Interestingly enough, all of the party fractions in the DPR including Golkar approved this change. Another major shift in the right direction is a ban on civil servants joining and campaigning for a political party, striking directly at the heart of Golkar's electoral mobilization machinery. The DPR also temporarily neutralized demands for abolishing ABRI representation in parliament by lowering the number from the 55 in the Home Affairs Ministry draft to 38. (*FEER*, February 11, 1999)

It is clear the Habibie-Wiranto strategy for stabilizing the situation requires channeling political activity away from the streets to more conventional arenas, most importantly elections. As Ben Anderson points out, "...you often find that elections are expanded or developed in order to contain a much more complicated and socially varied range of popular participation, which is often more directly and deeply democratic... The other side of the electoral mechanism is that it works only through a theory of representation... This means that, very quickly, real political participation on an everyday basis is increasingly confined to a specialized class of politicians and their hangers-on." (Anderson 1996: 54, 55)

It is also certain that Habibie and Wiranto will mainly work through Golkar. Though popular disaffection with the (old) New Order will lessen Golkar's chances in the coming election, the financial and organizational advantages of incumbency, plus the stacking of election competition through the new laws should place Golkar among the top four or five parties. With 48 accredited parties plus the difficulties of campaigning in a new electoral

system, it is unlikely that even the major parties such as PDI, PAN or PKB will get more than 15 to 20 percent of the vote. If their lead over Golkar can be kept under 7.5 percent, a Golkar-ABRI lead in the DPR is still a distinct possibility.

The main outlines of Habibie's election strategy are already in place. At the MPR special session, Golkar proposed a "People's Economy" framework for economic policy which would make small and medium-sized industries the "central pillar of national economic development" and create 10,000 mid-sized businessmen in place of cronies. (AWSJ, November 11, 1998) Habibie's 1999 budget allocates substantial amounts to 13 different mechanisms to help small and medium sized enterprises, including channeling funds to 9,000 community-based lending agencies called *perkreditan rakyat* (peoples' credit) (FEER, December 3, 1998)

This appeal to economic nationalism and populism would be easy to dismiss as campaign froth except for the availability of a huge pool of assets turned over by insolvent Suharto cronies and controlled by Indonesian Bank Restructuring Agency (IBRA). If Habibie's allies such as Cooperatives Minister Adi Sasono have their way, these assets will be broken up and distributed under their supervision. With a huge, new pool of patronage resources, Golkar might just be able to pull off an election victory.⁶

The other leg of the Habibie strategy is his appeal to the Muslim community. Coming from a family of devout Muslims from Makassar, Habibie was one of the main architects of Suharto's tactical move to develop a Muslim base for his regime. A highly educated (if at times intellectually erratic) man, Habibie easily dominated the ICMI, an organization of Muslim intellectuals. It is largely from ICMI that Habibie recruited his share of cabinet posts in the post-Suharto cabinet. Habibie is also periodically reported to be using a radical Muslim youth group to intimidate student demonstrators. The meeting of the Indonesian Muslim Congress in early November 1998, seen as a Habibie move, had the Minister of Religion and Habibie himself as speakers. More pointedly, the Council of Ulama used the occasion to call for the upcoming MPR session to be safeguarded. (Jakarta Post, November 4, 1998; AWSJ, November 9, 1998)

Profiting from Privation

As Jeffrey Winters points out in his excellent study of the intersection of politics and economics under Suharto, "...the central tension in the country's political economy since the mid-1960s has been over the terms of economic access and opportunity. Those defending allocation through a clientelist network radiating outward from President Suharto have struggled against those demanding allocation by more impersonal market forces. The first system favors political supporters and regime clients down to the village level, while the second favors those controlling capital, production facilities, and networks of distribution." (Winters 1996: 214) This competition has a history. As Winters points out, controllers of capital and their technocrat allies had the upper hand during periods when Indonesia's oil income declined. The palace-backed clientelist network gained ascendancy when oil income allowed them to circumvent the restrictions imposed by technocrats.

The situation today is unique. Oil income is at its lowest point in decades. The crisis has dried up other sources of government income. The IMF and its technocrats are micromanaging the economy. But there are, at the same time, available sources of patronage greater than at any time in the distant past. When steep declines of the rupiah threatened to overwhelm the already weak banking system, the government injected some \$11 billion in an attempt to recapitalize banks. Because liquidity infusions were made without prior reform in individual banks, most banks cannot repay. They are now under pressure to turn over their corporate assets to pay these loans. Some 67 banks have been completely taken over by the government.

The IBRA was set up in January 1998 as part of the IMF agreement, to speed up bank restructuring, guarantee banks' liabilities and prevent runs, supervise troubled banks and resuscitate the financial system. IBRA's fourth head is Glenn Yusuf, a 43-year old former investment banker. IBRA set up an Asset Management Unit (AMU) to manage and sell off bank assets. In August 1998, AMU had 67 banks under its care. (AWSJ, October 15, 1998) With all of this power and resources, it is only natural that politicians would want a piece of the action. Sasono, for example, has proposed that 20 percent of IBRA's assets should be transferred to his ministry. Sasono is a Habibie ally in ICMI who is already lobbying to gain control of rice and cooking oil distribution networks.

In many ways this issue is one of the most important issues in the political economy of Indonesia today. The Bank Indonesia is now estimated to control 70 percent of the assets of the whole banking system after providing liquidity credits which the banks cannot afford to pay. (*IHT*, August 19, 1998) The banks and corporate assets seized or under negotiation with IBRA are the bluest of Indonesia's blue-chip stocks, owned by the most powerful *cukong* families linked to Suharto and his children. How tough IBRA is in bargaining with them will determine how much of the financial resources of the Suharto *cukong* will remain, in turn influencing their ability to intervene politically. How much of these assets will be available to Habibie people such as Adi Sasono will be one of the main factors determining the ability of Habibie to build a system of patronage extensive enough to help him stay in power.

In the course of its work, IBRA has uncovered "massive so-called intergroup loans the tycoons essentially made to themselves from their banks...The loans, many of them high risk, have gone bad as Indonesia's economic crisis deepened...They not only violate central bank regulations barring a bank from lending more than 20 percent of its capital to a single borrower, but also helped lead to the government bailouts." Of the total \$11 billion (146 trillion rupiahs) bailout funds, two-thirds went to three banks, BCA (Bank Central Asia) and BDNI (Bank Dagang Nasional Indonesia) — both got \$2.5 billion each; Bank Danamon got \$2B. (*AWSJ*, August 17, 1998) More than 50 percent of BCA loans was intergroup; in Bank Umum Nasional, 80 percent; in Bank Danamon, 33 percent. (*AWSJ*, August 24, 1998) Bank Umum Nasional is controlled by Suharto crony Mohammad (Bob) Hassan. BCA is controlled by the Salim Group and another old-time Suharto crony Liem Soei Liong. Some 30 percent of BCA is owned by Siti Hardijanti Rukmana and Sigit Hardjojudanto, Suharto's children.

Very little of the Bank Indonesia's liquidity loans have been paid. Because of the size of the loans and the importance of defaulting companies to the economy, the process is not just financially but politically complex. In mid-October 1998, for example, the government announced agreements with the Salim Group (Liem Soei Liong) and the Gajah Tunggal Group to turn over stakes in 116 companies to repay their \$7 billion debt. The Salim group owed \$3.19 billion in liquidity credits extended to PT Bank Central Asia. The Gajah Tunggal Group owed 30 trillion rupiah loaned to PT Bank Dagang Nasional Indonesia. The problem is that the current value of shares in the 104 companies surrendered by Salim group is only \$160 million, not

the \$4.4 billion it is supposed to be. IBRA has bent over backwards to accommodate the Salim Group because its companies have 200,000 employees and IBRA believes the companies will only survive if you keep the current management at the helm. (*FEER*, October 8, 1998; Schwarz 1998)

Much of this process has been in the hands of IBRA's technocrats. In early October, however, Habibie began to give expression to politicians' demands for redistributing these assets. He also demanded the quick sale of these assets or that borrowers pay in cash as soon as possible. Habibie's point here is probably less the actual handling of the issue because he knows that borrowers do not have the cash and selling their assets now when they are worth one-fifteenth of their precrisis value does not make sense. His point is that he wants a say in the work of the IBRA. In an October 18 letter to Habibie, IMF Asia Pacific Director Hubert Neiss had said no. He warned government against selling assets too quickly and/or demanding cash from banks to repay liquidity infusions.

Similar problems have plagued the government's privatization program. In July, top Mexican cement giant CEMEX offered to pay premium prices for Semen Gresik, Indonesia's biggest state-owned cement company. The deal would have netted US\$418 million for more than 50 percent share. Instead the government sold only a 14 percent stake. Tanri Abeng, minister of state enterprises has had great difficulty implementing privatization. "Abeng's reform plans soon faced opposition from Suharto-era bureaucrats and politicians. He received a lukewarm response from top cabinet officials such as Coordinating Minister for the Economic Affairs Ginanjar Kartasasmita. Business leaders say Abeng's moves affronted the old guard who have no wish to see their lumbering, inefficient enterprises sold off." As a result the whole privatization program has been cut back. It is now estimated to net only \$200 million, well short of \$1.5 billion promised to the IMF. (*FEER*, October 22, 1998; *AWSJ*, August 26, 1998)

This political maneuvering is occurring in the context of an economy that economists expect will contract by some 20 percent in 1999. On an annualized basis, inflation was 82.4 percent in September 1998. The Manpower Ministry says unemployment is nearly 17 million out of workforce of 90 million (*IHT*, July 13, 1998) The Central Bureau of Statistics said in July (1998) that people below the poverty line now number nearly 96 million, about half of the population. Before the crisis, per capita income was above US\$1000 year and only 11.3 percent of the population lived below the

poverty line. In the countryside, the combined effects of prolonged drought and the economic crisis have brought hunger and near starvation for the first time in many decades.

There has been some improvement in the value of the rupiah. From a low of 16,525 rupiah to the dollar in mid-June 1998, some 85 percent of its value since a year earlier, the rupiah recovered a lot of its value in October. Attracted by yields as high as 70 percent in one-month Central-Bank notes, dollars came in and drove the rupiah to breach 7000-\$1 at the end of October. Another factor is the delay in private debt restructuring which has helped by drying up the main demand for dollars as corporations stopped paying foreign debt and the approval of \$7.9B in foreign aid in August. The Central Bank then started selling these dollars to drive the rate below the 10,000 mark set by IMF. (AWSJ, September 1, 1998)

After a lot of pressure from the IMF, the government finally implemented the plan for bank recapitalization, a necessary step for the resuscitation of the financial system. Nearly 100 banks representing 90 percent of the assets of the country's banking system could not meet the required capital adequacy ratio of four percent. The government program called for owners to raise 20 percent of recapitalization costs and for the government to buy 80 percent of the ailing banks with bonds. Because of intense criticism, the government delayed implementation two weeks past the end of the March 1999 deadline. With an additional US\$1 billion-IMF loan as carrot, the government finally closed 38 banks that could not cover the 20 percent cost of participation, and took over seven more banks. It was also around this time that the government passed a "good" national budget. The IMF reward for good behavior was quick approval of additional money, and the scaling down of IMF reviews from monthly to quarterly. (Dow Jones News Wires, March 16, 1999; *FEER*, February 4, 1999)

Forces for Change

The economic crisis has been the most important force for change not just because it helped bring Suharto down, but because it has brought about a major realignment of economic power. The Suharto family and cronies are in bad shape not just because its source of rents is gone but because the crisis itself ripped through their vulnerable businesses like a tornado. (AWSJ, January 4, 1999) Other groups in the economic elite have also suffered. The stock-market valuation of listed companies crashed from

\$118 billion to \$17 billion; only 22 of the 286 companies listed on the Jakarta exchange might be considered solvent. (Young 1998: 109)

Confounding neoliberal hopes, the crisis has strengthened the economic power of government. After years of liberalization when the government share of productive and financial assets declined, suddenly the government owns almost 90 percent of the banks, and by extension large corporations with unpaid loans. The struggle for control of these assets is going to be one of the main battles in the coming years. For now, IMF micromanagement of the economy and depressed economic conditions have toned down the fights. Once the economy improves and the IMF starts pulling back, the battles will rage more fiercely.

The second most important force for change would be the riots and other civil disturbances. Police report that in 1998, over 3000 demonstrations (more than half of which were led by students), 496 strikes and 48 riots collectively caused 263 deaths and 112 cases of serious injuries; destroyed 15 churches, 28 mosques, 16 other places of worship, 64 offices, almost 5,000 shops; and damaged a thousand cars and motorcycles. (AWSJ, January 11, 1999; see also *FEER*, February 4, 1999) These statistics hide great pain and tragedy. But the dominant media image of these riots, even the very word "riot," does not begin to encompass the political meanings of these events.

To start with, there is considerable evidence that many of these disturbances were deliberately provoked. "There is a strong likelihood that elements in the Army have been directly involved in the series of communal incidents, including Ambon, that have broken out in the country since last November (Jones 1999)." In Jones' research, "many leaders believe that Army officers or Djakarta-based Ambonese gangsters with ties to the family of former President Suharto acted as provocateurs." In addition, "...many senior officials in the Indonesian government have charged that the violence in Ambon and elsewhere has been provoked as part of a nationwide strategy of rogue military officers to disrupt June's scheduled parliamentary elections and create the conditions for a return to military rule." (Jones 1999)

To say that these riots show a breakdown of public order resulting from the government's loss of authority is only to state the obvious. "It would be a mistake to think of the unrest only as evidence that the social fabric is unraveling. Rather, what may be unraveling is an elitist concept of statehood, and the authority of an elite whose world this has always been. But for the people, this could be just the start of something new." (Van Klinken 1999)

It is difficult to think of riots where people are killed indiscriminately, in places in Kalimantan, beheaded, as in any way productive of positive, democratizing change. But these riots, in fact, constitute only one category of "civil disturbance."

Student demonstrations, whether or not they turn "unruly" because they were "provoked" or attacked by the military, are purposive political actions. So are workers' strikes. Most importantly, the erosion of government authority is not a condition that then leads to mass actions. In many places the decline in government authority is the direct result of officials being attacked. Local officials are physically expelled from communities where peoples' patience have gone past waiting for elections. In places such as Aceh, police and military outposts are attacked by people frustrated by the military's failure to be accountable for serious human rights violations in the province.

For now the most important actors pushing for change are the students and their urban poor allies in the streets. Despite massive preparation by the military, the students were able to disrupt the MPR session and provoke the military into politically damaging acts of brutality. ABRI got the MPR to reaffirm *dwifungsi* but they lost on the issue of the MPR call for investigating Suharto for corruption. By its very nature, however, student activism, like the students themselves, is transient. The more of its demands are conceded, the fewer occasions for anger, the more likely student energies will get rechanneled into other forms of political activity. As, in the end, they should.

Because they do not count in the millions, journalists and other intellectuals are not often identified as major forces for change. This is unfortunate because in the case of Indonesia, journalists and intellectuals have been the main bridge between the students, middle class groups, and deeper into society, the students and the urban poor allies. Working through organizations of journalists such as *AJI*, journalists have also been a major source of international information and analysis. At a time when international media mainly projected the IMF's and Indonesian technocrats' support for Suharto, Indonesian journalists carried the anti-corruption and human rights critiques that were to become dominant in international media just before Suharto fell.

As long as the economy is in crisis the IMF will continue to be a major force in Indonesian politics. The IMF played a major role—in our opinion largely negative—in the events leading up to May 1998. We are not sure how

much of a force for change the IMF will be in the coming period. Its role in the IBRA issue indicates that at this point in the process the IMF is opting to act as a brake on "the destructive force of the market." By the IMF's own standards, Bob Hassan and Liem Soei Liong should not just be forced to turn over all of their assets, they should be put in jail. Instead, the IMF is urging caution and retaining them in the management of their corporate assets.

On specific issues such as East Timor, Western governments have played positive roles. Once the Australian government changed its policy supporting Indonesia's occupation of East Timor, Australia became a major force pushing moves towards autonomy or independence. Habibie's decision to open the possibility of independence for East Timor in January 1999 was reportedly in response to a letter from Australian Prime Minister John Howard. Australian pressure in April 1999, including a meeting between Australian Foreign Minister Alexander Downer and Habibie in Bali, was a major factor pushing Habibie and Wiranto to rein in the military in East Timor. Foreign ODA donors are also playing important roles in increasing pressure for free and fair elections through voters education and organizing for monitoring the actual conduct of elections.

Potentially the most powerful force for change in the coming years is Islam. "Almost 90 percent of the population... is Muslim...But Muslim leaders often sound and act like members of a persecuted minority. That is partly because Christians have held many important government and military posts [perhaps more importantly, economic posts since many Chinese business people are Christian] during Suharto's tenure. More fundamentally, there is, in a practical sense, no Muslim majority; instead, there are a handful of Muslim minorities." (Schwarz 1997: 129-130) Today, there is a strong sense among Muslim groups that in any new regime they do not want to be marginalized again.

A combination of (old) New Order policy and the international activism of political Islam has increased Islamic political potential in the last couple of decades.

"Thirty years of New Order religious policy have created a majority of Muslim believers through state promotion of religion, the building of mosques and religious schools, and the requirement to practice a faith. These changes have shifted the *aliran* (sectarian) balance in Java towards Islam and away from religiocultural diversity. (Forrester 1998: 62) More broadly, the depoliticization of Indonesian society during the long period

of the dictatorship meant that the only allowed identification was religion and ethnicity.

Elections

Everyone is waiting for the elections like some political holy grail. Investors are holding back to see what happens, depriving Habibie of the kind of economic upturn that could help him get reelected. ODA donors are holding back disbursements for fear that funds would be used for campaigning. Rogue military have scaled up their efforts to generate enough instability to justify stopping the elections. The political thrust of student demonstrations has been blunted by the public's willingness to wait until June, and by disagreement in student ranks on how to relate to the elections. The most anxious and wired, of course, are the combatants, the political parties.

Golkar's potential is most difficult to predict. It has the advantages of incumbency, patronage resources and a network of local officials and notables. But this network is as discredited in many areas as Golkar itself is nationally. The recent ban on civil servants joining political parties affects Golkar much more than other parties. Throughout its history, Golkar was an instrument of the President and ABRI. Internal differences and other dynamics were suppressed. Under current conditions, constraints are much weaker, and today's Golkar is riven with factionalism. One should not count Golkar out of the election race, however. If its vote stays within the range of other major parties, ABRI's 38 seats in the DPR, and the seats of smaller Islamic parties such as PPP might be enough to get it back into power.

The Muslim parties are going to be major players. Since May 1998, 10 new Muslim political parties have been formed. A core set of ideas drive this mobilizing, organizing impulse. The most important is a sense of outrage at feeling minoritized in a society dominated since independence by secular governments. These new parties therefore easily find popular resonance in their demand for criminalizing alcohol and prostitution and the incorporation of other Muslim social laws into the legal system. Another core set of ideas centers around anti-Chinese business sentiments. Because of Western colonialism, and in the case of Indonesia, Dutch support for Chinese business, plus the perception that Western societies are Christian and worse, secular, there is a deep undercurrent of mistrust of the West.

There are no Talebans and Ayatollahs lurking in the Indonesian political future. Except for isolated pockets, Islamic fundamentalists are outnumbered by syncretic, Javanese Muslims. The most prominent Muslim leaders such as Gus Dur Wahid and Amien Rais are preaching moderation. Indonesian Islam is also heavily fractionalized and reflects these divisions in politics. Thus Nahdatul Ulama's Gus Dur has organized the PKB (National Awakening Party), and the other large Muslim grouping, the 28 million-strong Muhammadiyah led by Amien Rais, the PAN. While there are other Muslim parties, these two are considered the largest and most organized.

Of the two major Muslim parties, PKB and PAN, PKB is stronger if only because NU is a more cohesive organization than Muhammadiyah. NU support is more concentrated geographically and from past experience easier to transform into votes. PAN, however, is a more *interesting* party. While everyone sees PAN as a Muhammadiyah party, it has formally declared itself a secular party. Its platform does not reflect strong preoccupation with the political issues of Indonesian Islam. Reform-minded academic, journalist, and student groups represented by PAN secretary general, University of Indonesia economist Faisal Basrie, work with Amien Rais and Muhammadiyah within PAN. Some observers say PAN is the 1990s' reincarnation of the 1950s' Masjumi-Partai Sosialis Indonesia alliance.

PAN leader Amien Rais is also a more *interesting* because his is a complex personality. Progressive student, NGO, journalist and other reformers who have tried to get the main opposition leaders Megawati, Gus Dur, and Rais to unify around a more coherent and consistent prodemocracy platform have long been frustrated with the silence of Megawati at crucial political conjunctures, and with the flipflopping of Gus Dur. At least in the period before the fall of Suharto and since then Rais has consistently taken public positions closer to that of the students on issues such as *dwifungsi*, punishing Suharto for corruption, and East Timor. But except for those who have actually joined PAN, these reformers continue to harbor a visceral mistrust of Rais.

A major part of the reason has to do with Rais' being a Muslim leader. As Muhammadiyah leader, Rais voiced strong Islamic positions and anti-Chinese sentiments in the past. Although his recent political persona is more consistently secular, many continue to worry that in a crunch, he might choose to ally himself with Habibie around an Islamic platform after the elections. Rais, however, is more than an Islamic leader. He has a Ph.D.

in politics from an American university and makes a living as a university professor. It remains to be seen whether his gamble to marry modernist Islam with secular, urban middle class reformers pays off.

While divisions in the Muslim community make it unlikely that any one Muslim party will win an electoral majority, the sociological Muslim majority means that only authoritarian regimes such as Suharto's and Sukarno's Guided Democracy can afford to disregard Muslims with impunity. All political groups facing the coming elections, therefore, have their own Muslim agenda. Habibie's Golkar is working closely with ICMI. Megawati's PDI looks to Gus Dur's PKB as a potential coalition partner. Young, secular reformers have chosen to work with Amien Rais and the Muhamadijah.

The third major opposition party is Megawati's PDI. In the face of overwhelming support for Megawati's PDI, the future of the Suryadi PDI would appear to be pretty bleak, even though it continues to enjoy government patronage. The strength of Megawati's PDI is mainly drawn from her name, her political heritage, and is driven by the romantic notion many young Indonesians entertain about her father's rule. Having been brought up in the New Order's constricting educational system, in which Sukarno was blackened if not demonized, they gather around his memory as an expression of their anti-Suharto sentiments.

Few Indonesians, and perhaps even including Megawati herself, know what PDI stands for and what vision it has for a new Indonesia. If she does, she has been resolutely silent. Although Megawati has very able advisers, she has not demonstrated any overwhelming signs of leadership and vision. Her deafening silence in the weeks leading up to Suharto's resignation has left many Indonesians distinctly uncomfortable. One of her senior advisers, however, told us that she has such bitter experiences of the government's regular intervention and manipulations that she fears any action, meeting or statement she might make may be counterproductive for PDI's long-term goals. (Interview, Laksmana Sukardi, July 1998)

Megawati's recent moves in forging a loose alliance with Gus Dur and an even looser coalition with Amien Rais and Sultan Hamengku Buwono X have not provided her constituents with any further insights into what she and her PDI specifically stand for, apart, of course, from the obvious strategic advantage such an alliance brings. Nevertheless Megawati enjoys tremendous prospects in the forthcoming general elections. Indeed it was put to us that

as long she does not make any glaring blunders or stupid mistakes, she can easily ride back to the palace. (Interview, Gunawan Mohammad, July 1998)

While a Megawati presidency could not be dismissed out of hand, the reality is that the current organizational reach and financial base of Megawati's PDI is probably as weak as other new political parties in the country. Indeed relative to the PKB and the PAN, PDI is very weak. The PKB and PAN can to a certain extent draw upon the vast membership of the NU and Muhammadiyah for nationwide organizational network and capabilities as well as a basis to build their financial strength, the PDI has nothing comparable to build upon. Megawati is its sole strength.

As mentioned above, the fractionalized nature of the opposition forces and the relative difficulty many will find in organizing nationwide mean that each of the main opposition parties will at best only command perhaps 10 to 15 percent of the vote. Some observers have suggested that a Gus Dur-Mega-Amien ticket might win them power. In such a scenario, Megawati would undertake a ceremonial role, Gus Dur an advisory/spiritual role and Amien more of an executive role. Whether this is indeed something any of them seriously entertains is unknown. But it would certainly promise Indonesians an exciting future with continuing uncertainties.

In many ways, people are loading too many of their hopes and fears on to the June elections. It is a crucial, even imperative step. Without credible elections, Indonesia will not get a government with enough legitimacy to undertake the many difficult tasks of political and economic reconstruction. But far from being politically decisive, its result could just as easily be inconclusive. The best possible outcome is two compatible parties winning more than 50 percent of the vote. More likely, the top three or even four parties will split 50 percent of the vote. The subsequent election of the president will then be occasioned by the kind of horse trading that will frustrate and disappoint everyone.

We have to remember that this is going to be the first "real" election in Indonesia since the mid-1950s. Since independence in 1949, Indonesians have only had two presidents, Sukarno and Suharto. It is not just that Indonesians do not have practical experience of elections, they also have to get past a conception of authoritarian leadership backed not just by instruments of repression but also by a deeply ingrained Javanese concept of power. Because of its focus on the personal authority of the ruler, this conception is not easily amenable to Western-style institutions of constitutional democracy. Even now when the elections in June are about

voting for parties, and the election of the president by the MPR will not happen until November 1999, much of the discourse on the June election is about presidential candidates.

Another problem is the current set of candidates for president. Looking for meaning beyond opportunist tactical maneuvering in the silences of Megawati or the flip-flopping of Gus Dur is a hopeless task. The reason is quite simply that although several have developed oppositionist images, all of them are, in fact, conservative. They all come out of the small Indonesian upper class. More importantly, none have projected a vision of Indonesia's future that goes beyond ousting the remnants of the Suharto clique and replacing the authoritarian structures of the (old) New Order with formal, constitutional democracy. Except for nationalist populism, no one has come up with an economic strategy that goes beyond neoliberal formulas for post-crisis recovery.

There are political groups with alternative visions, but at this time, they are too weak. Going beyond the immediate demands of the student movement, the Left party PRD is working hard to redefine, in programmatic and organizational terms, a new progressive alternative for Indonesia. The Indonesian NGO movement has been the main channel for democratic ideas from the international progressive movement. During the dark days of the dictatorship, NGOs provided resources and more important, political shelter for unions, students and other prodemocracy groups. Even before Suharto fell, these groups moved out of the umbrella of NGO "protection." Now NGOs have to redefine their specific new role.

Given these realities, one can only hope that the new political institutions of formal democracy and the radical reconfiguration of economic power will set into motion the formation of new political organizations, most importantly political parties that can undertake the task of finding a new liberative vision for Indonesia and accumulating power through elections and other forms of popular action. Apart from the changes in the political laws on parties and elections, there is potential for change in the movement away from an all-powerful central state and towards local autonomy. There are powerful social forces pushing change in post-Suharto Indonesia. But they need room to grow outside of the narrow confines of national, Jakarta politics.

There are two crucial and sensitive tasks. ABRI will need to take its proper place in a democratic Indonesia. Clearly, that role must be significantly reduced relative to that under the (old) New Order. The question is how

and at what pace. The challenges here would seem mainly to be within ABRI. Then, Islam needs to rise, take its place in Indonesia's national life and play a positive role. This is an issue which the Indonesian elite, military and the international community need to carefully understand. Indonesia's Islam is no Taliban, but continued denial of its political role is unhealthy and dangerous for the future of a democratic Indonesia.

In the medium to long term the challenges for Indonesians will be how to manage and nurture their hard-won democracy and at the same time address the economic problems. Add to this the reality that they will have to undertake this endeavor with at least an entire generation educated under the New Order, which is largely illiterate and unpracticed in democratic behavior, habits and conventions. They have no direct memory of living in even a quasi democratic society. They have no real idea of what to realistically expect of their leaders, of their communities or themselves.

There is little doubt that the next general election, even if it were conducted openly and fairly, will yield Indonesia a relatively unstable political scene. Any new government, which will almost certainly be a coalition, will operate in a context where Indonesia's political institutions still need to further evolve and stabilize. Since most Indonesians voters have yet to learn how to play their role in this evolution, the next few years will be a fairly rough ride.

Suharto's Exit

On Thursday morning, May 21, 1998, after 32 years of ruling the largest Muslim nation, presiding over sustained and impressive economic growth rates and becoming the region's elder statesman, Suharto pronounced in a short and unambiguous statement that he would cease being president. Most Indonesians, who for so long had wanted to see him go, were caught by surprise. Even the most experienced Indonesia watchers had not expected that his departure would happen this way. It was almost an anti-climax, greeted with disbelief and a sense of relief that not more blood had been shed before Suharto's departure.

Only a fortnight before, Suharto had confidently left Jakarta to attend the G15 meeting in Cairo, having approved decrees to increase prices of fuel oil, electricity and public transport as required by the IMF. The price hikes ensured the continuation of nationwide public and student protests, which had become increasingly strident since March, calling for Suharto's resignation and immediate economic reforms. Many in Jakarta were puzzled by Suharto's departure and had interpreted this as an indication of how out of touch he was with public sentiment on the economic crisis, or that he was overly confident that none of his subordinates would do anything against him in his absence. Jakarta was abuzz with rumours that a coup against Suharto might be staged.

Across Indonesia, students remained remarkably restrained in their political protests and demonstrations, confining themselves to their university campuses. Until the Trisakti incident on May 12. That day, Trisakti University students had staged a peaceful demonstration on the streets adjacent to their campus. It ended at mid-afternoon, with most returning to the campus precincts, when a burst of gunshots was heard and tear gas was thrown. Scores of military personnel were in front of the campus, others had positioned themselves in the nearby flyover. This time, however, at least some of the law enforcement officers had been issued with live ammunition instead of rubber bullets, and aimed

at students within the campus precincts. All of this was captured on international television and by nightfall six people, including four students, were dead at the hands of Indonesian law enforcement officers.

The next few days saw Jakarta erupt into a sea of fire. Shopping plazas and commercial areas were looted and torched by angry mobs and possibly by hired thugs. Targetted and worst hit were Sino-Indonesians and their property. Many of them were raped. Official estimates stated that 500 people were trapped and perished in burning shopping centers, but according to the Indonesian National Commission for Human Rights the figure was closer to 1200. Thousands more, *pribumi* and those of Chinese descent, were injured, lost their property and livelihood, estimated to run into hundreds of millions of dollars.

Media reporting and eyewitness accounts indicated that about 12 separate locations in Jakarta were attacked and burned at about the same time that Wednesday afternoon. Rape victims testified that military-looking men attacked them. Solo, Madam Tien Suharto's hometown, experienced worse riots and destruction on the days Bandung students held peaceful demonstrations. Many in Indonesia wondered whether the arson and rape had not been orchestrated, whether the military did not have a hand in instigating it. A subsequent official investigation would reveal that there were real bases for those suspicions.

President Suharto cut short his Cairo visit, having reportedly said that he was prepared to resign. The Minister for Information hastily explained that the President did not say he was prepared to resign, but that if the public no longer trusted him he was prepared to "descend from the throne" (*lengser keprabon*) (Sinansari, p. 70). The President was, however, silent on the deaths.

Before daybreak on May 15, his most senior cabinet ministers and military brass met Suharto at the airport. Suharto then reportedly held a family meeting before attending to matters of state with his ministers and military officials. The government then announced modest cuts in the price of fuel oil and other basic items, which had been increased only the week before. This

feeble effort did not stay the student demonstrations; indeed it inflamed them further. Meanwhile, the rupiah plummeted to new lows and thousands of expatriates and Sino-Indonesians crowded Jakarta's international airport seeking refuge in Singapore, Kuala Lumpur and other nearby capitals.

On Saturday, May 16, the President met with Harmoko, Speaker of the House of Representatives and People's Consultative Council (DPR/MPR). In a media conference that followed, Harmoko announced the President's plan to reshuffle the cabinet and establish a "Reform Cabinet." Claiming to represent the views of the Indonesian people, Harmoko said he had presented the president with three points: immediate reform, resignation of the president, and the holding of a special session of the MPR.

On Monday morning, May 18, various meetings took place at the parliamentary building, including one between opposition figures such as Amien Rais with certain parliamentary committees; and a meeting of the DPR/MPR speaker with faction leaders. That afternoon the student leaders held a media conference, demanding that a special MPR session be held immediately and that Suharto's mandate be withdrawn. They said they would remain in the parliamentary precinct until dates for the special MPR session were set.

Not long after this, Harmoko, long-serving Suharto lackey, publicly called on him to step down to preserve Indonesia's unity. By then hundreds of university students had begun crowding the grounds of the MPR building. Within hours General Wiranto, long-time Suharto loyalist and Defense Minister/ABRI Commander, countered by saying that Harmoko's statement was unconstitutional and was that of a private individual. Flanked by the chiefs of all four services and other senior military officers at ABRI headquarters, Wiranto said that ABRI was still of the opinion that it was the President's duty and obligation to oversee a reshuffling of the cabinet, undertake reform, and overcome the economic crisis. He also called on students and members of the public not to go ahead with the planned general meeting on May 20 to commemorate the 80th anniversary of National Awakening

Day. He reminded them of the recent devastation caused by rioting and looting and he renewed ABRI's pledge to defend the UUD 45.

The Last Act

In the face of such immense pressure and fast-moving political developments, the following morning President Suharto made his move. His speech at the Merdeka Palace before an invited audience of nine Muslim leaders and several senior government and military officials was televised. In the 20-minute unscripted speech Suharto said he would reshuffle his cabinet and form a committee to be charged with the task of reforming Indonesia's economic and political systems. This, he said, would lead to a fresh general election in which neither he nor the Vice President would stand again as candidates. Without directly naming Habibie, he added there would be no point in the VP becoming a candidate. (AWSJ May 22-23, 1998; *Sinansari*, p.105). Suharto gave neither the details of the timetable of the reform process nor the general election. It would appear that Suharto successfully bought himself some time to control the situation and possibly even exit the scene gracefully. He also exploited the disunity of the opposition democratic/reformist forces, the potential disunity within the military and kept Habibie in his place.

Notably excluded from among the invited Muslim leaders was the outspoken Amien Rais, leader of the Muhammadiyah. Also excluded were representatives from the secular intellectual and civil society groups. During the meeting with the president preceding the televised statement, none of the nine Muslim leaders accepted the President's invitation to become part of the reform committee. Indeed according to some accounts, at least one of them, Nurcholis Madjid, and also possibly the constitutional lawyer Yusril Ihza Mahendra, bluntly told the president that he should resign, while others politely made indirect comments to the same effect. The meeting itself, which had been originally scheduled for only half an hour, lasted two hours while the president

tried to persuade and cajole his guests into seeing things his way and accepting his proposal for a reform committee.

That night a wounded Habibie sought an audience with President Suharto, and remonstrated with him over the way the president had publicly humiliated him in his speech that morning. He apparently pointed out that throughout the economic turmoil, he had been the only minister and senior official who had remained publicly loyal to Suharto. He urged Suharto to consider the possibility of resigning and appoint him as his successor. Resignation would ensure a graceful retreat. If a special MPR session took place, the president's mandate might be withdrawn or action amounting to an impeachment might be considered by politicians appealing to populist sentiments for retribution. Habibie also insisted that constitutionally he should be allowed to complete the term of the presidency should Suharto resign.

Over the next 36 hours until the early hours of May 21, several people, including Suharto, went into a flurry of activity to preserve or pursue their political lives. Suharto issued instructions to get cabinet ministers and prominent community leaders to join his proposed reform committee. Meanwhile 11 cabinet ministers, led by Coordinating Minister Ginandjar Kartasasmita, sent Suharto the message urging him to resign by Friday or they would publicly resign *en masse*.

That same evening of May 19, Amien Rais called on students and members of the public to refrain from assembling at the National Monument plaza the next day. He said that he felt obliged to make the call following a conversation he had that evening with a senior military official who had made it clear to him that the military would not be afraid "to have its own Tienanmen Square," referring to Beijing's killing of demonstrating students in 1989.

Meanwhile the Information Minister called on all electronic media organisations to desist from broadcasting "unpleasant stories about the political situation and instead show soothing and calming stories." He banned private TV stations from running their own news and current affairs shows and instead show the

state-run TVRI's stories. Until then every night Indonesians of all classes had been glued to their TV sets, watching reports on student demonstrations across the nation and other current affairs program critical of the Suharto administration. That members of the Suharto family had significant interests in most of the private television stations was an irony not lost to many.

Except for the grounds of the MPR building crawling with students and onlookers in a politically charged, strangely festive atmosphere, Jakarta was quiet on Wednesday, May 20. Kostrad and other military forces were deployed around the national capital and on full alert. Kostrad blocked all approaches to the city's center. The students had heeded Amien Rais' call and decided to hold the commemorations at the MPR building, which they had commandeered. Moreover, over the previous three days members of the public had lent the students a hand by providing food and other assistance.

That afternoon General Wiranto called an emergency meeting. At the ABRI headquarters he held separate meetings with the nation's nine top constitutional lawyers. Wiranto had to be back at the president's Cendana residence within two hours and needed their urgent advice on the constitutionality of certain actions, involving a presidential resignation.

Political tensions were heightened further when Harmoko wrote a letter to Suharto, delivered to him on the evening of May 20. In it he called on the president to resign by Friday, otherwise the MPR leadership would have to call a special session of the MPR and by implication would impeach or withdraw the president's mandate.

Apparently Wiranto was received by President Suharto later that evening, though it remains unclear whether it was before or after the president had received the letters from Ginandjar and Harmoko. One report suggested that Wiranto had put to Suharto that resignation was the only honorable option remaining for Suharto and, as the next day's events suggested, a promise that ABRI would protect Suharto and his family's dignity and honor.

By evening on May 20, it had become clear to the beleaguered Suharto that the final curtain call may be about to be rung. It remains unclear when exactly the president decided to resign.

According to a State Secretariat official, it became clear to his superiors that the president's political future was in grave danger when they drew blanks on almost all candidates approached to join the reform committee, as late as almost midnight of May 20. This was confirmed when a messenger passed to Saadilah Mursyid, the Minister of the State Secretariat, a copy of Ginandjar's letter to the president. The original copy had been sent earlier in the evening to one of the president's adjutants. There was concern, however, that it might not have been passed on. Upon reading the letter it became clear to Saadilah that the president's fate had been sealed.

On May 21, President Suharto gave his last official speech at the Merdeka Palace. Before members of the Supreme Court, ABRI chiefs, VP Habibie, some cabinet ministers, his daughter Tutut and local and foreign media, Suharto declared that he would resign his presidency effective immediately. He nominated Habibie as his successor for the remainder of his term until 2003. Habibie then took his oath of office before justices of the Supreme Court. This was followed by a statement by General Wiranto, in which he declared ABRI's support for the Habibie administration and a pledge to protect the honor and dignity of all former presidents and their families, including Suharto's. Soon afterwards, the former president left the center stage of Indonesia's political scene accompanied by his daughter, Tutut Rukmana, in a black Mercedes with plain numberplates.

ENDNOTES

1. Minister of Education Juwono Sudarsono, quoted in Adam Schwarz, "Indonesia After Suharto," *Foreign Affairs* 76 (4): 129-130. July-August 1997.
2. Because key decisions were often made behind closed doors, political rumor often took the place of analysis. Suharto's decision to cut off subsidies was interpreted by many analysts in Indonesia as an attempt by Suharto to show IMF that doing things their way—cutting subsidies resulting in riots and deaths—was wrong. There was also the hope that if he was publicly seen to be doing IMF's disastrous bidding, alternative solutions more palatable to the public might be accepted, thereby strengthening his political position.
3. See, for example, the John McBeth article in the March 18, 1999 issue of the *FEER*.
4. ABRI HQ, "ABRI and Reform-Executive Summary", dated June 1998 and reportedly written by Gen. Susilo Bambang Yudhoyuno, Chief of Staff for Territorial Affairs.
5. Jakarta's prodigious rumor mills had alternative backers for Sudrajat. Whoever they were, what is clear is that Tandjung is Habibie's man.
6. On Minister Adi Sasono, see *FEER*, December 3, 1998.

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FORUM

The Indonesian Democracy Movement in the Post-Suharto Period: Parallelisms with the Philippines*

Prof. Aileen Baviera: We are very pleased to welcome you to this forum. We have a panel of very distinguished people to talk about the situation in Indonesia today. Our main speaker, Dr. Arief Budiman, will talk on the Indonesian democracy movement in the post-Suharto era. Arief is presently with the University of Melbourne. He has a Ph.D. in Sociology from Harvard University, and has been active with the student movement in Indonesia since the 1960s. In the early 1970s he was one of the leaders detained by the military for opposing government projects initiated by Suharto. In 1974 he left for Harvard to study sociology and returned to Indonesia to teach at the Universitas Kristen Satya Wacana in Salatiga until 1994. He then moved to Australia to take up his current position as the Director of the Indonesian Studies Program of Melbourne University.

Our panel of discussants will also share their views and analyses on the Indonesian situation. Dr. Joel Rocamora is Executive Director of the Institute for Popular Democracy and who has been following Indonesian issues for many years now. Professor Randy David is from the University of the Philippines' Department of Sociology, and has recently been appointed to the University's Board of Regents to represent the faculty. We are also happy

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to have with us Mr. Roby Hartono who had just flown in from Bangkok. Mr. Hartono is active with PRD (Partai Rakyat Demokratik) in Indonesia.

We would now like to invite Dr. Arief Budiman to talk to us about the situation in Indonesia.

Dr. Arief Budiman: I'm very grateful that I could come here and be with you and learn from the lessons of the Philippine situation. I come here humbly as a student to learn with all my colleagues. I have known Joel for a long time now; back to when he was still a student, doing research in Indonesia. I thought he was an Indonesian because he spoke just like one at the time. And I've also known Randy for a long time through the NGOs we've worked in together. We used to talk (especially with Randy) about how to organize and mobilize the democratic movement to topple, at the time, our common enemies, Marcos and Suharto; about how to organize and to mobilize effectively against authoritarian regimes. But Randy left me behind because Marcos was toppled first. Then, when we talked later, I couldn't understand him because he was talking about organizing the people for elections while I was still talking about how to fight against the military.

But this time, we are finally able to share experiences. Now I think we are in the same stage, as Suharto has stepped down a few months ago. Now I wish I had listened more carefully to Randy when he was talking optimistically about democracy coming to the Philippines and having a bright future. But at the time I was not so interested because I was more preoccupied with the resistance movement against the military which, for Randy by then, was already a thing of the past.

So it's nice to be here again as we can now talk in a common language. I don't want to talk long, and will just emphasize some points in order to explain the critical situation in Indonesia today. First of all, let me clarify the difference between your situation in 1986 when the democratic movement more or less succeeded in forcing Marcos out. There was more or less a clear-cut change, meaning the so-called "democratic forces" had the upper hand. You could then clean up your government and you could draw a line between those who were for or against change. In other words, there was a clear distinction between the old regime and the new regime.

That was also our situation back in 1966 when Suharto came to power. If you ask us what draws the line between the old order and the new one, people can easily point to March 11, which was when Suharto seized power

from Sukarno. Suharto then proceeded to “clean” all the personnel in the government and started a “New Order” under the Indonesian military.

Now the problem with Indonesia in 1999 is that what is called the reformation does not establish very clear boundaries vis-à-vis the old order. The question many people ask is: “Are we really going through the reformation or are we not?” Look at the situation in the government. Habibie is the new president but many people say he is merely the second edition of Suharto. When people are asked who the president is, they reply that it is still Suharto. And when shown a photograph of Habibie, they will say: “That’s Suharto wearing the mask of Habibie.”

So I think even the people see that there has been no change because Habibie is very closely associated with Suharto. And, you can see also, the military is the same. For instance, you have generals like Syarwan Hamid who led the army squad that attacked the party headquarters of opposition leader Megawati Sukarnoputri. And where is he now? He is the the new Minister of Home Affairs. You still have the People’s Congress, or MPR, and the parliament that drafted the election law – they are the same. The language they use is the language of reformation but the substance is anything but reformist.

Therefore I don’t think the same situation exists today in Indonesia as in the Philippines in 1986. But I’m not sure, so please enlighten me on this. That’s the first thing that I want to say.

Secondly, at the moment there are three forces in Indonesia, three political positions. The first are the forces of the status quo, meaning those who try to maintain the old order. That doesn’t necessarily mean those who explicitly want to have Suharto back or want the Suharto regime restored. They speak in the language of reformation and other things, although it is reformation according to the existing law. The slogan is constitutional reformation but when you talk about constitutional reformations, then these are the status quo groups. They want to do it according to the existing constitution which is very much in favor of the old regime. Thus the legal system favors the old regime. And leading these forces is Habibie himself, the military and the Golkar group. They may not be so homogeneous, probably even heterogeneous, but I don’t want to go into the details here. One thing sure is that being the status quo group, Habibie, the military and Golkar want to maintain the old regime even if in a different form. But, of course, they use the rhetoric of reformation against Suharto.

For instance, when the students demanded the investigation of Suharto, his family, and friends, the status quo group responded by suggesting that this be done according to legal procedures. They said, "Yes, we are going to do that." But so far, nothing has happened to the investigation. This has been nothing more than rhetorical legal talk. So the students are now asking, or rather they want to go beyond mere constitutional reformations. What they want now is total reformation, a total clean-up. This means they don't want to have Habibie there; otherwise it would still be the same situation.

The next group, the opposite force, is the student movement. The students are the ones who cry for total reformation. They are sometimes referred to as the radical group even if they are not so radical. But in the present Indonesian political perspective, the student stance is radical. Now this has something to do with elections. In Indonesia, all the major groups basically agree that general elections is the solution to the problem. Because, then, you produce the legitimate document. The question is the timing of the elections, not only in terms of time, but in terms of the political situation. The student groups want the elections to be held after the total reformation of the Indonesian political system. This means that Habibie has to be replaced. The parliament, too, has to be changed because the parliament is the one that drafted the election law. If the parliament drafts the election law, that means that they can manipulate it; thus, the election law cannot be genuine.

So it's not fair if you let old regime people draft the election law and also implement and conduct the elections. Therefore, what the students want is to have the reformation first; change old personnel in the old regime including Habibie, and then have the elections. Elections are all right, but not before you have a clean government. So the student forces are against constitutional reforms because constitutionally you have to go back to the parliament and to the president, the so-called legitimate president. And then you have the old regime people who are doing the change. Basically, the students do not trust these people. If those who had worked together with Suharto are the ones who will implement the change, there will surely be cheating. So that's the position of the students. Elections are all right after the reforms.

The third group of forces lies between the the students and the old regime people. They are composed of what I would call the traditional leaders. In this third group are Abdurrahman Wahid (Gus Dur), Megawati Sukarnoputri, Amien Rais, and Sultan Hamengkubuwono. They comprise

the basic forces of this traditional leaders' group. We call it the Ciganjur group, which refers to the Islamic school owned by Abdurrahman Wahid where he got together with Amien Rais and Megawati.

Now these groups also agree that election is the solution. But, in contrast to the students' position, they say it is all right to trust it to Habibie and the old parliament. They say that to have total reformation would be too much work, and that there will be a lot of instability and chaos if the parliament is changed. Thus the traditional leaders basically agree on elections before the reformation, while for the students, reformation must come first before the elections in order to guarantee genuine free elections.

The problem is that this Ciganjur group has a lot of followers. Gus Dur is the head of the Nahdatul Ulama, and he has recently claimed 30 million members, which makes it the biggest Muslim organization in the world. And then you have Amien Rais with about 25 million members, or so he claims. And then you have Megawati with also a lot of active followers. These are the traditional leaders because, in one sense, followers fanatically follow them. In the case of Megawati, however, it has been shown that she's not a good leader. She has been having a lot of problems. But, since she's the daughter of Sukarno, she becomes the leader of PDI. So, the traditional leaders have the masses behind them, they have fanatics all over. They are quite strong in this sense.

There were high expectations that, during the period of reformation, the Ciganjur group and the student groups could unite and can be together. If they had gotten together, it could have been a very strong force. The students are very militant. If these two groups had gotten together and issued an ultimatum to the government, saying that Habibie has to step down, I think Habibie would have had no choice but to step down. The military would not be able to shoot if they have to confront Nahdatul Ulama and Muhamadiyah and Megawati. But these things never happened. Although the students wanted to get together, the traditional leaders' group never regarded the students as their partners. They believe that the students are too young. They believe that the students are too radical in this sense. That's why I think we missed the chance to really make history.

Another serious obstacle to unity is that Amien Rais, Gus Dur and Megawati are basically afraid of mass-based political actions. Gus Dur is always afraid. If there would be a lot of people coming together and demonstrating against the state, Gus Dur would say, "No, it's not good because there will be bloodshed." So Gus Dur is basically a very elitist

leader in this sense. The same is true with Amien Rais. They are afraid of mass actions or mass-based actions. The students, on the other hand, always go for mass-based actions.

It is a known fact that the forces that toppled Suharto consisted of mass-based actions rather than the actions of the political elite. On the very last day of Suharto's rule, on the 21st of May 1998, Suharto was still trying to negotiate with the traditional leaders. Suharto was attempting to bring together what they call the reformation team to be joined by Gus Dur, Amien Rais and the other groups. It was the students, who pushed the process from below, that eventually toppled Suharto.

So that's the difficulty. These two groups cannot be unified together at the moment. But we don't really know how things will turn out. Indonesian democratic forces are fractured into small parts. No one single group is strong enough to fully implement its own scenario. Right now the traditional groups are quite strong, but they don't have the masses that will confront the state directly because the leaders themselves do not want to attack the state.

More significant is the fact that the leaders of these traditional groups, it seems, are not used to political confrontations. I explain it this way. Gus Dur, Amien Rais and Megawati—all of them are the products of very repressive state politicking. You know, Suharto was very strong and repressive, and these leaders developed their careers in opposing the state, not in the sense of confronting the state, but trying to correct the state through negotiations among elites. So, this is the generation from which these traditional leaders come from. This explains why, at the very last minute of Suharto's rule, they were still negotiating with the old regime on how to transform the state, but without direct confrontation. It was the students who took the initiative and the leadership.

Now the students come from a different generation, a new generation. Many of them belong to a high school culture that was quite violent, that used to have interschool and intercollege fights. And when they fought each other, they used knives and other weapons; they were quite sadistic. It was scary because when they fought they would stop buses, and when they see students in uniforms of rival schools, they would kill them. When I was in Jakarta during the demonstrations, I realized that this was the same generation of high school students who have now become college students. And you know they would say: "Well, tomorrow we're going to fight against the military. Wow, that's great." Before they were fighting against fellow

high school students, but now they're fighting against the military and they have become the heroes. So the students are inspired by a kind of romanticism, and they are very courageous in fighting against the military. And I think in their minds the situation is a very simple case of black versus white. If you have a bad government, just change it. Why do you have to negotiate with them when this is not in the dictionary of their generation?

So, we have a different kind of judgment analysis between students and the so-called traditional leaders. That's why they cannot be together, even if the nation needs them to be together in order to have a total transformation of Indonesian society.

Now, we are going to have the elections. This gives rise to different problems. Again, the government is trying to manipulate the election law. It is difficult to contest this because they have the legal instruments on their side. The students try to put pressure on the parliament but it seems that the parliament is simply ignoring them. And the students are getting tired also. The government was especially very clever during the discussions on the election law by the parliament, the MPR as we call it. They conducted the discussions during Ramadhan, the Muslim fasting month. Before that, government officials had announced that the students must not demonstrate during the fasting month because it would insult the Muslim community. Even Gus Dur came out to say that it was not good to demonstrate during the fasting month.

The people are also getting tired of the demonstrations. The taxi drivers, for example, know they owe a lot to the students. But these are people who earn their living by working day-to-day, so they are now saying, "Ah, demonstrations again, but it doesn't make any change." Thus, there is a sense of fatigue among the people. They see demonstrations becoming a little bit unproductive now. The momentum has been lost.

So now we have the elections. I don't have a copy of the election law, but it is for sure not only imperfect but also dangerous in a sense. This is because there would still be many appointed members which would give Golkar an advantage over the other parties. So we are not too optimistic about the election law. Not even with help being extended by Philippine electoral watch groups, like NAMFREL, and also the Thai poll watch group. The election may be implemented freely or genuinely, but the election law is already damaged. We don't know really what will happen if the elections are

coming, and the students have already lost interest, although not in the sense of losing hope, just less enthusiastic than before.

I think many Indonesians are afraid because we have lost the momentum, we have lost the spirit of freedom, because the government is still not the new government—it's new, but not really. And I'm sure Suharto is still playing his role by using money. So not too many people are enthusiastic about the election on June 7. Now what do we do about this? I cannot give you the answers, only many questions, and, please help me, help us by comparing notes with what has happened in the Philippines. One of the main problems is that our transformation is not total nor immediate. It is a long process. People of course are able to question whether we already have a new government. So we have some rhetorical pressure. It's some progress compared to Suharto, but only to a certain limited point. Thank you.

Prof. Aileen Baviera: May we now invite Joel Rocamora to give us his comments?

Dr. Joel Rocamora: It can't be denied that the Habibie regime is an old regime in a different form. But I'm trying to understand the situation, and to look at the limits of political actions for the various players. It is important, I think, to particularize what "old" means and what "new" means—what is old and what is new?

I was thinking, in listening to you Arief and hearing about Gus Dur, Amien Rais, and Megawati, that the major part of the reason why they have not united with the students is because Megawati is, for example, *anak istana*, a child of the palace. Megawati grew up in the presidential palace, and she is, as I say, to the manor born. And Nahdatul Ulama is still acting today in the way that it used to as a cult. Because back in the 1950s, some people would say that NU does not stand for Nahdatul Ulama, but rather Nurut Udara, meaning it's just following the wind; in other words, it's an opportunist organization.

Amien Rais, in some instances, is the most interesting character because his position within Muhamadiyah is quite clear-cut. Despite the fact that he resigned as the chair, he is still considered the main leader of Muhamadiyah. But he has also a Ph.D. and is a political science professor. And he also, as far as I know, still remains as one of the advisers of ICMI (Ikatan Cendekiawan Muslim Indonesia), the so-called intellectuals' organization, which is one of the main intellectual organizational bases of

Habibie. And some people, in fact, say you can't be absolutely sure that, in the jockeying for positions after the elections, Amien will go with Megawati and Gus Dur, instead of going with Habibie. He might because they have some things in common. *Sa tagalog, may pinagsamahan itong dalawa.* They have done some things together.

The other thing that makes Amien Rais interesting is that his base is Muslim, but the party that he created is an explicitly non-Muslim party. It is supposed to be a secular party. But they are not taking advantage, at least on paper, of the connection with Muhamadiyah. I mean they will take advantage of it in other ways, but on paper at least, PAN (Partai Ammanat National, National Mandate Party) is a secular party. And of equal importance, probably, is the fact that the secretary general and, I think, seven or eight deputy secretary generals of Amien Rais' party are all people who have come from the student movement, who know and have experienced the politics of the student movement; progressive journalists; and so on. The secretary general of PAN is an economics professor at the University of Indonesia.

So in some sense those people are part of the old. The other way in which they are part of the old is they have both existing organizational resources and, probably more importantly, social resources. One contrast between the Philippines and Indonesia is that there are communities in Indonesia that continue to be quite important politically, quite important during elections. I am referring to religious and ethnic-based communities, among others. In a way, this is not the same case here in the Philippines. What is new for them is that there is an opportunity for them to take power—to be at the center of power. For 32 years, they were completely out of power, but for the first time in all this time, there's a possibility that they will be right at the center of power, and I think that's what other political actors should take advantage of.

In other words, the possibility of Megawati becoming president, or an arrangement whereby maybe Megawati gets to become president and Amien Rais becomes prime minister, are opportunities that other progressive forces can play with because this is what is new for them—the possibility of being in the center of power.

For the students, the biggest problem is that they haven't developed any other organizational forms that will enable them to participate in politics through any other activity other than demonstrations. Groups that came out of the student movements, such as PRD, as still in the early stages of

their development, and, as far as I know (probably you can correct me on this), PRD is not considering participating in the elections. If they are going to, that's new.

(At this point, the PRD representative on the panel informs the gathering that PRD has decided to participate in the elections.)

This is good to know because when I was in Indonesia in October I was told that PRD will not participate. But the question is that, even if PRD participates, it's clear that the political groups that come out of the student movement, that can play more longer term political roles, do not yet exist. I think the closest to this would be media organizations, maybe some NGOs. This is crucial because, as political participants, the most important thing to remember about students is that they graduate. So, once they graduate, they are not students anymore. So the whole issue of renewing a political activity based on students is very different from the idea of renewing activity for workers, or bureaucrats or whatever, because the "political shelf life" of students is relatively short.

These are some of the considerations that I think we need to keep in mind in looking at what happens in the next few months. My own concern in some sense is the possibility for faster and more radical change.

The level of riot activity in Indonesia is unprecedented anywhere in the region. I don't know of any other country that has had as many riots on the same scale as in Indonesia over a longer period of time. Even in Indonesia itself, this period is unprecedented. There are two things that make these riots interesting. Often, the targets are Chinese. Therefore they're racist and religiously motivated and so on. But let's now look at these riots politically. They are dangerous because there is a possibility that at least some of these riots are organized. It sounds like a contradiction in terms, but there is enough evidence to show that at least some of the riots were initiated by agent provocateurs, and the little evidence that exists indicates that these might be elements from within the Indonesian military. The idea (of military involvement) being that, if there are enough of these riots happening throughout Indonesia, then the military might have an excuse to declare martial law and seize power. On the other hand, what happened in May is not too long ago that military people have forgotten, because all the indications show that the riots in Jakarta in May, which brought down Suharto were, in fact, organized. Of course people got angry, people who have propensity to riot, but there are enough indications to show that the incidents that took place in Jakarta in the first week of May were, in fact,

provoked. And provoked in particular by one segment of the Indonesian military—the segment associated with the son-in-law of Suharto (I guess he's still the son-in-law), but now a former general. General Prabowo, Suharto's son-in-law, headed the largest available units in the military in Jakarta at the time. General Prabowo apparently has now become a Jordanian citizen. He has moved to Jordan to escape the possibility of prosecution in Indonesia. And what happened there is, not only did Prabowo end up being kicked out of the military as a result of his provocation; Suharto, his father-in-law, fell as a result.

So that the provocation of what we might call the most radically possible mass action which is riots could just as easily become an occasion for more radical, social and political changes in the Indonesian situation. Of course, they can also become an excuse for a return to the worse kind of right-wing militarist politics in the country. So, on that a very inspiring note, I give the floor to the next discussant.

Prof. Randolph David: Arief opened his talk this afternoon by an appeal for some suggestions or tips on how to create a successful political transition. I think that remark is premised on the interpretation of the Philippine experience as a success, which is debatable at the very least. I don't know if it is better. Definitely the Indonesian situation is more interesting now for many of us. Because the Indonesian situation can take a turn we could have taken and they're watching if we made a mistake in taking the other turn, which is to peaceful transition. It's very difficult for me, at least, and I'm sure for many who are here, to give tips on how to resolve a political transition. But don't worry, many things can happen even without intellectuals intervening.

I think the practical problem that Arief has presented to us here this afternoon is how to face the elections. What to do with the elections—the elections in June, I think, for the parliament, and in November, for the president? We did not have such a choice in 1986 because the elections were held under the control of Marcos. In February 1986, in fact, he called the elections without our knowledge, but in response to a challenge by an American journalist on an American cable television program. So the elections were first announced on American television before we even knew it. So we had no choice; we were not in your position as demanding, let us say, that the share of the military seats be reduced to 75 from 100, because, in the first place, the military did not have seats in the parliament at the

time in the Philippines. We were in no position to negotiate that we should have a totally different Commission on Elections—that we should change the electoral rules.

That is why many of us who were active aboveground at the time were, ourselves, in the same sense of distress that you have passionately expressed this afternoon. What to do in this situation? At the time we were being heckled by the students in this country; there were posters all over this University proclaiming “Revolution not election.” And even we (those of us who were very active then with Dodong Nemenzo and other people here in the organization we put together with the late Senator Diokno) were at a loss. So we devised a slogan. First of all, we decided among ourselves that we had had enough of boycotting. I think a number of us were convinced that boycotting was opting out of an open-ended process. Boycotting meant spectatorial politics—just watching it all happen. Among those calling for participation, there was the thinking that it might induce you to be more creative in your politics. So we devised the slogan: “Participation without illusion,” meaning we were going to participate in the elections. We were going to support Cory Aquino but without any illusion that she was going to win.

The question that you would to ask is: “Why participate if there was no chance of winning anyway?” Well, I think the answer to that question is borne out by what happened in February 1986. Precisely that, in major political processes that are open-ended, you cannot predict the outcome. And all the predictions and scenario making, or the debates of political scientists, are really useless when people take action based on their own understanding of a situation. In other words, the events and circumstances, as was shown in 1986, had their own dynamics which we did not anticipate. And nobody predicted the EDSA uprising in February 1986.

We knew, however, that something was going to happen if Marcos was going to steal the elections. And we knew he was going to steal the elections. We did not know exactly how the people might react to a stolen election or to what extent they were willing to go to express their outrage over such an outcome. But we just felt that we had to participate somehow, because we did not want to be left behind by the majority who were clamoring for participation. The elections of 1986 thus became an occasion for an expression of an outrage which was first massively expressed during the funeral march for Ninoy Aquino, and that was in 1983. So it took three years; in other words, it was in suspended animation, and in February 1986

it was revived. We were not sure that the same level of passion that was expressed in 1983 would materialize all over again in 1986. But, you know, you cannot reduce the risks of failure to zero.

My own personal lesson from that experience is to treat our political processes as being open-ended. You can demand and demand, demand in negotiations, but, at a certain point you just have to decide where you think the masses, the people, are going. And I'm afraid that most of us were left behind by the masses here. I really don't know how to advise my friend Arief with respect to the Indonesian situation today because, if I did, he would call me reactionary. I don't think that you have a choice other than to participate in the elections this year, knowing fully well that the elections would mean for Habibie and the Suharto family a managed transition. This was exactly what Marcos intended to have in 1986, and exactly what the Brazilian generals wanted in Brazil and in Argentina as well.

Well, the transition was not managed very well in the Philippines. But I think there were certain elements in the Philippines that were specific to the Philippines, just as certain elements are specific to Indonesia. For example, I don't know to what extent the Indonesian military has a reform-minded bloc within it that might be similar to the Reform the Armed Forces Movement (RAM) or the Young Officers Union (YOU) that actually sparked the uprising in EDSA. (EDSA was a failed coup actually.) The other thing is that I don't know whether your army chief is a reformist-minded person or not.

It's the Chinese element that was missing in the Philippine situation in 1986. In other words, it could not be used at the time to the extent that it could be used at any time in Indonesia.

The third element, which Joel had adverted to earlier, is the enormous capacity to stage violent riots in Indonesia. As far as I know, we don't have this tradition in the Philippines.

The fourth element is the extent to which an anti-Suharto business community exists in Indonesia, which in the Philippines was the anti-Marcos business community, the core of which was known as the "yellow crowd" in Makati. This group had extensive connections abroad and also extensive resources that were deployed subsequently in the snap elections.

These are some of the elements that I feel might be worth taking into account in deciding how particularly the Indonesian progressives should conduct themselves with respect to the challenge of what is obviously going

to be a managed electoral process in Indonesia. I'll stop there, and maybe we can continue this discussion later.

Mr. Robby Hartono: Thank you and good afternoon, friends. I just want to introduce some additional notes, analyses and the program of the PRD in the coming future, especially regarding the general elections. The popular democratic movement in Indonesia is actually very young compared to the other countries. After the 1960s, there was a student movement during the time of popular movements (of which Arief was a part). It even entered into some kind of a collaboration with the military, and was subsequently dismantled. That's one lesson we have to learn. There was an attempt to revive the student movement in the 1970s, but that also died because of the brutality of the New Order regime.

And so we started again a new student movement in the late 1980s and early 1990s; we have started to broaden its base not only among the students, but also among other popular sectors like the workers, peasants, urban poor, professionals. The formation of the PRD is one of the results of such a historical process. Regarding their national political situation now, I agree with what Arief Budiman said, basically that they are not yet capable of initiating significant changes in Indonesia. I also agree that what exists in Indonesia is still the old regime in terms of the structure of government, and also of policies.

What has happened is that some concessions have been given by the regime because of pressure from the masses. By concessions I refer to the freedom of press, the release of some political prisoners, and freedom to form political parties. All these, however, are very limited and are very far from what we aim for or what we call total reform. The task of the democratic process in Indonesia is to achieve total reform. This means the replacement of the whole repressive and undemocratic system. This, of course, is going to be a long process in Indonesia.

One major problem for the advocates of total reform and the very young popular democratic movement is that, for more than three decades, there has been no political participation from the people. The Suharto authoritarian regime had effectively depoliticized the people. As a consequence, the political consciousness of the people is low. Nevertheless, thousands of people took part in the popular mobilization and popular uprising, like what happened in July 27, 1996 and in May 1998 and the days after when popular mass actions took place almost everyday. But because

the people did not have any political perspective, they were unable to organize effectively. So many people engaged in riots, but it was also very easy for them to be provoked by organized groups of elements from inside the pro-status quo forces.

In PRD we see this as a major problem in Indonesia. We prioritize our work in terms of organizing the mass base, how to politicize the people and how to get them to organize by themselves. The other thing which is a major problem in Indonesia which is a bit different from the Philippines is the military. In Indonesia, if you are talking about democracy, the focus would be on the military and particularly the concept of dual function (*dwifungsi*) which accords the military a role in social and political life. They have guaranteed seats in the parliament. They can intervene in all sectors of society, during student demonstrations, everywhere. This remains a major problem even after the downfall of Suharto.

Another thing is that the student movement in Indonesia is basically divided into two tendencies, especially among those who are based in Jakarta. The first group is composed of those who don't want to join the people because of the propaganda of the regime that, if they do so, there will be chaos and anarchy. The second tendency is for uniting with the people, but the function of these joint actions is to give political leadership to the movement, otherwise the military provocateurs could lead and deceive the masses. Last month actually, the student groups had already set up a kind of network in Jakarta called KMB (Komite Mahasiswa Bersatu) or Student Union Committee, which is composed of the radical student organizations in Jakarta which so far have been leading the demonstrations in the streets.

I just also want to give some comments about the possibility of unity between students and the Ciganjur group. I think that if this coalition can take place it would be great, but it's a difficult task. As Arief Budiman said himself, the two forces have different tendencies. The student movements are based in radical mass movements, but this Ciganjur group is politically moderate and bases its actions on the elite ways of lobby struggle. Gus Dur, for example, is usually counterproductive to the democratic movement, as when he made a very controversial statement accusing the students of being paid by the CIA. Amien Rais, on the other hand, when he was in Australia, likened the FORUM KOTA, an organization whose project was to set up a "people's council" in Indonesia to the communists and their soviets.

So these traditional leaders are trying to distance themselves from the students. But this is understandable; that is, by nature, their usual opposition

stance. They are afraid of the radicalism of the students and would rather make compromises with Habibie and the regime. But basically because of these statements, and the political line of this Ciganjur group, I think their authority in leading the populace has not really been acknowledged. They have been rejected by the students and the masses basically because they have already betrayed the people's aspirations. For example, regarding the demand to repeal the dual function of the military, they say that we can do that in six years. This is, therefore, the gap between the two democratic forces.

On the political position of the PRD regarding the general elections in June, we are pessimistic that these coming elections will be fair and democratic. The main condition for fair and democratic elections is for the military forces to be withdrawn from politics. There will be no democracy if the military is able to influence the parliament. They, therefore, have to withdraw first. The second point is that the law on general elections on political parties' representation in the parliament, which was approved yesterday, must also be democratic, but in fact they are not democratic, still. And the third is that this general election must be conducted by a transitional government which is democratic, not under the present regime. We maintain that the present government is still the old regime.

Basically I agree with Arief Budiman that the general elections must be postponed until these conditions are fulfilled.

But we would like to learn from the experience in the Philippines as Randy David has recounted. Actually, PRD as a new political party in Indonesia was established in 1996, but for the last two years we were underground because of the repression of the new and old regime. Some leaders of the PRD are now still in prison. Just as in the experience of other countries in similar situations, the people still have illusions about the coming general elections. This is one thing we have to deal with. And therefore it would be a mistake for PRD to boycott the election. The effect of a boycott is that we will be isolated and marginalized by the majority of the people.

The position of PRD in participating in the election is like in the Philippines in 1986; we also have no illusions that we will win because we are still small. We also have no illusions that it will be a democratic election. But since the people still have these illusions and are seeking the proper direction, we have to be responsive to this. So the PRD is going to participate in this election in order to be able to talk to the majority of the people. We

want to tell them of the problems the PRD has encountered in the struggle. We will tell the people that this is the nature of an undemocratic election. So this is the political position of PRD regarding the general elections.

I read in the newspapers that one of the articles of the law requires that political parties participating in the elections be organized around Pancasila, for example. From this alone, we probably have to withdraw because PRD is based on popular social democracy. But we have to wait for the process to be made clearer. (Actually, not only PRD is affected by this regulation on Pancasila but also the Islamic Party.)

But the position of the Habibie government at this moment, I think, is getting more and more unpopular because this law on general elections and the composition of the parliament are still undemocratic. These are still 38 seats for the military in parliament. In coming days there will be mobilizations of the people against this undemocratic law. As a matter of fact, this is happening already.

Another thing is the issue of East Timor. For example, a few days ago, Ali Alatas, Minister of Foreign Affairs, said that if the East Timor people don't want autonomy, it is possible for the Indonesian government to give independence to them through their peoples' assembly. This is the effect of the unpopularity of the Habibie regime, not only among the popular mass movements within Indonesia but also in the international community.

DISCUSSION

Prof. Aurora Roxas-Lim (addressing A. Budiman): You mentioned three groups: the student movement, the status quo group, and the elite groups particularly Amien Rais, Gus Dur, Megawati and the Muhammadiyah, Nahdatul Ulama, and the Islamic groups. Don't you think that there is a lot of interfacing between and overlapping of some members in these groups? Are they really completely separate from each other? Don't they sometimes agree with each other? I would like also to know what happened to the signatories of the white paper of the generals and who are in their groups. And in the military, who are agitating for reforms, particularly those meeting in Bandung?

A. Budiman: I think when I said the three groups, I was simplifying many things. Because even within each group there is a lot of heterogeneity.

For instance, in the status quo group we have Habibie, we have the military, we have Golkar and they each have their own programs. Basically all of them are trying to save face. I feel that the military is forced to join the status quo group because the student protest movement, especially the PRD, is attacking the military. Yet they are probably aware that Habibie is basically dead wood. I mean it's impossible for him to be in power because of his performance which is like that of a clown. I think when you see Habibie acting, you will consider yourselves lucky to have Joseph Estrada.

So I think the military tries to work out things so they could be accepted by the reformist group. What is happening now is quite interesting. General Wiranto, the Army chief, is now working with Gus Dur and Amien Rais and Megawati. This means that Wiranto is trying to link himself with the opposition group. If that is successful, not only will the Ciganjur group be strengthened; the military will also be safe because Gus Dur is the only person in whom the military can find shelter. After all, Gus Dur had previously announced that the dismantling of *dwifungsi* can be postponed for six years, a position which is rejected by the students.

When you ask about overlapping, yes, there are many (instances when this can happen). Even within the Ciganjur group there have been problems between Gus Dur and Amien Rais. They could not really work together, first, because there is personal competition as well as traditional organizational competition between Muhamadiyah and Nahdatul Ulama. The same thing happened with some military elements that support the student's positions, which is the Barisan Nasional. As you know, they had worked together before. Thus, when I say there are three positions and there are three groups, these are really simplified positions.

J. Rocamora: Those in the military who are for reforms are mainly retired military people. But then, it's very difficult to imagine, except at a level of discourse, retired military people playing very important political roles. So, it has to be among the new, I mean, among the still-in-service military, that you have to look for reform-minded people.

One member of Habibie's cabinet, just by accident, is an old friend of mine, Juwono Sudarsono, who is the Secretary of Education. I've talked to him and he's quite open to me about the political situation in Indonesia. So I asked him who among the current leaders of the military are reform-minded and so on. He mentioned one particular general, Bambang Yudoyuno (who used to be staff for political affairs, but his position has

now been renamed, I think to staff for territorial affairs). So I asked him, "Why do you consider this guy progressive and that he calls for reform?" My friend said, "He's the only general I know who reads Foucault." I said, "Oh, that means that if I were in the Indonesian military I would be in the traditional group because I've never read Foucault."

Now the point Sudarsono is trying to make is that it's very difficult to look within the still active military officers for people whom you would consider reform-minded. I think that, as the general elections approach, you will have people within the military who will maneuver between the contending political parties. But from the vantage point of being just an analyst, in some sense actually, I'm not in favor at this time of completely removing military representation in the parliament. Simply because I think that if you remove it altogether, the possibility of the military completely getting fractionalized or fragmented is great. I think I am in favor of lowering it to, you know, maybe four or five or some number so that they are irrelevant as a group within the legislature.

But I worry about the institutional integrity of the military in Indonesia at this point in time. I'm worried that, if it falls apart completely, you will have more problems than if it is able to maintain some kind of organizational integrity. One serious problem in the military leadership is financial because the Indonesian military budget has never paid for more than maybe 30 to 40 percent of what the military spent; the rest it has gotten from military businesses, sort of regular payments from business people and so on. And so the military budget itself has been victimized by the economic crisis and that there are lot of examples, especially in the more isolated areas, of military units actually engaging in fire fights because of rivalry in the control of illegal economic activities like smuggling. So I'm a little bit concerned about things like that. But at the same time, I think that the students and other groups should continue to demand that the principle of *dwifungsi* and military representation in parliament be removed altogether. I think that kind of pressure is necessary.

David Wurfel: As a question of provocation to Joel, I don't quite understand the process of thinking here. How is it that the total number of representation of the military in the parliament actually leads to fragmentation? I was thinking that, in terms of its presence in government, this is actually causing it to be entangled in the rivalries between the different parties and groups within the parliament, which would be a way of diffusing

its strength against the civilian participation. That may be wrong but I'd like to understand better.

J. Rocamora: To be perfectly honest, that thought just came to me, as I was sort of thinking out loud. But the idea is that, whether we like it or not, the military plays a political role in Indonesia. And it will take a long time before that political role is removed. The question is, if it plays a political role, representation as ABRI, as the military, forces the leadership to think in institutional terms—their political role—because they have ABRI representatives in the parliament. Whereas if you remove institutional representation altogether, then you'll have some ABRI officers saying, "OK, we're pro-Megawati." Some will be pro-Gus Dur, some will play pro-Amien Rais and so on.

And I guess my concern goes back to this old question of fragmentation of the military. I'm kind of worried about that. I'd like the political role of the military to be removed altogether, eventually, because I think you can not have democracy when you have formal representation of the military in political institutions. I think civilian rule over the military is an absolute necessity for democracy to be real. But the question is a tactical one. Still, I'm willing to be dissuaded. Maybe we can discuss this afterwards.

A. Budiman: Of course, the military has been very powerful in Indonesia. And I think it's really going to be a shock if they're abolished totally in a very short time. It might cause them to run *amok* in a sense, which is dangerous. This is again a pragmatic issue. I agree with Randy David that the students have to be quite hard against *dwifungsi* and other things. Because now, by doing so, the students are showing that the military is not really that powerful and that they (the military) should be the instrument of the people. But hitting them or insulting them too much might also create some problems. So it has to be, well, a little bit tempered, to have some mercy for practical reasons.

And also the military is now already demoralized given the prosecutions against human rights violations. Now there are problems with Kiar Arika, the organization of the military. I understand that when some military officers now in East Timor are ordered to shoot people, they will ask the commander who will be responsible for that. Because afterwards it's the sergeant, the captain, or the colonel who gets prosecuted, not the really top officers. So there are a lot of problems concerning authority now.

The other thing is the representation of the military in the parliament. I think this is not really that important. It depends on the number; 38 is quite small, I think, and we even want to have less than that. But the problem is the military budget. Usually they could always get the additional funds because they are able to exercise their dual function effectively. Their control extends into the territorial units, the KODAM, KADIM and other things. So in Indonesia you have two parallel local governments—the civilian and the military. And with this kind of dual position, for example, the commander of the region gets a lot of noncompensational income, basically as bribes from Chinese businessmen.

So the problem that emerges is how the military will pay their people. Right now, they are paid very badly as a result of the economic crisis. So the exercise of the dual function is not only a political thing but impacts on the institution of the military as well because of the very corrupt nature of the system. And if you want to abolish everything right away, it might create a lot of problems.

Again, I think the military has to get out of civilian politics, but the question is how to do it step-by-step without getting counterproductive results.

R. David: I would like to add to the discussion about the military. It's very interesting because we can also go by some of the experiences of the countries which have undergone relatively successful democratic transitions. One of the mechanisms that was put in place was really some kind of agreement between the incumbent elites, which normally includes the military, of course, and the oppositional elites so that, in the transition period, the corporate or institutional integrity of the military is not seriously damaged.

To begin with, if the military itself sees the political opposition as threatening to their own interest, of course, this could be an invitation to a counter coup (speaking of extreme scenarios). So it is interesting because I attended a forum recently, and there was another Indonesian scholar who was arguing the same way as Joel is doing now, and he received a lot of flak, of course. He was asked why he was arguing from a very reactionary viewpoint. And yet it makes some sense if you think about the medium-term and the long-term prospects of political order literally disintegrating, because what happens to be a sort of stabilizing force temporarily may unravel completely, leading to more problems.

But I also agree, of course, that in any democratic kind of transition this should be one of the serious questions to be addressed. How do you professionalize the military so that it would, of course, withdraw from the context of Indonesia and give up its dual function so that it becomes a purely professional institution under civilian command? But that would be part of the negotiations and again, I'm not familiar with the elections and the recently approved election law. But perhaps part of the negotiations have to do with how many seats are given to the military—did you say 38 out of 500?

Let me go back to the students. Arief, you admitted that, of course, even the students do not really constitute a homogeneous force in terms of political orientations, right? But the majority would support what you would call a political program that calls for transformation first before elections. And yet you now find clearly a political opening there which has encouraged the literal flowering of close to one hundred political parties. And maybe even more. I think that is an indication that whether we like it or not, we have to confront the reality that elections are around the corner. Now what do we have to do with it?

Ten or 15 years ago I would have adopted a position which says: "Well, to hell with the elections." But again we have the benefit of historical hindsight, so to speak, or perhaps it's a function of age. And so we have to seriously consider the prospect of the elections as a political opening where we can advance a more progressive agenda. I think that it is in this context that progressives should take the task of creating a political party with a progressive agenda seriously. I think with that agenda, we can reach out to as many sectors of the population as possible. Otherwise what you may have now, and I feel what is now happening, is that the traditional elite political opposition is getting the upper hand, and that is always the problem.

J. Rocamora: To me, the issue of human rights violations by the military is, at this point in time, more important than the issue of reform, or specifically representation in parliament. Because I think that it is very important for the military to understand that they cannot commit human rights violations with impunity. There has to be some, if only symbolic, punishment of top-ranking military officers for human rights violations to establish the idea that you can't violate people's human rights and get away with it.

The question of representation in parliament is important. I was against the proposal to have 55 military representatives, which is roughly 10 percent of parliament, because the possible outcome in the elections is that four or five major parties may have anywhere from 15 percent to 20 percent each of the seats. So that in that kind of legislature 10 percent is a significant number. So if Golkar gets 20 percent, and PKB of Gus Dur or the other major parties gets 20 percent each, the military will automatically align with Golkar. And so automatically the same people will run the country. So it should be below 10 percent. I think 38 is actually still a little bit high. For some kind of symbolic thing maybe 15, 20 or whatever is better. The number does count depending on what happens in the elections, because you're not likely to have a single party having more than, I would say, a maximum of 25 percent. I would say that's the absolute maximum any one of the existing parties can get. So 10 is a significant percentage of seats.

A. Budiman: The students, I understand so far, would want to set up a political party. Their role is that of a moral force. That means if the country is in trouble, they can correct them and let the politicians and the territorial troops take over. I think they are the ones, with their own youthful experience and their own naivete, who are very pure in their intentions. They want to participate and they don't expect to get any rewards. That creates a lot of problems. They have to sacrifice their lives and other things, but after the political opening has been achieved, the ones who take the reward are the traditional leaders Gus Dur, Amien Rais, etc. Of course the traditional leaders congratulate them, at least. So what they do is they sacrifice, some of them sacrifice everything, and then, after that, they go away.

In that sense the students are still very romantic; they don't want to create any institution. Individually they can join any party, but I think none, except the PRD, POLKOT PAMRET, wants to create a political party. They basically just want to contribute during the crisis and after that, they disappear. They are like the cowboy "Shane" of a long time ago. The cowboy Shane is like a moral force who comes and restores law and order in a small town, and then afterwards, runs away. I mean he disappears into the forest or into the jungle. That's the romanticism of the Indonesian students so far.

And then the political parties. We really have a problem with the political parties, because, as I said, the process of putting in place the leader of Indonesia still follows the traditional cultural identity. So maybe it's not true what Roby said that if the Ciganjur people do not express the

kind of interest the students represent, they will be left behind by all of us. I mean, in the case of Megawati, for example, even if she does not do anything she will be very popular. So far she is very popular now.

When the students were being shot by the military, for example, I went to her house with some other student leaders intending to ask her to come out to support the students. And all her followers there said: "No, Megawati is taking a nap and nobody dares to wake her up." It was really just crazy. How can you be president when nobody can even wake you up while people are being shot by the military? Well, this just goes to show that the relationship between Megawati and the followers is very feudalistic.

It's really difficult for the students to consider any of the traditional leaders seriously. Take Gus Dur. What are his qualities as a leader? I once knew Gus Dur very well, but I think the Gus Dur now is different from the person I knew before, before he got strokes. He has had them a few times, at least twice or thrice. And I think his mind has been quite affected by that. Like when he makes crazy statements such as that the CIA was behind the students. But still and all he's the most popular leader. What he says affects the country. And that's a tragic thing in the Indonesian political situation now.

In the city, of course, everybody is screaming against Gus Dur and Megawati, but in the villages, they are very popular. So it's very difficult to say they are not very powerful in a sense, because they have the captive constituents in their hands. Whatever they do, they're still considered by their followers as the leaders.

PAN is the party of Amien Rais and he has issued progressive statements about East Timor and federalism. That is very good. Two days ago he made the statement saying that if he were President he would include a Chinese minister in his cabinet. Now that was also a very good statement. But he is a born-again Christian, a born-again progressive. Before, he was very notoriously against the Chinese, against the Jews, against Islam. He was very racist before, so everybody has still a lot of reservations about him. He is very ambitious.

So this is the quality of leaders we have now. Even if we do have genuine and democratic general elections, whether we get good leaders or not is another thing. This worries us very much, especially as Randy said, you don't need to get 100 percent; 50 percent is already good. But at the time (of the EDSA Revolution), the Philippines had relatively healthy economic conditions—maybe not rich, but quite okay. Indonesia, on the other hand,

is galloping, I mean, racing against time. If we get a weak leader, we will simply collapse. Now we are trying very hard not to collapse. We cannot make mistakes, we have to win time, we have to do it effectively. This is really scary also. We cannot afford to have a slow leader. Even if the leader is a good person, if he or she is too slow, it will create a lot of problems.

So I don't know how to compare the Indonesian situation with the Philippines then. But this kind of problem comes at a bad time, and so we have to solve it very quickly, and find a new leader, an effective one. Now the ones who are able to solve the problem are not popular, a mismatch so to speak. I mean the popular ones sometimes do not make very good leaders. Of course you can tell us democracy is a process. It takes some time. Okay, but do we have the time to wait for that slow process of democracy? That's the dilemma of Indonesia now.

R. Hartono: I just want to clarify what I had said earlier about these Ciganjur people having no political authority. Actually, they do not really get left behind because, as Arief Budiman said, this is due to a traditional perspective or something like that. At the same time, I can cite examples of their lack of political authority. After Suharto had resigned, Gus Dur already called on the students to please stop their demonstrations because Suharto was gone. But the students kept on with their demonstrations. Then also recently Gus Dur told the students not to do any radical activity, but the students continued to do so anyway. So the masses in the streets, and most of them are students, do not obey them anymore.

It is also true that millions of people are very supportive of Megawati, Gus Dur and Amien Rais, but this is because the genuine leaders have not come out yet. So they are already the best among the worst actually. Sometimes, Gus Dur does make some very good contributions that are supportive and beneficial. An example was when there was the possibility of more violence after the killing of Muslim leaders in Banjuangi East Java. The regime floated the rumor that the Left, the communists, are taking revenge again the Muslim leaders. But Gus Dur made a very strong statement saying that: "NO, they are not communists, they are not leftist, but they are people from inside the government." And Gus Dur even mentioned the names of the suspected killers. This reduced the possibility of the masses getting angry with the left, the PKI people and yes, the people of the popular democratic forces. Indeed Gus Dur, and the positions he takes, is confusing. At other times, he is also an obstacle to the people's struggle.

I just also want to say something about the dual function of the military. The abolition of the dual function of the military is not simply the abolition of their representation inside parliament, but also their military institutions in the territorial areas, and also some extrajudicial institutions like *Bakurstanas* in which they can do what they want. We thought of punishing these abusive military men. Last year, I myself was a victim of their kidnapping and abduction activities. I was interrogated in a mysterious place where I was blindfolded. They kept asking me, "Why do you organize workers? Why do you organize peasants? You know that it would be better if you burn the Chinese houses." They also asked me: "Why do you support East Timor? What is the solution to the economic crisis in Indonesia according to the PRD? What is the PRD's political position regarding the minority?" And so on.

Unidentified Indonesian Participant: Apparently none of the leaders of the Ciganjur group seems to be able to lead the country according to what you say. So do you think a new leader may come out in the coming month? Is the PRD intending to present a candidate during the presidential elections? That's the first point. Secondly, what can be said about American support for one or another group of the reformation movement?

R. Hartono: With what is happening in Indonesia regarding the crisis and all these developments, it's true that there is a lot of interest from outside. Especially from the West, from America which has trade interests in Indonesia. Their main stand is how to protect their investments inside Indonesia, and how to make Indonesia stable. If there is no stability, no capital will be invested in Indonesia. But I don't know exactly what the case is and it's not fair, I think, to accuse any of the reform groups of receiving contributions or any other form of support from the US government.

But I think, from the very beginning, it is true that the Americans have been trying to find the right persons in Indonesia who can stabilize the country. In 1996, the Americans tried to approach Megawati. But Megawati never explained what she thought was actually the problem in Indonesia. And she never issued a political program or platform for her party, the PDI. Amien Rais, of course, only came out these last few months actually. So we are still trying once more to find the person or persons who could be the real leaders. Maybe, as Joel said, this person from the military, Susilo

Bambang Yudoyuno, is also a very popular figure. Right now, there is such an opportunity for the emergence of these leaders from the military.

As for the question of whether PRD is going to nominate a president, our leader, Budiman Sudjamiko, is now in prison. But nominating our own president is not really a problem because the Ciganjur people, who have the potential to become the new power, still at least have the commitment to continue the democratization process. At least they will proceed with the fight for political liberty in Indonesia because that's the most important thing—to have political liberty, to have democratic space. This way, they have more possibilities to implement these reforms rather than the old regime.

A. Budiman: PRD became important because during the Suharto regime, it was the most courageous party. In Indonesia when you say something against Suharto you become very popular and people identify themselves with you. At the time nobody dared to speak out, but now there are so many people talking courageously.

But I think for this first round of the elections, the PRD will not play any significant role. In this situation, PRD more or less is going to move into the background. This is also especially because I think Indonesians have not been able to free themselves from the old ideology against communism. I think many Indonesians still think that communism is evil and Marxism is dangerous and PRD is connected with Marxism and communism. So people will be afraid to vote for PRD. So if PRD joins the elections I don't think those in PRD are aware that they may not gain any seat at all because they don't have the charisma and other things (needed to get voted in).

I think the future of PRD depends on the skills of its activists to organize workers, the peasants and the urban poor. If they can do it I think they have a strong base for the second round of elections. But not this one as it has been too early; they don't have the time to prepare.

So PRD is not that popular because there are now so many other people courageously speaking out and acting. Take the case of Sri Bintang Pamukas, who was previously very popular because he was the one who said, "I'm the opposition party and I want to replace Suharto. I challenge Suharto." But now he's almost a nobody. No one invites him to talk. In any case his talk would not have been very helpful because he just made that very courageous statement without analysis.

So this, I think, is the role of PRD. They played a very important role under Suharto and I think they will play it again if they can strengthen the organization and work together with the people. So far there is no the other party that is nonelitist. That's my answer to the question on the PRD.

Secondly, about the role of the Americans. I think, originally, the American role was based on the most conservative foreign policy wherein they would support any leader who was pro-American, whether he was a dictator or democratically elected leader. I think this was the policy until John Kennedy. He changed it because the result of that very conservative policy was the emergence of communist regimes in Vietnam and in Cuba. The Americans supported dictators who got toppled, and the result was that leftist regimes took power. So now I think the Americans have placed another condition for support, as a second priority. The first priority still is that the leader must be pro-American. The second priority is that, if possible, he has to be a popular leader and an elected one. Marcos was quite pro-American, and then they just dumped him because he was very unpopular among Filipinos. Thus Cory Aquino emerged as the alternative leader who was also pro-American but more popular.

I think this combination is now the priority. Back in the 1970s, they wanted to get rid of Suharto because he was getting very unpopular due to corruption. They wanted to get rid of Suharto because by supporting him. Americans were also getting unpopular. But they were afraid because there was no alternative leader on the horizon at the time. So they said that it could lead to chaos, so better to support Suharto for the present but to try to cultivate an alternative leader. And that's when they started giving money for projects on strengthening civil society and democracy organizations.

I think the American policy on Suharto was something like that in the 1970s. They didn't like Suharto and they wanted to have an alternative leader. But what Suharto did was to knock down every possible alternative candidate. So there was no candidate left on the horizon, and therefore no alternative. It was said that at one point, I think, the Americans were supporting Megawati but she didn't have a clear perspective. And then I think the American analysis drifted towards thinking that, after Suharto, it has to be another military leader, that the country was not ready for a civilian leader. So they bet on the military horse, but also on the civilian horse.

Then I heard from very trusted sources that America was supporting Prabowo as the alternative to Suharto, which was quite okay because at the

time Prabowo was quite interesting, being American-trained when he was a captain, and later as a colonel as well. His English is also very good and he's very articulate. (I know him also.) He was the darling of the foreign press during the operations against the kidnappers in Irian Jaya. He is the one who gradually gained power. If you talked to the military, the generals tended to talk more about Pancasila and they could not be understood. But Prabowo was different. He explained things in a nonmilitary way. And as far as the foreign press from *Far Eastern Economic Review* and *Time* magazine was concerned, Prabowo was just superb.

So at that time the horse that American interests were betting on was Prabowo, as well as the other opposition group. It was support openly given. They really wanted to get rid of Suharto. For instance, when there was a delegation from the US State Department that came to Indonesia, they asked the American Embassy if they could see PRD leader Budiman Sudjamiko and the labor leader Mochtar Pakpahan. This expression of blatant public support took place despite the accusations by the government that Budiman Sudjamiko was a Marxist communist.

Luisa Mallari: My question is about *tentang budaya di sana*, the culture there. What have other writers and poets been doing since the change in government, and particularly in terms of two types of writers, i.e., one represented by Pramoedya Ananta Toer (whose works, translated into Chinese, have I think come out recently), and the other represented by W.S. Rendra. If I'm not mistaken, he could attract crowds with his poetry reading. I don't know if that is still true. But, if that's the case then, to what extent have these writers and cultural workers been politicized, and have they been tapped by political parties?

J. Rocamora: Pramoedya himself is very old and very frail at this point. He doesn't really play an active political role. He did generate some controversy when an issue was raised about being given a Magsaysay Award for Literature. The Indonesian literary community was divided between those who thought he deserved the award and those who protested because, as a leader of *Lekra*, an old communist party cultural organization in Sukarno's time, he also participated in oppressing other writers, and so on and so forth. But by and large most of the writers that at least I respect in Indonesia supported Pramoedya.

When I was in Indonesia in October, there were reports that Rendra became part of a group of advisers of General Prabowo that planned Prabowo's attempted takeover of power back in May. But I don't know whether that's true or not; this has to be checked.

A. Budiman: I think Pramoeđa is basically a living symbol. But he cannot do much because his movements have been greatly restricted by the military. He cannot go anywhere, and people have to come to him. But at least he is the living symbol of a resistance that has never been defeated. And I think he is actually really great in that sense. He never gave up and even a physical beating by the military failed to silence him.

As for Rendra, his problem is that he seems to be always in financial trouble. He has many wives, lovers and other things. In addition, he worked together with Satyawan Jodi, a businessman who had close ties with the Suharto family. Jodi is very rich, and he gave a lot of money to Rendra. Rendra thus became very dependent on Jodi, who is also very ambitious. So, before May 1998, many people thought that Prabowo would take over after Suharto. Prabowo was considered very strong, and even the Americans believed this. We also thought that Prabowo's taking over was a possible reality because he had all the connections that were important. He secured the important military appointment as head of KOSTRAD, the strategic command. Before that he was the commander of the Red Berets, the special troops. Apart from the right connections he also had the right skills that were attractive to the foreign community. He was a diplomat, and also the son-in-law of Suharto.

I think these were the reasons Satyawan Jodi was trying to be close also to Prabowo. During the May riots when the troops shot the students in Trisakti, Prabowo asked Satyawan Jodi to come to his headquarters in front of Gambir Station. Rendra came along as well. This became a problem because people were asking, "What did Rendra, Satyawan Jodi, Prabowo and other groups who were going there planning to do?" Also present was Adnan Buyung Nasution, also a very ambitious person who, in a sense, is like Satyawan Jodi. He was a member of the press, was close to Habibie and, in fact, became Habibie's lawyer for IPTN (*Industri Pesawat Terbang Nusantara*). Generally, Adnan Buyung Nasution is considered a dissident; of course because of certain needs like money and stuff like that, sometimes people do compromise.

During the last days of Suharto many dissidents also got tired of being in the opposition. They looked at their friends who have acquired good connections and good positions and, I think, they wanted to change their own situation also. They felt that they were on the wrong track. So just maybe they changed tracks at the wrong time. Nobody thought that Suharto was going to step down in January, February, even in May. The people asked: "Why did Suharto step down when the students were not really strong enough to do that?"

So this is to answer your question about Rendra. I think through Satyawati Jodi he became close to Prabowo and also maybe to the family of Suharto. And Rendra, of course, kept his rhetoric to the center, unlike Pramodya who, even if he wanted to go into the government would have found it impossible to do so.

Regarding the role of the *Seniman*—the artists—in Indonesia, you have to look at the regional peoples because it's very interesting, especially the theater group. We just had a conference in Melbourne on the Indonesian crisis, and one of the panels was the cultural aspect. And you can see, especially the traditional theater in Solo known as *Theater Granrik*. They are basically fed up with the military. Some of them come from the student groups. They have the talent to become playwrights, actors and other things. And they are educating the people because they go to the villages.

Let me give an illustration. There is a play called *Biotabung* or "test tube baby." The story goes something like this: There is a kingdom somewhere, and in this kingdom all the people who are born naturally have to be put in prison because there was fear of a virus, because they were not using modern technology. So people have to be born as test tube babies in order to make sure that they are clean. So there was this Prime Minister who was very much against anybody who came into this world through natural child birth. These people were prosecuted; all were put in prison. And everybody had to show that he or she was born as a test tube baby. And you know what it means of course in Indonesia. Later it was proven that the Prime Minister was himself born naturally. So at the last moment the truth came out: "Oh, you were born naturally, too; you have a mother."

This kind of theater is very symbolic and does not necessarily directly attack the government. But it serves to educate the people. (For example, what is saying is that) it is certainly not right to put people in prison just because they belong to a certain category.

And then there are the poets. I have a collection of poems written under Suharto, all by young artists. I had just read it in Melbourne and they are very good. One of the poems has a story about someone who comes to a strange city, and finds everyone sleeping. But even when they are sleeping, in that poem, they are awake. In a sense, the police are sleeping but they have a gun, they walk around; traffic policemen are sleeping but they control traffic; teachers are sleeping, but they are teaching; the members of the parliament are sleeping, but they are making decisions. Everybody is sleeping but doing something and making decisions. And the visitor was wondering: "What happened? Everybody is sleeping but still doing their jobs, including important jobs." Then suddenly a security guard tells him that he had to leave the country, that he was *persona non grata* there. "Why?" he asks. "Because you are not sleeping," he is told. He asks the guard, "But are you sleeping?" "Sure. But we are guarding this country for sleepiness." A poem like that is very powerful and also funny. And there are many poems like that. These are not published in the media. That is not possible. But the artists, the local artists, are educating the people (by saying) that something is wrong with the country, and they are very effective. These people and groups are not that popular because they are not mainstream artists, but many of them are involved in this kind of cultural movement.

Dony (*Kompas* correspondent in Manila): Two days ago I saw a campaign advertisement of Amien Rais. How far can the media go, especially in a large archipelagic country like Indonesia? What is the composition of those ruling the media? The way I understand it, Amien Rais is an opportunist who still likes to deal with Suharto's children. How do you gauge the media's role and the government's (sincerity in) giving freedom to the media people?

Arief Budiman: The media have been very important, but under Suharto, I think everybody was afraid to openly confront the government, and those that did were banned, such as *Tempo* dan *De Tik*. Under Suharto there were two groups basically—those who were for the government and those who were against the government but still not openly confrontational such as *Kompas*, *Suara Pembaruan*, *Suara Karya*. They reported objectively, they educated the people to be critical, but they never confronted the government. It was impossible for them to do so under Suharto. When the opening came, after Habibie announced that media was all right, then everybody was free to attack Suharto and to attack Habibie also. So it's very

free. But TVRI is government media. And then we have SCTV, which is owned by Suharto's half-brother, Sudikatmono. RCTI is owned by Bambang, a son of Suharto, and the other one, TPI, is owned by Tutut. Another one, INDOSIAR, is owned by Liem Soe Leong, a Chinese businessman who was a crony of Suharto, of course. And the other one is owned by Bakrie. So much of the electronic media is being controlled by the cronies of Suharto or the children, the family of Suharto. But they have become very open because many of the journalists who work there are all student activists.

So when the opening came after Suharto's resignation, the media became much more courageous and published daring criticisms against Habibie. Now Habibie has found it not very pleasant for him. But what is happening is that the government party, Golkar, is engaged in buying all the shares in media including the print media. Of course, they cannot do this with the financially secure papers like *Tempo* or *Kompas*. But they can do this with some Islamic magazines like *Umat* (whose chief editor is someone I know personally). They basically are unable to finance their publication anymore because they are not getting advertisements. Besides, the cost of printing and paper is now skyrocketing. So it is impossible to go on alone. But when they start looking for new investors, who would come along but Golkar?

It seems that one of the Habibie regime's strategies is to buy off all the media. This way Habibie and his Golkar party are also able to influence public opinion. This is very, very important. I mean, now you can see the switch of the slant of news—from a previously very critical one to one that is more accommodating to the government. Of course they cannot do it in black and white terms, that is, switching from being anti-Habibie to pro-Habibie. They still engage in the rhetoric of criticism. But there has been a sudden shift in the media now. People are able to see the difference. Now they talk reform rhetoric, but the content is very different. I mean it is misleading in a sense; it is done in a very sophisticated way. Of course, compared to the period under Suharto I think the media have been very much liberated. But there is now a bit of a danger that money will come in and control the media.

R. David: In 1986, before the snap presidential elections in the Philippines, the media was fully controlled by Marcos. We did not have at that time the kind of democratic space in media that you have now in Indonesia. The widening of the democratic space took place only during the campaign period. And that was taken advantage of by different groups

opposing Marcos. But even so, throughout the period of the early 1980s, an alternative media emerged in the Philippines. The so-called "mosquito press" was very active. Then, what we call "fax journalism" was very active, and the reproduction of VHS and Betamax tapes of anti-Marcos material was in full swing. These were being shown in different parts of the country. So people can always find ways of opposing and delegitimizing the regime.

But I want to comment on something that sprang from your question and from Arief's comment that you were all surprised when Suharto stepped down, when the actual fact was that the forces that were opposing him were very weak. We were also very surprised that Marcos announced an election in 1986, or actually in 1985, late November 1985. What does this say about political processes? I think there is a tendency sometimes for resistance forces or social movements to magnify or exaggerate their importance in public language, which in their imagination sometimes pushes them to very adventurous schemes. But if you look at the situation in the Philippines, and also the situation in Indonesia under Suharto, it is quite obvious that there were internal processes taking place within the regime that were compelling the regime to accommodate certain changes.

In the Philippines, between 1983 and 1986, the term "crony capitalism" became popular, and it was a kind of battering ram for the World Bank and International Monetary Fund to demand certain adjustments in the Marcos regime—to some extent. And, given the fact that the fortunes of the Marcoses were intimately intertwined with the fate of the Philippine economy, the question was to what extent he would be willing to make concessions. And I think that if it was true for Marcos, then it was more true for Suharto. And when Suharto stepped down, it could be hypothesized that he stepped down not so much because he was afraid of the crowds in the streets, but because he wanted a measure of political stability in order for confidence in the Indonesian economy to be restored. And, in a sense, he was probably more afraid of Michel Camdessus of the IMF than he was of the students, and his stepping down was a measure of his accommodation with this phenomenon.

Suharto and his allies thought that his stepping down would signal the restoration of confidence in the Indonesian economy, which was plunged into a very deep financial turmoil as part of the Asian crisis. In other words, what I'm saying is that without the Asian crisis I don't think that Suharto would have stepped down. If that is true, then my argument is that the future course of action for the Indonesian social movement will have to be

premised on a definition of the main source of vulnerability of the regime in power. And I think that one of vulnerabilities is basically economic in character. The fortunes of the Suharto family were so intimately articulated with the economic conditions of Indonesia, it did not rely so much on the condition of the readiness of the movements that were opposing the Suharto regime.

David Wurfel: The miscalculation by leaders who were supposed to have all the intelligence information and resources at their command is seen particularly in the case of the Marcos decision to have an election. I suspect there may have been a miscalculation in relation to Suharto's part, too. It was obvious in the time of Marcos then, and now in Suharto's case, i.e., supposedly intelligent and well-informed leaders make such mistakes.

Unidentified Participant: I'd like to know your observations or your assessment of the role that have been played by the NGOs, or self-help groups, in the democracy movement. Was their presence felt? Did many of them directly or indirectly participate in the process that happened last year? Maybe a related point is, if the NGOs or other groups are to play a significant role in what is happening now in Indonesia, what role do you think they should play, and how? And what about in the future as well?

Arief Budiman: The NGOs become important when the regime becomes repressive because the political parties no longer exist and the people have nowhere else to go to. And the NGOs basically work closely with the people. NGOs in Indonesia, in general, do not constitute mass-based organizations. But they are critical and their closeness to the people results in a mass educational process that makes the people critical also. Now the human rights NGOs and the legal aid NGOs especially are confronting the government, using a lot of legal strategies. So what they do is use the legal system in opposing the government.

The student movement and the NGOs have come to work closely together. Students who are active in politics face the risk of being expelled from the university. And basically when they are expelled, because of political reasons they cannot get education anywhere else in Indonesia because, in order to enroll in the other universities, they need some kind of government certification. So what they do is they go and join the NGOs, and the outcome of this partnership is that the NGOs become politicized.

So I think the role of NGOs is in the educational process, and as an alternative to opposition political parties. They don't really come out too openly to the surface, but they are doing a lot of things on their account. The LBH (Lembaga Bantuan Hukum), for instance, articulates a lot of the problems of the new government, especially in the area of human rights. And during the present transition, there is an NGO called KONTRAS which is very articulate in expressing the problems of the assaults against the ethnic Chinese, including the problems of kidnapping. There are NGOs working on the East Timor issue, helping expose the atrocities of the Indonesian military occupation troops. Yes, despite claims by the military that they are different and have changed, their behavior in East Timor says otherwise. They are the same military as any other military in the world—killing the civilians.

So among the NGOs, there's a lot of education campaigns going on aimed at delegitimizing the government. They cannot really mobilize the masses, but they contribute a lot by instilling in the minds of people an oppositionist standpoint. In the future, if the political parties become more alive, I think the NGOs' role will be reduced because there will now be other organizations that will play the role being played now by NGOs. But what will happen is that if there is a political party, the NGOs become part of the political party. Because just like in the Philippines, the work of NGOs is connected with a political agenda or tied to political parties. So I think the political party of PAN, for example, will create NGO sections, something like a PAN Human Rights section, etc. If the political parties are alive and active, the NGOs will probably continue to play a role, although not as significant as before.

J. Rocamora: I want to go back to Randy's point because it will enable me to deal with the whole question of the role of the US. I think the role of the US operates mainly in terms of which presidential candidate they support. Because if we have a situation where all of the presidential candidates are for the US, then they will have to choose which one to support. But what's more important is that the IMF goes to Indonesia once a month to evaluate the performance of the Indonesian government in managing the crisis. In other words, the IMF team is to determine whether the Indonesian government is following the agreement with the IMF or not. If the IMF team decides that Habibie has not been a good boy, then Habibie does not get the billions of dollars that will come with a bill of clearance

from the IMF. The sparring partner of the IMF in determining Indonesia's fate is the US Treasury Department. The two act together.

It was very clear that Suharto's friction with the IMF was over two things. One is that the IMF wanted policies that would have been terrible or were contrary to the Suharto family's economic interests. Among the 16 banks, for example, that the IMF forced Suharto to close down, two were controlled by his son, and another one by a half-brother. The other source of friction is that the IMF was demanding things: raising interest rates and cutting back on government expenditures, especially expensive infrastructure projects. These again would have directly hit the economic interests of the Suharto children.

The IMF being under the influence of the US, has tried to achieve both economic reforms and political reforms, but at the same time they really leaned very hard on Suharto regarding things that were very specific to the Suharto family's interests like the *Timur* car project, or I think things like the electricity board, etc. But I don't think that Suharto resigned because he thought he might keep some of his economic power by stepping down. I think Suharto was forced to resign because the other people in his regime forced him to resign, because the other people saw that if Suharto did not resign then the whole thing would collapse with them in it. For example, when he was trying to form a so-called reform cabinet, none of his economic ministers would agree to serve on it, not any of his technocrats nor his economic ministers.

In addition, the military faction in parliament led a move that was very clearly anti-Suharto in the days just before he stepped down. Suharto also tried to call Muslim leaders to support some kind of so-called reform program, but the Muslim leaders also refused. All of these people were part of the regime, and their strategy to save the regime was by sacrificing the king. And it worked for them. They have managed to keep the regime going.

Ellene Sana: They sacrificed the king so that the regime could be saved. But the people were not satisfied with the king gone. With him gone they were still not happy. And in fact one of the demands of the democratic movement articulated strongly by the PRD leader is to put Suharto on trial for exploiting and abusing the Indonesian people. So they held not only the military accountable for human rights abuses, but also Suharto himself. So what is the status of this particular demand of the people of Indonesia? And what are the chances of the top leaders of PRD, Xanana, and the other

political prisoners being released? Habibie has released a lot of prisoners. But the top leaders of the militant groups are still in prison. So what's going to happen?

A. Budiman: To answer the second question, i.e., whether Suharto will be treated in a serious way in an investigation: I think that as long as Habibie is there and the military is intact, it is impossible because it's just like committing suicide for them. If all the secrets of Habibie and all these generals are in the pocket of Suharto, he can just release all of his information if any of them upsets him, and they will sing together. So it is basically simple logic to say that these motions to investigate Suharto are all a farce, because precisely it is against their interests. Habibie would be committing (political) suicide, preparing his death squad, if he prosecutes Suharto. Suharto must not be made angry; that's why I think the radical students demand total reformation first before election. Apparently, nobody believes that anybody is serious about prosecuting Suharto.

Regarding PRD people being released, I think everybody knows, including the government, that the PRD is no threat to it. I mean they are militant, but they can be dealt with by the military very easily. They are just like mosquitoes—they bite but they don't kill people. They are considered dangerous, I think, because they are perceived as Marxists, and the enemy tells people not to study Marxism ("If you study Marxism, this is what you get.") So now they are kept as a symbol, as a kind of warning to other people that Marxism is dangerous and so they keep it that way.

I don't really know, it's difficult to answer that question, but again, if the military is still powerful, it's very difficult for Budiman Sudjatmiko to be released except through strong international pressure. I think that's the only chance for PRD. The same goes for Xanana.

For us Indonesians, it's very silly if you don't understand about the context of Marxism. During interrogation, the military would have known that the PRD is not a militant group, just a bunch of romantic people. It is just like a rebellion against the father, I would say, because under Suharto, whenever he said an opposition party is prohibited, the PRD in turn said, "Okay, we're an oppositionist party, so what? Communism is prohibited. I'm a communist; so what?" So they keep challenging the father. I mean it's very interesting to watch the game. And now they have become victims.

Budiman, for example, didn't do anything. I was with him on the 29th of July. We were talking, monitoring what had happened to PRD that

morning. But he did not do anything. I mean, he was organizing the people, yes, but the accusation was false. (He's in prison) not because he is dangerous. But I think he is being punished because the target is not him, but the wider audience.

R. Hartono: On the possibility of a trial for Suharto, I think it is impossible for the government. But there is still a possibility because they might learn from the experience in Chile with Pinochet. So maybe at this moment when Habibie, the military, and basically Suharto are still in power, it is still better for Habibie's government to make a show trial for Suharto. Suharto will be punished as minimally as possible, but that's constitutional according to the regime. If Suharto is not tried in Indonesia, it might be an international trial that will judge him, just like Pinochet who touched off calls for an international trial because he was not charged inside Chile.

About the release of political prisoners, on the 2nd of January the regime released 96 more political prisoners, most of them East Timor Liberation Fighters. And the others were also from the separatist movements in Aceh, West Papua, and from the Islamic organization. But they will not include PRD and PKI and Xanana Gusmao. Because, until this moment, they are still using three criteria in releasing political prisoners: PKI prisoners who espouse Marxism, Leninism or communism cannot be released. The second criterion is that they do not go against Pancasila, the state ideology. PRD is affected by the second criterion. And the third is involvement in organizing violent action which has cost lives. Xanana and their armed struggle movement are included in this criteria.

At this moment, the government is still using these three criteria basically and the release of political prisoners is actually the prerogative of the president. It means that if Habibie is really committed to releasing political prisoners, he just needs to ask the commander of the military, Wiranto. But, in fact, the military will not allow it. Although PRD is small, they are still trying to keep PRD in prison. But for me as a member of PRD this convinces us that we are in the right direction, struggling for democracy in Indonesia. Because we (the PRD) are developing. Even when we were underground for the last two years, we developed, which convinced us of the correctness of the strategy and tactics of armed struggle.

Arief Budiman: Usually after discussions like this, I am asked whether I'm an optimist or a pessimist. As I was saying, looking at the present

situation at present in the short term, I am a pessimist. So many things are still in the dark, we still don't see the end of the tunnel. But in the long run, I'm an optimist. In a sense, I think maybe I'm Hegelian. I believe that history is progressive, leading us to a more democratic society. And we are moving to that, I think. We are making progress and somehow I think in the future we are going to be a more democratic country, not because of personalities of the leaders, but because the structural conditions are there. Awareness, especially that people have rights, is already there, stronger than before. People have been much more organized now. We have PDI Megawati, we have PRD, and many other things. And also the international conditions for a military government are not favorable anymore, so all the conditions point to Indonesia being democratized. There will be no military regime like before. So I think the direction is right. But I know if you ask, why be an optimist? I don't know, I just believe that it will be more democratic within 10 years. Indonesia will be much better than now. Still, in the short run, it's very difficult to say anything. That is my position now, and before we go back home, I just want to express again my gratefulness for this opportunity to get into the many nuances of the problem. Hopefully at some other time, I could come again, then we will have another discussion like this. Thank you very much.

FORUM

Toward and Beyond an Independent East Timor

Prof. Miriam Coronel- Ferrer: Maraming salamat, or *obrigado barak*, as they would say in Timorese. Several organizations have organized this forum today, showing the kind of support that (the question of) East Timor has in this country: Asia Pacific Coalition for East Timor (APCET); Philippine Solidarity for East Timor; and four University of the Philippines offices and institutions, i.e., Center for Integrative and Development Studies through its Asia Pacific Studies Program, Asian Center, College of Law Institute for Human Rights, and the Third World Studies Center. Atty. Albert Muyot, Director of the Institute for Human Rights and a professor of the UP College of Law will give the opening remarks.

Prof. Albert Muyot: We are glad that, once again, the UP College of Law is playing host to a conference on East Timor. You recall that in 1994, when the first conference was held in the College of Law, the issue was brought all the way to the Supreme Court through a very tortuous legal court battle. In 1997, the UP College of Law through the Institute of Human Rights, invited Mr. Jose Ramos Horta, who was then director of the diplomacy training program of the University of New South Wales. Together with PAHRA, we tried to invite Mr. Ramos Horta to come to the Philippines. Unfortunately our request was denied. We went all the way to the Malacañang, but because of the strong pressure brought about by the Indonesian government, the Philippine government rejected that request for a visa.

We have seen that time does cause a lot of change. We are glad that with the new government in Indonesia there have been significant developments

* Malcolm Hall, College of Law, University of the Philippines (Diliman, Quezon City)
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with regards to East Timor. We are particularly gladdened by the transfer of Mr. Xanana Gusmao from prison detention to house arrest preparatory to what we hope will eventually be a grant of independence in the very, very near future. This we take as a positive development.

Here in the Philippines, through all these years, though we knew very little about East Timor, nevertheless we have kept the faith, and we have worked together to try to at least bring to public light the issues in East Timor. When we talk about civil and political rights, we talk about the rights of an individual, we talk about economic and cultural rights, and perhaps we are more concerned about the rights of the community as a whole. But the thing is, there is no greater right than the right to self-determination—the right of a people to determine what the future should hold for them.

And in this sense we welcome all of you here with the fervent hope that the right to self-determination of the East Timorese people will eventually come to full fruition in the near future. So once again we welcome everyone, our guests, and we welcome all of the participants, the students who have found time to join us for what we hope will be another positive step towards the eventual independence of East Timor.

Prof. Coronel-Ferrer: Prof Muyot is not a stranger to the negotiation processes currently ongoing in East Timor, having been a consultant to the government panel in the negotiations of the Philippine government with the National Democratic Front. Let's also hope that the new Philippine government will be more prudent in dealing with the issue of East Timor. Now we will request the Coordinator of Asia Pacific Coalition for East Timor, the famous APCET, Mr. Gus Miclat, to introduce our guests.

Mr. Gus Miclat: This gathering has actually a tinge of history. Five years ago this was the venue of the first Asia Pacific Conference where we established the Asia Pacific Coalition for East Timor composed of different solidarity organizations and movements in the Asia Pacific region. Some of our affiliate representatives are here, and I'd like to introduce and acknowledge them: Coki from Indonesia, who represents Solidamor and Pijar; Maxwell Lane, from Australia, of the Action for Solidarity for Indonesia and East Timor or ASIET (Maxwell Lane was one of the original APCET I attendees); Chalida Tadchoronsuk of The Friends for East Timor-Thailand; Norman Uy Carnay of the Asian Students Association and of

the Youth Caucus of APCET; Ms. Ellene Sana, coordinator of the Philippine Solidarity for East Timor and Indonesia (PHILSETI); Mayumi Kawarahada of the Free East Timor-Japan Coalition; and Sinapan Samydorai representing the Hong Kong Round Table for East Timor.

Our the main speaker is Agio Feriera, the Executive Director of the East Timor Relief Association of the National Political Commission of the CNRT (National Council of Timorese Resistance), the umbrella organization of the resistance in East Timor, and if I may hazard a personal view, a government-in-waiting. He is responsible for the field of NGOs under the CNRT, and he has campaigned for Timor freedom since 1975. By the way, what he didn't say in his biodata is that he is also a musician and a singer. In fact to those of you have been listening to East Timor tapes, he is the person behind that famous East Timor signature song, "I'll Keep On Fighting." Maybe we can ask him to sing it later on.

Then from Dili, East Timor, Antonio Cardozo Callas Machado is the Coordinator of the Political Department of Fuerzarepeti, roughly translated as the Forum for Pro-Referendum and the Development of East Timor. He is also the General Coordinator of the Hadomi Timor Foundation or Love East Timor Foundation, and a lecturer of Economic Science at Dili College and adviser to the burgeoning struggle inside the East Timor Student Solidarity Council, the student organization that has been very active in recent weeks. He has been a militant for the past years; was detained in Dili from 1978 to 1979, and has been active in the underground organization in one district in East Timor. He is now a member of the Secretariat of the CNRT inside Dili.

Vicente Suarez Faria, from East Timor, is the coordinator of the Political Department of the Fuerzarepeti and general manager of the Hadomi Timor Foundation. He is also a lecturer at the University of East Timor Social Science, Political Science and Public Administration Department. Like his colleague Antonio, Vicente has been with the underground movement since 1975. In fact just before the 1975 invasion by Indonesia, he was the chairman of the Youth East Timor Organization. He joined the guerillas from 1975-1978, the guerilla army of the resistance called FALINTIL. In 1978 he was captured and imprisoned. Upon his release, he studied at the East Timor University and graduated in 1994. Since then he has been a lecturer at that University. Like Antonio, he is also an adviser of the Student East Timor Solidarity Council.

Agio Feriera: First of all, allow me to thank PHILSETI and all the other organizations that not only put this meeting together but sided with us during our most difficult times. APCET, PHILSETI, IID and many other organizations in this region have been critical in changing the tide in favor of the people of East Timor. All I can say is that, in the hearts of our people, all of these organizations and everyone of you that have made these organizations effective for East Timor have a place not only in our hearts but in our country—a free and independent nation—the Republic of East Timor as many of us now refer to it.

I especially would like also to greet my brothers and sisters who came from East Timor. Many have made the Philippines their home for a while now. It was an honor to meet them all here. They sent us two songs that are very moving, highlighting the fact that justice and peace will emerge together in our country, strengthening our soul. They reminded us that the cost of our blood, death, suffering and tears is now about to be paid off. They also alluded to the fact that our country has a lot of resources that we will manage sustainably, just like, as they say, the waves of the sea that seem to be endless. So I would like to congratulate our singers for their important messages about our aspirations.

I would also like to thank the chair for being with us today and helping us go through the program; Gus Miclat, Max Lane and many distinguished solidarity activists who in their own way have tirelessly worked for the cause of East Timor, and of course, for democracy as well as the rights of the people of Indonesia; Prof. Alberto Muyot, for his encouraging words and for highlighting the fact that Xanana is now being transferred from Cipinang prison *per se* to what Ali Alatas called a branch of Cipinang prison—that's what we call a gradual, step-by-step approach to freedom.

In 1994, when the first Asia Pacific Conference on East Timor was held in Manila, that was a breakthrough for the question of East Timor. It was also in the same year when 115 NGOs gathered in Bangkok and realized that there was a need to Asianize the question of East Timor, acknowledging that for too long the East Timor campaign was Eurocentric; that the region of Asia, and particularly the Asean countries, have enjoyed the total privilege of turning a blind eye to the suffering of the people of East Timor. And therefore a new strategy was adopted in a communique that the question of East Timor must be brought to this region. It challenged the so-called Asean governments' solidarity, and highlighted to the rest of the world the question

of East Timor for the first time, not just in the region but from this region where we belong. Indeed, because it shook Jakarta.

It was a turning point for the question of solidarity, and the beginning of changing the balance of the powers that controlled the media and the question of East Timor in the region in favor of the people of East Timor. So for that I would like to congratulate all of you who took part in this process. I also bring the message of my colleagues, Inez Almieda and others, who managed to come here. I gather this was the same place where the first meeting actually took place. Unfortunately or fortunately, whichever way you see, I and other colleagues were banned from entering Manila. So it's so nice and a great privilege to be able to finally be with you all.

Of course it's also very important, and I wish to note the presence of my two colleagues from East Timor that over the years never surrendered and fought in every possible way to strengthen the struggle from inside East Timor, the clandestine movement, the spirit of the prisoners, the students—since the so-called opening up in Indonesia, they also have been very active.

When Indonesia acknowledged that East Timor was a sharp stone in Indonesia's shoes, it was probably never recognized that the sharp stone was a serious one, that with pressure from the international community, the sharp stone could become sharper and sharper. And you get to a point where you cannot really take it anymore. And of course in the struggle for liberation there are so many factors that converge to create an outcome. And we—the oppressed and the people who suffered the illegal occupation by Indonesia—we always expected that the tide would one day turn in our favor.

So recently Ali Alatas and Yunus Yosfiah, the Foreign Minister and Minister for Information respectively, decided to declare after the meeting of the council of Habibie's government that if the Timorese don't accept the proposal for special status or autonomy as a final solution to consolidate the integration with Indonesia, then Indonesia would be ready to let East Timor go. Of course those statements really shook the media and the international community. There were responses from all over the world. The UN Secretary General through his spokesperson said that they were still absorbing the announcement and that they hoped that since it was made two days before the actual tripartite talks in the UN, they would focus still on the autonomy proposal in the UN.

The Portuguese president also issued a statement, saying that this will certainly facilitate the negotiation process, but that it was premature to make anything out of it. What emerged afterwards was that the Indonesian government really was ready to let East Timor go, not because they wanted to, but that they were forced to do so by the solidarity movements in the region and worldwide, by the European Union, by resolutions passed by the US Congress, and by statements made by many governments as well as nongovernmental organizations around the world. All these enhanced the perception that Indonesia has really reached the point when East Timor must really be let go of.

The crisis in Indonesia, of course, helped catalyze the situation. But the main question today is, where do we go from here? Two days ago when I spoke to Xanana in the light of the current situation, he said, "Remember, *compañero*, that time used to favor us against Indonesia, now it favors Indonesia against us." What he means is that we really have to work very fast now. Indonesia is entering a phase where, many argue, the democratic process is irreversible. But then a democratic government under certain leaders in Indonesia like Megawati, for instance, would it favor East Timor independence? If the public statements given by Megawati are any indication, then we do have a concern. In some election campaign statements Megawati has argued that East Timor is part of Indonesia, and that Habibie does not have the legitimate power in his interim status to decide to let East Timor go.

Others like *Tapol* argue that Megawati simply reflects her own ideology that was sponsored by her father— one of expansionist politics. It was under Sukarno, for example, that Malaysia was invaded, and West Papua was invaded and taken over. Of course all of these are just provisions, a thesis of the times that are changing really, really fast indeed. And we all have to be cautious about what we do.

So from our point of view, when Xanana said that time is against us, we thought in our discussion that the main thing is to prove that we can govern ourselves. But then for how long do we need to prove it? And that is the core argument in the United Nations at the moment. There is a proposal on the table, a proposal that Indonesia wants final autonomy for East Timor. And this was the reason for consolidating the so-called Law 7/76 that the Indonesian parliament passed to absorb East Timor as its 27th province.

For the Timorese resistance, for the CNRT, for the Portuguese government as the administering power, and for the UN itself as well, the

autonomy must be discussed from the perspective of a transition. And all the laws that have been written and discussed in the UN two weeks ago are within this framework of a transitional period. A professor of the University of Columbia has been contracted by the United Nations to write these laws—from the Constitution of East Timor to telecommunications, to electoral laws, immigration laws, to the judiciary system, to the administrative system and governance—all within the framework of a transition.

We include in our struggle the demand for a referendum. And my two brothers here today specifically belong to Fuerzarepeti, which has distanced itself from certain smaller groups that want integration and not referendum. And they specifically made a statement, which is ours, to demand for a referendum. The question now is that Habibie and Wiranto have both stated something along the lines that if the East Timorese take over, ABRI wouldn't interfere because ABRI only protects the national territory of Indonesia. If this trend continues after the elections, then it means that East Timor, by all practical purposes, is going to be an independent country.

In our view, there are two sides to this dynamic. One is the Indonesian side: Indonesia used to accuse Portugal in the past and argue that as far as the Indonesian government was concerned, this issue of East Timor was resolved in 1976 when the Timorese, in a sports club in Dili, made a statement of integration which was used as a basis for the Law 7/76 that was passed by the Parliament. And therefore they only negotiated to help Portugal deal with the latter's domestic issue at that time. Now, the tables have been turned. Indonesia has to deal with its own domestic issues by declaring that it is ready to let East Timor go and by declaring that the only option is, in fact, to accept autonomy as a final solution. Because if we don't accept autonomy, then Indonesia doesn't want to have anything to do with East Timor anymore. "So go your own way," which is understood as "You can be independent if you want to, it's up to you!" Dr. Anwar, who is the adviser of President Habibie, even stated specifically that the Indonesian government will support the membership of an independent East Timor in the ASEAN.

And therefore you have these statements from top people in Jakarta that convince us that they really don't even want to think of autonomy as a final solution anymore. You can reasonably argue that Indonesia just doesn't want to have anything to do with East Timor anymore. And for logical reasons. One is that Indonesia is the only OPEC member oil-exporting country that has managed to go bankrupt. It suffers from tremendous unemployment,

and welfare and social crisis, ethnic, religious, and political, as well. Of course my understanding is that the dynamics are good. And last night I was reminded that there are now more than 140 political parties in Indonesia today. Well, this is a sign of a healthy democracy, especially if it evolves into something where the parties have a real say in the process.

But it also shows that if Indonesia is to become a really democratic country, then it cannot sustain the argument that the Timorese people should be denied the right to self-determination and independence, because no democratic country can do that. And the question of East Timor is an even sharper one because the United Nations have determined that the decade of the 1990s is a decade of decolonization, a decade of the eradication of colonialism from this planet. Currently there are 17 nonself-governing territories listed in the UN Decolonization Committee. East Timor is one of these 17. But it is not just one of the 17; it's also one of the most controversial, one that is at the center of attention of international politics at the moment. And therefore we have less than a year now to complete this goal of the UN. It is in this sense that I said earlier that the UN, too, has an interest in solving the question of East Timor. And Indonesia really has no choice.

The point that Xanana has made, that time is running against us, is that we are now entering a new era. In the past all of us—my colleagues here, in East Timor, and all the young people in many parts of the world—we have been really good in fighting against the Indonesian occupation, campaigning around the world, in the underground movements, in the mass mobilizations, in the armed struggle, in guerilla warfare in the mountains. The challenge of the new era we are entering is that we now have to think of building the infrastructure of an independent nation, our constitution, our judiciary system, our educational system, industries, the health sector, telecommunications, electoral laws, to determine even what is the official language of East Timor, what is the type of government do we want in East Timor. Are we going to have a president, a vice president, prime minister and other executives that are elected by the people? How is our democracy going to be structured? What are the institutions of democracy that we want to build? All of these are important questions. And these are things many nations that have been independent over the last half of this century have yet to mold properly to suit their needs. So how can we ourselves do it?

And this is why the question about the length of the transition period has been emerging. Some have argued for a five-year period, and Bishop Belo was telling us in Sydney that it should be 15 years. We are looking at so

many years ahead. But, strategically, it doesn't really matter how many years the transition will take. What matters is that it is not to take place under Indonesia at all. What matters is that because we constitute a non-self-governing territory, the United Nations and the administering power of East Timor—Portugal, together with the European Union and other NGOs around the world and specifically in this region, get together to really support us to build infrastructure and institutions of democracy in East Timor. It might take five years, it might take 10 or 15, but we should also go, as I said earlier in the case of the freedom of Xanana, "step-by-step."

In this transitional period, there is also an argument about the possibility of civil war in East Timor. Yesterday there was a very important meeting in Dili. I got a call from one of the organizers about how it was going. Many of those who attended were armed by the Indonesian Army (ABRI). So did Fretelin leaders, CNRT cadres, and church leaders. So there was a discussion about how to work together. In my view, many of the militia have been armed by Indonesia. In one way, it was armed officially by the Indonesian military, because in November the Indonesian Armed Forces Commander in East Timor stated that they will do just that in the aftermath of the killings, that they want to arm the civilians to protect themselves, without saying who it is they should protect themselves against. But these people are armed anyway.

So the question now is how are we going to disarm them? CNRT, in its meeting in Algarbe which I attended, issued a statement whereby it wants to adopt a strategy of buying back the weapons. In the first stage in East Timor, CNRT wants to galvanize financial support from the international community so that every Timorese who has a gun will hand over the gun and the bullets and they will be paid money for it. And therefore in the first stage of East Timor being under Timorese responsibility, the first priority will be to disarm not just this militia but the country as a whole. Xanana himself, in his recent interview with the Indian Pacific Affairs Program of ABC Australia, stated that FALINTIL will just be a symbolic army in East Timor. The question is, what does he mean by symbolic? He said that we won't have guns, just the symbol of the endurance, perseverance, courage and determination of the few, small, Timorese guerillas that managed to sustain the spirit and the morale of the nation against the biggest military power in this region. So Xanana himself has stated that we won't have arms, we won't have armed forces in a free East Timor.

What we need to do now in terms of NGO solidarity will be presented by my other colleagues. There are conferences and meetings going on to

thresh many issues out, like that in Australia in April. We hope many of you here can attend it. We also appeal to the nongovernment organizations here and in Australia, in Thailand, Malaysia and Indonesia to be with us to share your experiences, your views and concerns so that the plan for sustainable development in East Timor that comes out of this conference, which will be the policy of CNRT, will be one that will take into account all the relevant advantages as well as drawbacks of East Timor.

I often say that we have a big advantage at the moment, when Indonesia withdraws as they are now withdrawing gradually. The 400 doctors of Indonesia, the 150 teachers and the army hopefully, as Xanana said, are going to have a meeting with Minister for Transmigration of Indonesia to work out the repatriation of Indonesian transmigrants in East Timor. This is because, he said, Indonesia cannot offer them the promise of a paradise in East Timor.

We hope that the strategy of development of our country will be one that not just we the Timorese can be proud but all of you who have shared with us the sacrifices, the difficulties, and the tears through all these years. Thank you.

Antonio Cardozo: Thank you very much for the opportunity given. I am here on behalf of our president, Mr. Xanana Gusmao. In this case I would like to read the message from Xanana to President Joseph Estrada about what he wants to convey to the Philippine people.

Conselho Nacional da Resistencia Timorese/
National Council for Timorese Resistance / CNRT
Anniversary of the People Power Uprising
in the Philippines

Dear President Estrada,

Thirteen years ago your people booted out a dictator and gave the world a shining example of what "people power" is all about. Inspired too by what the world now knows as the EDSA Revolution, tyrants fell one after the other from people's power from Eastern Europe to Asia. Last year, the great Indonesian people likewise succeeded in toppling Suharto and his erstwhile generals who have caused the occupation and invasion of our country in 1975. It is therefore my honor to send my warmest felicitations to your people on the occasion of the 13th

anniversary of the EDSA Revolution.

It is my privilege to address and course this to you Mr. President, a leader who has himself inspired many of us with your no-nonsense, steadfast, and uncompromising defense of human rights for everyone, including those beyond your shores. Democracy is rising in the region. It is an inevitability—one that will cast away the inequalities and oppression of the past. Thanks in no small part to your people who have been the champions of democracy and human rights in this part of the world.

In my country, the East Timorese are also yearning and struggling to be free. And recent events point to this inevitability perhaps, and, hopefully, sooner than we think. As you celebrate your 13th anniversary of freedom from the clutches of a dictator and 100 years of independence from colonialism, we look forward to our own. It is also my privilege to thank and salute the Filipino people for their continued support of our cause. We gratefully remember how your people finally lifted the curtain of silence prevailing in ASEAN about our plight when they bravely organized and hosted the Asia Pacific Conference on East Timor (APCET) and concomitantly established a regional coalition in solidarity with our aspirations.

From APCET also emerged a broad Asian peoples' solidarity movement for the East Timorese people and human rights in general. It is my wish to someday personally reciprocate this watershed contribution to our cause. In the meantime we will proceed to struggle for our own liberation. And when it finally comes, we will always remember how you accompanied and animated us in reaching the cherished dream.

Long Live the free Philippine people !

The Struggle Continues!

Mabuhay !

Jakarta

24 February 1999

Kairala Xanana Gusmao

President, CNRT

DISCUSSION

Mr. Bonifacio: Naturally, because of the current problem that is going on in Indonesia, there is a very good chance that independence or autonomy will come to East Timor. For my part and for each and every Filipino here, that is very good. My question is in the light of what Bishop Belo said, that independence should not occur very fast because there might be some problems. If independence does come soon for East Timor, what would be the advantages and disadvantages of that?

Agio Feriera: I must say that the people of East Timor are obviously ready for independence. There is no question about that. What we are saying here has to do, in a way, with the need to punish anyone. One must understand a society where over the last 23 1/2 years every single family suffered the torture of a relative, suffered humiliation, imprisonment, all sorts of political oppression that you can imagine under a ruthless military regime. Those who sided with that regime have obvious reasons to be concerned when suddenly there is a shift of power to the other side. What we are talking about here is the resistance to show moderation, capacity to uphold human rights, civil rights, and at the same time, dignify the resistance of these 23 1/2 years. I think Xanana, in short, spoke of FALINTIL being disarmed as just an army without guns. This symbolizes that sacrifice.

On the other hand, as to your question about the pros and cons of independence coming in less than 10 to 15 years: It depends on how it comes about. Talking about independence, when Indonesia retreats from its demand for exercising sovereignty over East Timor as a nonself-governing territory, East Timor then comes under the United Nations and the administering power, Portugal. And for all practical purposes, it will become an independent nation. What we have to be realistic about is the time that we need to prepare the infrastructure of this nation in order to reach the degree of statehood needed to be recognized by the United Nations as a member-state, thereby shifting from its status as a non self-governing territory under the UN decolonization committee to a fully-recognized member-state of the UN just like the Philippines or Indonesia or any other UN member-state.

So this is the transition that we are looking for. What are the pros and cons? If independence comes within the next five years, the con is that we will reach that statehood with tremendous deficiency of skills at the national

level. Not that we don't have any; we do have many. I mean, when Papua New Guinea was abandoned or given independence by Australia, only one person had a degree. We probably will be in a much better position than what we are in today. But we still have to look after the legal system, the judicial system, and the constitutional system, implement and transform them from mere paper organizations into functioning institutions. Because democracy can only be upheld through appropriate institutions that you build in the state, not just through idealism and justice.

For instance, in our meeting in Pinece, we passed a historical document, our Magna Carta, which enshrined the rights, freedom and duties of citizens in East Timor, an embryo, if you like, of our future Constitution. However, to implement this in practical terms, whereby every single Timorese, not just nationalist, emerges to become a citizen, with legal duties and rights, then we really have to uphold these legal duties and rights through institutions. This will take ages. So we will have this gap, this deficiency. The advantage is that when you clear once and for all the oppressive machinery in East Timor that has been implemented and institutionalized by the Indonesian government for the last 23 1/2 years, the Timorese can finally, fully and freely think about it and act about it. That's the biggest advantage I can see.

Antonio Cardozo: I am going to make an additional point about the question on the advantages and disadvantages if East Timor will be independent soon. Based on historical events, we know that every nation wants to reach its independence. I think there is the fact of the obstacles that we have to face. First, we know that the independence of East Timor right now is based on the result of the resistance or the struggle of the East Timor people themselves for around 24 years. Because the struggle of East Timor is an international issue, we also assume that the East Timor problem is solved by international law, by universal principles and by the UN resolution on decolonization.

When we pay attention to the actual issue, especially as it is related to the options of the Indonesian government over the East Timor problem, I think the issue is how Indonesia should respect East Timorese rights. And in this case, we can say also that this is like a kind of negotiation about how we could prepare ourselves inside East Timor. It means preparing the East Timor people to face this independence. Mr. Xanana, for example, said that we cannot accept anything other than immediate independence. It is possible

that Indonesia will give us immediate independence. I think that the advantage is that the independence that we are going to achieve will be the result of our struggle. That is, even though we will face so many obstacles for much of our lives, for example, on agriculture and the economy; this is the first struggle that we have to accept.

The second point is that the Indonesian people are currently suffering from an economic and political crisis. This burden is being aggravated by the nonresolution of the East Timor issue, which is still being debated upon by Indonesia and Portugal under the auspices of the UN. So it would be to the advantage of the Indonesian people if the East Timor problem is resolved at the soonest possible time and in favor of immediate independence. Then Indonesia can concentrate full-time on rebuilding its damaged economy and politics.

Rommel Bagares (*Philippine Star*): We understand that Mr. Jose Ramos-Horta was also invited to this conference. We would like to know why he was not able to attend. Have you relayed the message of the CNRT president Xanana Gusmao to President Estrada?

G. Miclat: We did attempt to invite Mr. Ramos-Horta to grace not this conference but an APCET meeting. But the problem is that his name is still on the blacklist of the Philippine government (Bureau of Immigration). But at the same time Mr. Horta also told us that he is available for a visit next month, and hopefully we will get his name out of that blacklist. And we do plan to send it to the president because it is, after all, addressed to him.

Abillo: I am an East Timorese, a student of psychology at the Ateneo de Manila University. I have been worrying about the statement that was released by Mr. Ali Alatas and Mr. Yunus Jofia. It seems that there is a wide availability of weapons to the paramilitary militia. So what is the stand of all the solidarity organizations and the CNRT with regards to this matter? If you say that independence will come, will you be waiting for 10 to 15 years while the people are dying and suffering? What is the fixed date and actual time for that?

The second point is, are there any talks on peace and reconciliation on the other end? Because it seems that those who have been working with the Indonesian government as employees are also worried and are anxious about

their lives as Timorese. Some of them are worried that they would lose their jobs as employees. What should they do? What are the steps that they should take? This is an important point because it might raise another problem of East Timorese killing one another simply because of these manipulations.

Cardazo: I think your question is good for us; we must try to respond to it. Regarding the paramilitary that still, as you say, possesses weapons that were distributed by Indonesian government—this could result in additional suffering for the East Timor people. In this case I myself, based on my experience, think that this is one of the obstacles for us to overcome. The youth organizations in East Timor and all other organizations, including the CNRT as the umbrella organization of the East Timorese struggle, are all struggling about how to overcome this.

Based on the program of CNRT itself, we want to create a good atmosphere in order to reach a reconciliation among the East Timorese people, first with those proautonomy and proindependence elements. After this, we also must strive or endeavor to personally approach the local commander in East Timor on how the military could overcome this problem. Because we all know, before the options announced by Mr. Ali Alatas on 27th January, that it is a kind of strategy of Indonesia, a political concession so to speak, for purposes of debate in the international forum. And for this kind of strategy I think it is up to us East Timorese to overcome this. I think this kind of strategy means to argue that if Indonesia abandons East Timor, there will be reason for the outbreak of civil war among the East Timorese people.

But the obligation of CNRT itself, based on the program is first, to create a good atmosphere in order to achieve reconciliation and harmonization. And, second, based on our demand that we always convey to every organization, especially the envoy of the UN Secretary General, in order to create a good atmosphere in East Timor, to achieve peace, we need the presence of the Security Council. We have conveyed to the Troika, the European Union, the envoy of the UN Secretary General, to the Australian parliament in Melbourne and every guest that has visited East Timor.

And if this demand will be granted in East Timor, it means also in this case that we will guarantee a ceasefire in East Timor. So what is the strategy in order to create this condition? First, we have to have a negotiation. This means that the main commander of FALINTIL, who as we know is Mr.

Xanana, who is also the president of CNRT, should negotiate directly and personally with the Minister of Defense of Indonesia himself. If this demand will get any mutual concordance between the two sides, I think it will create a good atmosphere for a peaceful situation in East Timor. So we will overcome the reasoning of those who state that if Indonesia abandons East Timor civil war will arise again in East Timor. This is my response to the first question.

Regarding the steps we can take to deal with the Indonesian government employees if Indonesia will let East Timor be independent, I think that based on our struggle, we say that we have the plans, the strategy, and the programs. These programs are still in the process of being developed by the CNRT with the support and assistance of various organizations in East Timor. We also need to negotiate with all those who will be affected in the event that Indonesia abandons East Timor.

A. Feriera: Thank you, brother Abillo, for this question. I think he expresses our concern and I endorse what my colleague has said. Our concern is obviously the concern of all the Timorese at the moment. And that is, once Indonesia withdraws from East Timor, the structures that have been in place will be withdrawn as well. Some say that we won't lose much because the structures in place had tended to favor the Indonesian transmigrants, the Indonesian Army, and the structure of Indonesian administration in the first place.

On the other hand, there is also a real gap because many Timorese will be affected; Abillo made specific mention about those who worry about their jobs. These are real issues about basic needs that our people rightfully have serious concerns about. He asked about the policies of CNRT. On the one hand, as my colleague had been outlining, the process of reconciliation, of negotiations, of the healing of our society, these are important from the view of human dimension. On the other hand, there is a need to implement the concrete infrastructure of governance in order to ensure people's survival, the meeting of their basic needs, and securing the stability of a sustained transition.

So what is the policy of CNRT? First of all, the concerns that were raised were also dealt with by the document produced by Xanana Gusmao in his message at the end of the year 1998. He outlined a very, very good concept and policies in this document. (Those of you who hadn't had access to it should try to for your own discussions and studies.) In summary, Xanana gave the assurance that in an independent, free East Timor there will be

room for every single Timorese. Those in the past who supported integration or identified with it will have a place in East Timor. And those who fought for resistance should not feel outraged and “exclusive” within the new space. This is the message of inclusiveness that we are trying to nurture in our country today as my colleague has stated briefly.

As for specific policies, based on the documents approved in Alagabre in October 1998, the CNRT is now gearing up to form a Special Commission on Development for East Timor. Dr. Ramos-Horta has this specific role of going around the world to ask for experts to join this commission to implement these policies on basic needs and development in East Timor. This is complementary to what the Timorese are doing. We need to supplement their efforts with the necessary skills, finance and other resources. There is also a special commission, from the University of Columbia Center for Conflict Resolution, that is now ongoing, putting together comprehensive data about East Timor—resources, public service, educational statistics, employment statistics, health statistics. So they are going to process these data and are going to separate fact from fiction in order that the CNRT team of development and this international team may undertake the planning and implementation of the programs.

We have, over the years, assembled a lot of data that were issued by the Indonesian government, but were meant to serve political propaganda purposes. We also have gathered a lot of data spread around by various people that are not necessarily based on specific scientific methodology of research, but which you can use to plan and implement projects that can cost millions of dollars. The basic departing point is that East Timor has a GDP of 160 million Australian dollars per year and a per capita income of A\$140. In the recent discussions in the UN, this is precisely what Ali Alatas said, “We want to get out because out of this A\$160 million, Indonesia has been contributing 80 percent of it and East Timor, only 20 percent of its resources.” So the Portuguese government immediately responded: “We can give six times more than this.”

So in financial terms, in order to deal with the immediate needs in East Timor, this has already been thought through. We have people, technicians, ready to arrive in East Timor from Portugal, and many from Australia now are also trying to galvanize support. What we need to do now though is to ensure a peaceful environment in East Timor. And this is the question of the armed militias. We have to disarm them. We have to ensure that everyone is in a dialogue. Thus I refer to the meeting that was held yesterday. We

hope that it continues to bring better things. Xanana himself stated two days ago, and even earlier, "Without a peaceful environment in East Timor we cannot start talking about a solution yet. You have to ensure peace before you talk about the solution." And that is the priority of the CNRT.

Vicente Faria: Thank you very much for the time you gave me. First of all, let me give my congratulations to the APCET Philippine organizing committee and all of the people who have been supporting the struggle until now. We present here other representatives from the CNRT side in East Timor to answer the question from Mr. Abillo. I think it is a very important point, in relation to the actual situation and conditions in East Timor which have been manipulated by Indonesian forces there. The CNRT, as the representative of the Timorese struggle at this moment, has the strategic and general objective of a referendum for East Timor, because a referendum is the best way under international law to give the Timorese people the opportunity to seize their own future.

The political reality in East Timor is that, to solve the problem, it is being given the choice of whether it wants integration with the Indonesian Republic or independence. This is based on UN Resolution No. 114/1960, about the Universal Declaration of Human Rights. The context, as we know, is that Indonesia invaded East Timor in 1976. That was a brutal military action and illegal occupation of East Timor that has lasted until now. The UN never recognized the Indonesian action; they called it an invasion. In the international arena Indonesia always claimed that East Timor's integration is based on the choice by the majority of East Timorese.

To respond to this context, we at the CNRT itself have a strategy. We insisted on a referendum to show to the international community whether or not the statement of Indonesia is right, that the majority of the Timorese people favor integration. We insisted on a referendum under United Nations supervision in order to know in reality whether the Timorese people choose independence or choose integration. But before this process, we have some preconditions.

They are as follows: 1) That the Indonesian government, the Portuguese government, all of the international community, and the United Nations as the representative international body itself release all of the East Timorese prisoners, including Mr. Xanana as the representative leader of this resistance. 2) That the UN security forces supervise and maintain a ceasefire in East Timor, because a ceasefire between Falintil and ABRI is very important in

order to support all of the negotiations under international law or under the auspices of the UN to create a good condition in which to solve the East Timor problem. 3) That the Indonesian government withdraw its ABRI forces from East Timor.

Why all these conditions? I think this is because despite all the negotiations to free East Timor, to recognize the East Timorese right to self-determination, we still have much doubt and pessimism. That is why, after these conditions have been met, we will create or form a transition government in order to implement self-determination.

But until now Indonesia has never respected nor answered any of the East Timorese demands. So this moment is a great opportunity to present these conditions with the representatives of the CNRT here, and in solidarity with the Philippine people and the Indonesian people themselves. We assert that the struggle of East Timor is not a fight against the Indonesian people. We are only defending our universal right to self-determination. So from Solidamor and from APCET, our hope is to pressure the Indonesian government itself to immediately withdraw its ABRI forces from East Timor. The distribution of weapons by the Indonesian armed forces in East Timor is a consequence of the fact that Indonesia never respected any of the many UN resolutions on East Timor. This is going to be a big problem as we go through the process of decolonization. At this moment, once again we call on the Philippine people and all of the ASEAN countries concerned about this problem to pressure the Indonesian government to recognize the rights of the Timorese people, to support the peaceful process in East Timor, and, once the ceasefire is in order, to maintain the peace in East Timor. Thank you.

Nisa Concepcion (PAHRA). The national elections are expected in Indonesia this June. What are the implications of these elections, assuming they push through? Have you initiated negotiations with political parties and what are the opportunities or prospects of independence by these upcoming elections?

Valentin Ximenes (Ateneo de Manila, political science): I would like to reiterate the very good question asked earlier by Mr. Bonifacio, the question about the postauthoritarian democracy in transition. This is what we are looking for today.

We are now, believe it or not, in a transitional era. We are moving towards a democratic and postauthoritarian era after the fall of Suharto. That's fine. What are we going to do with this kind of transition? Mr. Ramos-Horta had proposed a three-year transition period, Mr. Xanana proposes a five- to 10-year period, while Bishop Belo suggests 15. But it doesn't matter how long it takes for the transition so long as we seize this good opportunity to build a viable society in East Timor. Let us find the way. One of our disadvantages is the lack of human resources and development. This is very problematic. Today we have only 500-1000 scholars. So how will we go about building a society? But I'm convinced that other international societies will make up for this lack, and then my brother Filipinos will help us in this opportunity. We don't ask for money, but help in the form of human resources. So I say to my brothers and sisters in the Philippines, "Help us in this transition."

But at the same time, East Timor may lack human resources, but we are abundant in natural resources. We have 29 sources of crude oil, which if extracted will produce an estimated 5.5 million barrels a day, which will make East Timor one of the 25 largest oil producers in the world. So the Philippines and East Timor can have a viable trading relationship in this respect.

Ed Dolores (*Yomiuri Shimbun*): What are the specific aims or target of this lobby tour; particularly, what you are doing in these ASEAN countries? As independence is almost surely coming, do you have specific aims in this lobby tour? Are you addressing yourselves to the peoples of ASEAN or the leaders of the ASEAN countries?

M. Lane: This is on the statement by Foreign Minister Ali Alatas and Information Minister Junus stating that if autonomy was rejected by the people of East Timor as a final solution, then East Timor would be let go. I think we should, recognize, first of all, that this particular statement was in fact a statement of surrender and defeat and an acknowledgment that East Timor people have won their struggle and defeated the forces of the Indonesian dictatorship. I certainly would like to take the opportunity to congratulate the representatives of the East Timorese today on their victory over the forces of the Indonesian dictatorship.

Given the defeat of the Indonesian forces at this time, it seems very likely that some form of a transitional government will be established in

East Timor by next year, perhaps, as some of the speakers have said, within the framework of a UN transitional government, or whatever the precise wording is. What I would like to ask is how much thought has been given at this time to how quickly free and democratic elections will be held in East Timor itself to form a democratically chosen East Timorese government?

A. Muyot: This forum is not only with regards to the immediate concerns of East Timor but, as the title states, it is toward and beyond a free East Timor. Now I would like to ask for some clarifications, especially from Mr. Fereira, about the statement made by Jose Ramos-Horta, which is on page 7 of the newsletter *ESTAFETA* distributed by the organizers of the conference. To the question on the economic viability of an independent East Timor, Ramos Horta's response was, "Don't underestimate the commitment of the Portugese. They are more than willing to pay half or two-thirds of our budget estimated at 100 million."

I am a bit worried by this statement because, while we might talk of political independence in the near future, such a dependence on a single country, Portugal, for more than one-half or two-thirds of the budget might actually lead to a bigger problem. Perhaps you might call it economic dependence or a new form of neocolonialism. But my worry is, will East Timor really be free if the Portugese are going to bankroll two-thirds of the national budget? What kind of a relationship does the CNRT foresee with regards its former colonial master, Portugal, vis-a-vis a postindependence scenario?

Moreover, there is also a reference here to five million coming from the European Union. Of course this amount would be a very conservative estimate as stated in the next sentence. And if this so, and if an independent East Timor will be dependent on Portugal, and to some extent, also dependent upon the European Union, what really would be the prospects of complete independence for East Timor?

Rhian Alfuentes (Persabatan Utara Untuk Demokrasi): I would just like to ask if the CNRT has an official stand towards other people's liberation movements in Indonesia such as the OPM (Operasi Papua Merdeka) and Aceh Merdeka. We have to consider that Indonesia is unwilling to give up East Timor not only for geographical or economic reasons, but also for its likely effect on Aceh and West Papua.

East Timorese Participant: Two days ago, I learned that the organizers have made contact with church leaders, in order that the CNRT delegation might meet them. But we received a message from Cardinal Sin that he was not available. I contacted a bishop, trying to talk to him about the matter, but the answer was that he was not available. But we had a very long conversation, and in the end I understood that some things are not very clear to them.

I'd like to address this to Mr. Feriera because you have just come from Australia and you have been with Bishop Belo. My question is, "What is the stand of Bishop Belo in this matter to make the Filipino Church be clear about the issues? Maybe we could also impart something to them. I, myself, am willing and my brothers, the Canossians, would like to be a part of this. I would like to convey or transmit the message to them that this is what our Bishop or the church in Timor stands for. Please assure us about that.

Angel (student, Political Science): Corollary to the question on the upcoming elections in Indonesia this June, what if a change of leadership will bring democratization while East Timor opts to be under Indonesia for quite some time as an autonomous province as a transition to full independence? Now let's say that autonomy will be granted for 10 to 15 years and within that time, the leadership in Indonesia would bring about a change towards democratization. The question is, would the CNRT then seriously consider giving up full independence in favor of being a province of an Indonesia which has become democratized?

Participant: Mr. Feriera mentioned a while ago that East Timor is ready for independence. Does it mean that you have the capability to have economic stability? Fundamentally the expansion of political space and the advances in cybercommunications necessitate not only the continuing struggle for an independent East Timor, but also provide several avenues for various solidarity movements to discuss and look after the welfare of the East Timorese. So if independence were to be given to East Timor five years from now, how would you account for the need of the East Timorese for a decent life, a strong political leadership, and political machineries? Can you ensure a distinct concept of social justice? Secondly, how would you respond to everyday politics expected from a newly established state? And lastly, if you do not have these machineries, what are your plans and do you

think you can have them as soon as possible without endangering the lives and rights of your fellow East Timorese?

M. Coronel-Ferrer: The questions may be classified under three central themes. The first has to do with Indonesia, the implications of the goings-on of the domestic politics with regards to the process that East Timor is undergoing right now, considering that there are two parallel processes right now in Indonesia as well as in East Timor. Somewhat related to that question is if Indonesia moves towards more democratization, will East Timor agree to accept autonomy within an Indonesian democratic state?

Feriera: Currently, not only East Timor but Indonesia itself is also in a transitional period. The elections in June, of course, will be the first stage towards settling the democratization process. And later on this year, you will see further developments in Indonesia. The question of East Timor being independent after this transitional period is, to a certain extent, only dependent upon Indonesia's own transitional period. As I said before, Indonesia has to deal with its own domestic affairs, and East Timor is a thorn in the side of Indonesian politics, a sharp stone in Indonesia's shoes as was said. But it is also important to note that the dynamics in East Timor itself and internationally are still evolving, and we will continue to evolve further within a month or so towards a more steady process to independence.

The talks within Indonesia itself are already taking place. Recently Gus Dur met with Xanana. Xanana has met with Amien Rais. He didn't meet with Megawati simply because of some problems; at the last minute she could not turn up. Prior to this Xanana himself and East Timorese prisoners from the underground movement have had contacts with a lot of Indonesian pro-democratic forces. So it's not a new process here. The transition in Indonesia, of course, is not as simple as in East Timor itself. If Indonesia doesn't add any more problems, during the transitional stage of a non-self-governing territory entering into the status of a state, the Republic of East Timor, the problem in East Timor is not going to be as complicated as what the Indonesians are facing at the moment.

There are many scenarios in Indonesia. I think people here, such as Max Lane who have been working on this, are more knowledgeable about the Indonesian scenarios than myself. But what is important to recall, as far as East Timor is concerned, is that Indonesia's own transition from this crisis is moving into a more structured state, steadily developing towards a

democratic system—a parliamentary system towards a presidential system that is more accountable, more democratic. And hopefully these elections will dictate that. It depends upon a lot of things happening here.

A lot of power is at stake in Indonesia in these elections which will signal what it is that needs to be done after this. What is important for East Timor though is that the dynamics for the independence of East Timor are generated in a way that we first gradually clear the air of a civil war, disarm all these militias immediately. The CNRT has demanded the immediate disarming of these militias. The UN Secretary-General has demanded it. The Portuguese government as the administering power has demanded it.

As to the steady development of East Timor towards being independent, you can pinpoint some indicators that are very important. The Portuguese section of interest is now in Jakarta; Indonesia's own section of interest is now in Lisbon. Xanana now is in a house rather than in Cipinang prison proper. Xanana now is formally requesting that Jose Ramos Horta come to Jakarta. Xanana has held a meeting with Jose Osorio Soares, the current Indonesian-appointed governor of East Timor. He has been having tremendous intensive dialogues with many Timorese who are seen as pro-Indonesia.

So this stage of clearing the air of civil war is very important for us to start working seriously, steadily, on a structure towards statehood. And I don't see that the developments in Indonesia will affect that largely. In fact, Indonesia's own democratic process is conscious of its drawbacks and dangers. And the more they are able to release East Timor from this process, the better it is for this democratic process. They are interlinked as far as dangers are concerned. Xanana himself said you cannot look at it in isolation from the current developments in Indonesia. But he said it in the context of Megawati's own statement. He feels that East Timor can also be an election issue in Indonesia, and maybe Megawati's statement is related to that. But it's not, as far as international law is concerned, as far as international support for East Timor is concerned, as far as the developments for a peaceful transition is concerned. These dynamics will depend entirely on us with support of the international community. The quicker you go about it, the better.

Coronel-Ferrer: The other question would be whether East Timor is willing to accept autonomy under a democratized Indonesian state.

Feriera: Twenty-three and a half years have shown that the people of East Timor don't want any sort of autonomy under Indonesia. In fact autonomy in East Timor has become a dirty word, especially because in May last year Habibie gave the special status offer. Then Ali Alatas started to call for autonomy such that Timorese would have control over everything except foreign affairs, external defense, and finances to a certain degree. The Timorese would not accept that. I think that it's up to the people, not with myself, my colleagues or even with the CNRT leadership per se. The people have made it clear that they will not accept autonomy in any form.

And that is precisely the reason why the Indonesian government finds it hard to argue even for autonomy as a final solution today. The Indonesian government, as Max Lane pointed out very well, has acknowledged its defeat. And I don't want to waste any more time on this issue.

They have got to close the road, and Indonesia doesn't really know how to get out of it now. On the one hand, it knows that it's time to acknowledge defeat. It has no space to leave the way it prefers to. In the last negotiations in the United Nations, the UN Secretary General made it clear to Ali Alatas, in these terms, "Don't you dare abandon East Timor suddenly in order to create chaos. You are going to leave East Timor under the terms of the international community. Avoid chaos at all cost." The problem now is that Indonesia really has no choice. It has to cope with the consequences of twenty-three and a half years of its own failure. Now it has to leave under the terms of the CNRT and under the terms of the UN.

As for autonomy for East Timor, if Indonesia becomes democratic, I believe that there is no question about that. The people would not accept it. It is not a question even comparable to the case of New Caledonia or Conaky. It's a question of a very contemporary military occupation with a traumatized society that sees everything connected to the Indonesian regime as negative, and there is no way you are going to find a solution. And this presumably is why Indonesia doesn't want a referendum. Because in a referendum with the option of autonomy, Indonesia knows that it is going to be defeated in the ballot box. That is going to be a double defeat. It will be the worst humiliation for the state of Indonesia. That's why the dilemma in the last tripartite talks was: "Well, if you don't want a referendum, then how do you want the UN to ascertain whether the people of East Timor want your autonomy or not?"

Ali Alatas wanted to push for what he calls "an act of free choice" —West Papua style. And the UN, through the special representative of Kofi Annan

for East Timor, publicly made this statement: "Democracy cannot be short circuited and you cannot find a short cut for democracy." Meaning, you that have to ascertain through a democratic process; call it a referendum or any other name you like, but the people will have to decide—one person, one vote. If you don't want it, don't even dare to argue for it anymore. Let's find a way out so you don't have to feel ashamed about it. So autonomy is definitely not an option at all.

Coronel-Ferrer: The next set of questions has to do with mechanisms and measures that will have to be put in place towards the transition. I think the concerns of this second set of questions really have to do with these: "What are the measures and mechanisms and can these be really put in place to achieve political stability, social justice?" This is also related to the issue of how to set up a democratically elected government. In addition, there is the question concerning full economic independence, and the fear that the new situation can lead to a new kind of dependence on countries like Portugal or even the European Union.

A. Feriera: I think that Max Lane put it very bluntly and very well. What is the timeframe to hold free elections in East Timor so we can have a democratically elected government? What determines free elections in East Timor will be two major documents: one will be the constitution of East Timor, and the other, the electoral law in East Timor. How are we going to adopt a constitution in East Timor? As I said before, there is already a constitution drawn from the UN that is going to be freely discussed in the next meeting. The constitution in its core argument enshrines freedoms and liberties very much in the same line with the Magna Carta that the CNRT adopted.

The first step in adopting the constitution is setting up a legislative assembly, an *Asemblea Constituyente* like the Portuguese government refers to. The legislative assembly will be one that has to be formed either within the CNRT's own set-up or as an interim coalition. The legislative assembly will prepare the ground for the people to vote for the constitution of East Timor. But we have to have a census of our population first. The electoral law will determine who votes and who doesn't vote in East Timor, as the background of the Namibia case, for instance. Will Indonesians in East Timor who lived there for one week be eligible to vote from the day the legislative assembly is formed? Will Indonesians in East Timor who lived

there 23 years be allowed to vote? Will Timorese with wives from Indonesia or vice versa, or their offspring be allowed to vote?

In the constitution of the CNRT, citizenship in East Timor is clearly defined. Citizenship is conferred on every Timorese born in East Timor, their offsprings or their spouse, independently of whether they are foreigners or not, so long as they choose to be East Timorese citizens, provided, of course, that they uphold and defend the right of self-determination of the people of East Timor. This, of course, is how the CNRT sees the point of resolutions in our struggle for independence so that we can have votes. So in this proposal for citizenship in East Timor the UN is also taking into account all of these. The electoral law will govern the formation of the Timorese political parties. We have to transcend the mass movements and attain party status approved by the Timorese electoral commission so that the parties can operate independently and set up their candidates according to the law, to be candidates democratically elected to the government so that which ever party that has the majority in the legislative assembly will have the power then to finalize a constitution that has its own ideological vision and influence. That is the democratic process. And then the elections for PM, president or whatever will be enshired in the constitution. As far as the time frame is concerned, I find it hard to answer when Indonesia is going to finally get out of the way so that the UN can work on what CNRT demanded, a peace-keeping force to at least psychologically provide an environment of peace so that the Timorese can start to solve the problems from square one and then lead to the elections. Optimistically, by the end of the year, if we can mobilize all the international forces and solidarity movements into this system, probably by the end of the year, we will be celebrating with our own flag.

M. Coronel-Ferrer: The media representatives here are interested in the purpose of this ASEAN tour, and in the position of Bishop Belo on the issues raised earlier regarding Cardinal Sin.

A. Feriera: The purpose of this ASEAN tour is to acknowledge that this is a new phase in the struggle of the people of East Timor. There is also a demand for direct communications with the NGOs and solidarity movements to understand what the effective role of the solidarity groups is from now on, the lobbying with the government if we can achieve that, or with influential senators. We want to clear the air of the uncertainties going

on at this moment, at every level, as there are already many questions directed at us from solidarity groups; one, in fact, expects more questions about government and we will use the opportunity to clarify whatever questions individuals and other personalities have about the role that they should play. We believe that countries like the Philippines, the ASEAN countries maybe Australia, as well as New Zealand, will have very relevant roles to play as peacekeeping forces. We even envision Indonesian troops in East Timor, not as occupying forces but as Blue Berets of the UN, to help us. Indonesia, in particular, has a more clear-cut responsibility than any other ASEAN country to be part of it because she herself has played a role in destroying an environment of peace in East Timor. I hope we can discuss this question of the roles of personalities and governments as a first step. Then Mr. Ramos Horta will come here later and then on to Kuala Lumpur and Bangkok to further this work. Our report is important for him and for Xanana Gusmao to follow up, even to physically advise us on further strategies in regional work. As for Bishop Belo communicating with Cardinal Sin or with the structure of the church here, I can't answer that because Bishop Belo has been busy in East Timor and he has not really told me, even Ramos-Horta, what he has conveyed to the Filipino church leadership, about the situation of the underground at the moment. But before I go back, I will talk to him personally by phone and convey this message that we received from you.

A. Cardozo: What we have discussed here today is easily related to the East Timor problem. We are here as the representatives of the CNRT and of those who have been suffering for around 24 years. Based on what we have conducted here, we are faced by a great problem that still faces East Timorese people even though we have prepared some programs in order to overcome the problems. But this is also an international problem and that is why people of the Philippines and particularly this APCET organization have played a major role in order to support our struggle in every aspect. That's why we made a presentation here in order to share our ideas and answer the many questions you have regarding the obstacles and the problems we face.

So, once again on behalf of the CNRT particularly and the East Timorese people, we thank you. As explained by our friend, Mr. Valenti, the one thing that East Timor possesses are great natural resources. But the weakness of the East Timor people is that during the process of integration with Indonesia, there is a need to develop our people further even though we

have many university graduates. In this way we will be able to overcome the East Timor problem according to every department and every profession. Coming all the way from East Timor in order to speak before you, we are heartened in fact by the solidarity and the tolerance expressed by the Filipino people and especially from APCET organization. APCET has a primary role in all these solidarity efforts, what with membership now coming from 13 countries. Once again, we need your solidarity, tolerance and support especially in every aspect of the program of APCET itself. Thank you.

M. Coronel-Ferrer: Thank you very much. I think for most of us here realize the difficulty of building a new state. From our discussions, my own impression is that East Timor has really gone a lot of conceptualization more than Indonesia itself with what is going on in Indonesia right now. I'm sure a free East Timor is a welcome development. If you are in Southeast Asia, you often hear that the Philippine is a sore thumb in the region because it's the only Catholic country. With a free East Timor, we will have another number in the ranks. But I wish that East Timor will be wiser in dealing with its religious minorities than the Philippine has been.

Viva Timor Leste ! Mabuhay ang East Timor !

DOCUMENT

EAST TIMOR: UNDER A NEW FOREIGN MASTER

The repercussions of the April 1974 leftist takeover in Portugal were felt all over that country's colonial empire. Liberation movements in Portuguese territories in Africa and Asia suddenly became "news" in the West, as much as developments within Lisbon itself. Since the 1974 coup, most of the colonies have already gained independence, and Marxist governments have even been inaugurated in Mozambique and Guinea-Bissau. But in Angola and East Timor, conflicts between left- and right-wing factions indicate that the needs generated by the situation transcend the mere granting of national independence. While the Angolan condition remains unclear, East Timor has already been forcibly annexed by Indonesia, and its people thrust from the hands of one colonial master to another.

THE TIMORESE PAST

Little is known about the island of Timor, being one of the more backward places that have no economic value to multinational corporations today. But it was important enough during the 16th and 17th centuries when it was part of the spice trade route between Asia and Europe. The Portuguese began trading with Timor around 1520 and, for a while, monopolized the sandalwood produced by the island. But the Dutch came and divested the Portuguese of most of their spheres of interest in the area, now known as Indonesia. The Portuguese fled to the eastern part of Timor after their eviction from Makasar, Bantem, and Malacca in the 17th century. Treaties between the Netherlands and Portugal in 1860 and 1914 established the boundaries that remained undisturbed until the conflict which broke out last year. The island's major export product is coffee.

When the Dutch were forced to grant independence to Indonesia in 1949, West Timor became part of the new republic and was incorporated into the region known as East Nusa Tenggara, while East Timor remained a Portuguese territory. Portugal moved to unburden herself of her overseas possessions when the Armed Forces Movement (AFM) took over from the Caetano rightist dictatorship. The AFM saw that colonialism was hardly compatible with its avowed leftist ideology.

THE RECOLONIALIZATION PLAN

Portugal planned for a gradual turnover of power in East Timor, and for this purpose, called a summit meeting of all local nationalist groups. After two delays, the meeting finally took place from June 26 to 28, 1975, in Macau. However, only two major groups attended—the rightist Democratic Union of Timor (UDT), which enjoyed the patronage of the colonial administration, and the Popular Democratic Association of Timor (Apodeti), which advocated integration with Indonesia.

The leftist Revolutionary Front for an Independent East Timor (Fretilin) boycotted the talks in protest against the inclusion of Apodeti, which it claimed was being financed by Indonesian interests. While the summit was going on, Fretilin leaders were in Mozambique attending the independence day celebrations and the inauguration of the Marxist government of Samora Machel.

A joint communique was issued by the Macau summit which: (1) proclaimed the right of the 650,000 East Timorese to self-determination, (2) called for an interim six-member government, and (3) agreed on a general election to be held on October 1976 that would elect a people's assembly. The date set for final Portuguese withdrawal was October 1978.

But subsequent events overtook the fragile wishes of the summit participants. On August 10, the UDT suddenly staged a coup in the capital city of Dili, seizing the police headquarters and arsenal, the communications center and the airport in Bancau. It was later learned that the UDT intended to preempt alleged Fretilin plans to seize power on August 27. The UDT move was not aimed against the Portuguese colonial administration but was merely calculated to purge "Communist elements," i.e., Fretilin forces, from East Timor.

Fretilin retaliated swiftly, and open fighting ensued. On August 20, the Battle of Ailen was fought where the UDT walked into a Fretilin ambush and lost 1,600 out of 3,000 men. Thereafter, the UDT simply disintegrated. On August 23, Dili fell to Fretilin, and the Portuguese colonial governor, Lemos Pires, fled to the nearby island of Atauro.

Other towns were soon captured by Fretilin, and the UDT beat a disorganized retreat to areas along the Indonesian border where it joined the Apodeti and two other minor groups—the Kota party and the Trabalista, both of which had kept out of the fighting—in clamoring for integration with Indonesia. The Indonesian government, alerted by the spectre of a leftist government right at its doorstep, immediately dispatched eight naval vessels including three warships to ply the East Timorese coast, ostensibly to pick up refugees.

WHO'S WHO IN THE CONFLICT

The Fretilin was formed by a group of Marxist Dili intellectuals soon after the April 1974 Portuguese coup. After the UDT takeover of August 10, the 5,000-strong Portuguese-trained Timorese militia left their quarters and joined the Fretilin. They were led by their commander Lt. Rogerio Lobato. The arms cache left behind by the Portuguese, consisting of 15,000 rifles, machine guns, mortars, bazookas, and ammunition, were seized by Fretilin. Outside Dili, indigenous Timorese had been seen fighting side by side with Fretilin, armed only with poison-tipped arrows.

Fretilin leaders include Francisco Xavier dos Reis Amaral, 40, a former Dili harbor employee and the group's political leader, Jose Ramos Horta, 26, the group's spokesman, and Mari Alkatiri, who is a Muslim.

The UDT counts on the support of the middle class, older Portuguese elements and coffee planters. It originally favored joining a Portuguese federation, but after the Lisbon government gravitated to the left, the rightist leadership demanded independence. After being routed by Fretilin in August-September, the UDT again changed its position, this time desiring East Timor to be tied to the Indonesian apron strings. Its debacle had left it with only 200 poorly-armed men. The UDT is led by Francisco Lopez da Cruz, 33, a journalist, the brothers Joao and Mario Carrascalao, and Domingos Oliviera, a teacher.

The Apodeti had maintained a consistently pro-Indonesian line all throughout the struggle. Headed by Hermanegilde Martias, it has a relatively small following and does not seem to mind its image as a quisling among the East Timorese.

The Kota party is a small tribalist movement led by Jose Martins, a nephew of the Apodeti head, who had lived all his life in Lisbon until August 1975. The Kota has about 150 members and is part of the anti-Communist, pro-Indonesia alliance.

THE INDONESIAN CONNECTION

Indonesian Lt. Gen. Ali Murtopo said in an interview in October that his government was "... concerned that developments in Portuguese Timor do not disturb our security and stability." On August 26, when it became clear that Fretilin had gained the upper hand, Jakarta expressed "concern" by blockading the Timorese coast with five destroyers and several other naval boats.

Other initial Indonesian expressions of "concern" were the training and financing of the anti-Fretilin coalition, and the mounting of commando strikes into East Timor. Suharto himself announced his regime's commitment to settling the problem "in the nicest possible way." Consequently, Jakarta undertook the task of feeding 40,000 refugees that had fled to Indonesian Timor, a seemingly laudable gesture until seen in the context of succeeding developments.

Fretilin moved to consolidate its position but refused to declare independence, fearing that this would trigger direct Indonesian military intervention against which it would have no defense. At about the same time, fresh UDT-Apodeti troops were counterattacking Fretilin strongholds. Jakarta's intentions toward East Timor were encouraged by reports that Malaysia, Australia and other regional governments would tolerate direct Indonesian intervention.

On November 28, Fretilin declared the independence of East Timor in a surprise move. It was probably the best thing to do as an Indonesian invasion seemed imminent. Such an invasion would then have been considered foreign aggression against a sovereign state.

On December 7, while US President Ford was visiting Jakarta, 15,000 Indonesian paratroopers and marines entered Dili in a bloody operation

that dislodged Fretilin and placed East Timor under a puppet coalition of the four pro-Indonesian parties.

JAKARTA DEFIES UN

As the Indonesian armed forces conducted mopping-up operations, including a second invasion that resulted in the killing of 10,000 Timorese, the United Nations moved to censure Jakarta. A General Assembly resolution which: (1) deplored the intervention, (2) called on Indonesia "to desist from further violating the territorial integrity" of East Timor, and (3) called for the immediate withdrawal of foreign troops from the territory was passed by a vote of 69 in favor, 11 against and 38 abstentions.

Among those who voted against were the Philippines, Malaysia, Thailand, and India. The UN Security Council likewise demanded Indonesian withdrawal. Lisbon broke off relations with Jakarta and China "sharply rebuked Indonesia for naked aggression" against the Timorese people.

Indonesian Foreign Minister Adam Malik dismissed the UN demands as "irrelevant," stating that no regular troops have been committed, only "volunteers," and only upon the request of the East Timorese people. He does not explain, however, why the Indonesian flag flies over Dili or why Indonesian Brig. General El Tari now governs Timor.

THE FUTURE

Timor is a mountainous island with the highest point measuring 9,711 feet. Some plains merge into highly inaccessible mangrove swamps. During World War II, some 400 Australian troops engaged 21,000 Japanese soldiers in a long guerilla war in the jungles of East Timor.

The Indonesian invasion had driven Fretilin to the mountains, and Jakarta does not feel inclined to go after the leftist troops. Indonesian radio constantly calls on Fretilin units in the jungles to surrender and return home. So far, such calls have been unanswered.

Eduardo C. Tadem, 1975

DOCUMENT

THE PRICE WE PAY FOR DEMOCRACY*

Images of violence, looting, and arson in Indonesia contrast strongly with the peaceful turnover of power in the Philippines. Filipino voters who cannot quite accept that a tough guy-movie star is to be their chief of state find comfort in the thought that at least, their country has a functioning democracy.

In Indonesia, the instability is not likely to abate even if Suharto stepped down from the presidency: the measures for an orderly transition to the opposition are not in place. (This is assuming that the opposition is ready and willing to take power).

There are several reasons why the Philippine political scene differs so dramatically—these days—from our neighbors, but just one will suffice. The reason is the presence of a fully developed civil society in this country, and its relative underdevelopment or retardation in Indonesia. A similar case may be made for Cambodia, which is still teetering on the edge of anarchy as a result of Hun Sen's coup against his co-premier Norodom Ranariddh last year.

An important preliminary remark is in order. Contrary to a reductionist but widespread theory, civil society is not exclusively made up of NGOs and people's organizations (POs). It is the whole ensemble of institutions and organizations existing autonomously of the State, operating above ground, and having as their reasons for being either one or a combination of the following: advocacy, voluntary service, livelihood opportunity, or just plain getting together for the sake of getting together.

Ideally, civil society thus englobes the media, the school system, the various churches, trade unions, political parties (all free of State control,

* First came out as a front-page commentary in the 21 May 1998 issue of MALAYA.

needless to say); service organizations like the Rotary, the Jaycees, the YMCA, the Elks, the Knights of Columbus and of Rizal; chambers of commerce; lobbies and pressure groups; alumni associations, fraternities, the Makati Business Club, the Masbate Varsitarians, etc. The NGOs and POs are the newcomers to the club, but only because their respective appellations are of recent origin. In this country, their organizational essence is as old as those of the gremios (craftsmen's guilds), or the Liga Filipina.

Just by existing and interacting—or debating—with each other, these diverse sectors enrich the terrain on which the seeds of democracy grow. A more pedestrian metaphor for civil society is: a school for citizenship. It also has the virtue of fostering the spirit of self-help. The notion that things can be done in common by nongovernment officials, from community up to national levels, without State prodding, initiative, or funding, is its unwritten law. This is the opposite of the fascist ideal of “everything through and for the State; nothing against or outside of the State,” in Mussolini's words.

Authoritarian or totalitarian regimes have greater chances of seizing power in countries where there is no civil society. Conversely, total collapse of the sociopolitical system seldom occurs in countries with a working civil society. And if such situations flare up to the point of threatening to destroy the State, civil society instinctively does damage control, marginalizing and/or removing the source of the danger.

In the case of the Philippines in early 1986, civil society identified two such sources: both Ferdinand Marcos and the communist movement which was growing stronger the longer Marcos stayed in power.

But this implies that Philippine civil society was never completely suppressed by the martial law regime. The churches were not closed down, unlike in the USSR, China, or Cuba. Even the State University, with its charter-guaranteed right to academic freedom, was pretty much left alone by Marcos. Opposition media started to flourish in the post-Aquino assassination period; the foreign press never underwent the kind of outright censorship that is SOP for the likes of North Korea. All these constituted so many spaces of autonomy and anti-Marcos criticism against which the State coercive machinery moved inefficiently, if at all. Marcos was not a totalitarian, and in the first place—*vide Hitler's Germany*—he did not have the mass support which would have made totalitarianism a serious option in a country like the Philippines.

Apparently lacking in Indonesia today is a long-established, widespread civil society that will act as a safety valve against the excesses of political tension that have built up in the hearts and minds of a frustrated citizenry. Small opposition parties, NGOs and POs, do exist there, but the makings of a broad-based coalition of anti-Suharto elements embracing the churches, the media, the trade unions, the chambers of commerce and industry, etc., have yet to emerge. In the absence of this coalition, the armed Forces will most unlikely take over where Suharto leaves off.

Such a concentration of sociopolitical forces took shape in the Philippines twice in the past 40-odd years, in the form of the NAMFREL. A group portrait of this country's civil society is precisely what this watchdog organization was and is still about: in its national council sit the representatives of the churches, the media and so on, and its local chapters have various "civic leaders," i.e. pillars of the community, as its chairpersons. Who takes on the State will have to take on NAMFREL first, whose role is not confined to being a mere electoral watchdog. It is one of the forward defenses of the established order, not of the party that happens to be in power, and that is why it is supposedly non-partisan. But when the ruling party is itself the source of the instability—through its corruption, abuses, electoral fraud, and so on—the NAMFREL mobilizes its forces and sees to it that no revolution breaks out.

This dynamic picture of Philippine civil society would recommend it as a role model for all Asian countries in search of one, but for one structural detail. Lest we forget, the mass-media component of our civil society does not concern the so-called serious press alone. The mass media are also, undeniably, the turf of mass entertainment: bakbakan movies, noontime TV and showbiz gossip shows, tabloids, even TV commercials. The values of the local showbiz-sports-leisure industry complex, reared on Hollywood and Madison Avenue, have permeated—worse, dominated—our political culture. A logical next step is to install showbiz and sports superstars in public office. Elections are almost superfluous, in this context. But there is no depriving the people of their democratic pleasure.

Well-intentioned Indonesians looking to Philippine civil society for a democratic paradigm just might be on the right track. Our is such a democratic society that even the Marcoses and their minions, yesterday's Public Enemies No. 1, have been fully rehabilitated today. But will the

Indonesians accept a similar vindication for the Suhartos in the near future, should the latter be forced to leave the scene any time now?

Some dejected Filipinos think that the national attitude of "forgive and forget" is too heavy a price to pay for our democracy. Fortunately for the majority, these spoilsports precisely do not constitute the majority.

Armando Malay, Jr.

NOTES ON THE AUTHORS

VINCE BOUDREAU teaches at the City College of New York.

ARIEF BUDIMAN teaches at the University of Melbourne and serves as Director of its Indonesian Studies Program.

ARMANDO MALAY JR is Dean of the Asian Center, University of the Philippines.

JOEL ROCAMORA is Executive Director of the Institute for Popular Democracy.

MASTINAH SALEH is a journalist who has done extensive work on Indonesian affairs.

EDUARDO C. TADEM is Associate Professor of Asian Studies, University of the Philippines and Co-director, Asia Pacific Studies Program, University of the Philippines Center for Integrative and Development Studies.

INDONESIA'S INTERREGNUM

A Tortuous Transition To Democratic Development

The essays and various pieces in this volume reflect the contradictions, the tensions and the various "loose ends" which characterized the death throes of the Suharto era. Although they have been overtaken by several momentous events which have transpired since then, they can be of use to the reader who wishes to catch a whiff of the *zeitgeist* of the late 1990s. In general the authors hew to an antiauthoritarian and antifundamentalist norm, while remaining alert to the grand designs of Western governments and financial institutions. Indeed it is nearly impossible for the scholar, of whatever nationality, to pretend to be completely above the Indonesian fray. There is thus no attempt to present the contents of this collection as a mere chronicle of events.

Even as the aftershocks of the Suharto fall continued, late in 1999, to wreak sociopolitical damage all around, the Indonesian nation was realizing the possibility of a new start, under more auspicious regional and global circumstances than before. But, among the contending forces, whose version of a national community would prevail? How would their conflicting ideas of community shape the new Indonesia, and would the slogan of "unity in diversity" have to be rethought? This collection of essays will help to put the answers to those questions in the proper perspective. For Filipino readers in particular, it is to be hoped that this volume will serve as a reminder of the stubborn challenges to their nation's quest for peace, freedom, democracy and justice. *[From the preface by Armando Malay Jr.]*