

Book Review

Crouch, Harold. (2010). *Political Reform in Indonesia after Soeharto.*

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This book deals with political reform in Indonesia since Soeharto and covers in detail the fall of the New Order and the travails of its successor, the *Reformasi* government; reforming the constitution and the electoral system; its struggles over regional government; military reform; politics, corruption and the courts; resolving communal violence in Maluku; resolving the separatist challenge in Aceh; and reform in unpromising circumstances.

Harold Crouch begins the story with the fall of Soeharto in May 1998 and describes the chaotic circumstances in Indonesia after the New Order collapsed. He tells at length how Soeharto's cronies survived during the transition period and thereafter. This leads him to question how political reform can proceed in such unpromising circumstances.

Crouch explains the transitional period and the development of political reform in Indonesia using several theories, such as O'Donnell and Schmitter's theory of political transition, which referred to transitional politics in Latin America. Crouch paraphrases their arguments by saying that

Too rapid democratization, which threatens established interests, can endanger the transition process. They [O'Donnell and Schmitter] note that 'an active, militant, and highly mobilized upsurge may be

an efficacious instrument for bringing down a dictatorship but may make subsequent democratic consolidation difficult and under some circumstances may provide an important motive for regression to an even more brutal form of authoritarian rule’.

In Crouch’s view, this theory explains adequately the circumstances of Indonesia in transition, which was characterised by the interests of the remaining *Orde Baru* (New Order) elite that continued to rule the country after Soeharto that competed with the pro-democracy activists and supporters who were not solid and had different interests.

Crouch disagrees with the theory of state failure to describe Indonesia in transition. He states

Indonesia, however, never descended to the depths of full state failure. The concept of the ‘failed state’ had been applied to several countries in Africa in the 1990s where government barely existed and civil conflict became ubiquitous.

Crouch also borrows Joel S Migdal’s theory about a weak state *vis-à-vis* a strong society. A ‘weak state’, in Migdal’s perspective, is one where ‘the institutions of government exist but are unable to impose their will on powerful vested interests in a “strong society”’. However, Crouch does not fully agree with Migdal’s perspective. Rather, he believes that the post-authoritarian governments were not solid and were captured by elements of the state, such as rival parties and bureaucratic factions. In this he supports Richard Robison and Vedi Hadiz who stated that

...the crisis failed to sweep away the very interests and forces incubated within the Soeharto regime, which underpinned and defined it. These survived to re-establish the economic and political power relationships within new institutional arrangements.

Furthermore, Grindle and Thomas’ concept of “‘crisis-ridden” reforms and those conducted in a “politics-as-usual” environment’ is also used by Crouch to describe actions taken by competing elites in the Reform era in Indonesia.

Chapter 2 contains descriptions of the New Order and the fall of Soeharto; the chaotic transition under Habibie; the erratic rule of Abdurrahman Wahid; Megawati's holding operation; and political consolidation under Yudhoyono. In this chapter, he describes the leadership of those figures, their policies and actions. Soeharto's authoritarian regime and its fall are described at length. What is more interesting in this chapter is how Crouch reveals BJ Habibie—President Soeharto's successor—as 'an "accidental" president who lacked a strong political base outside the discredited New Order regime and had been thrust unexpectedly into a position for which he was inadequately prepared'.

Nonetheless, the writer acknowledges what Habibie did. President Habibie was able to propose the release of political prisoners, he reformed the anti-subversion law, lifted restrictions on the press, developed new political parties within a multi-party system, held new general elections, carried out the drastic decentralisation of regional government, and freed East Timor from Indonesia. In that regard, the writer notes

Despite the chaotic circumstances and the unpromising composition of his government, President Habibie initiated significant reforms during his brief presidency. In the terminology of Grindle and Thomas, the Habibie government's reforms were largely 'crisis-ridden'.

But, according to Crouch, Habibie failed to combat the KKN (*korupsi, kolusi dan nepotisme*) problem and investigate the Soeharto family's wealth. So, it was not surprising that Habibie continued to be perceived by people as an extension of the New Order regime.

In 1999, Habibie was replaced by Abdurrahman Wahid (popularly known as Gus Dur). Abdurrahman was backed by his party, the Partai Kebangkitan Bangsa (PKB), and by Amin Rais and *Poros Tengah* (Central Axis) to compete with Megawati in the presidential election held by the People's Consultative Assembly (*Majelis Permusyawaratan Rakyat* [MPR]) in October 1999. Gus Dur defeated Megawati by 373 votes to 313 in the indirect president election in the MPR.

In relation to President Abdurrahman Wahid's *politik balas budi*

Gus Dur's immediate priority was to win back Megawati and the PDI-P. Megawati, who felt betrayed by her former friend, was persuaded to accept the vice presidency and her party was awarded four cabinet posts. The military was rewarded with six posts, including General Wiranto as Coordinating Minister for Political and Security Affairs, while Golkar got five. The support of the Central Axis was acknowledged with eight posts divided between four parties while Abdurrahman's own PKB received four. The remaining positions went to non-party ministers. The result was a cabinet that lacked political coherence, a condition that was soon aggravated by the president's erratic behaviour.

Abdurrahman's political strategy, outlined above, was detrimental in its effect, and it was aggravated by his lack of solid support from the parliament. Crouch describes it as follows:

Apart from the erratic personal style of the president, the fundamental weakness of the Abdurrahman presidency lay in its lack of solid parliamentary support in a presidential system with parliamentary features that had become increasingly significant. Abdurrahman...had won the presidency through deal-making in the MPR. His coalition partners joined him not because they shared his political vision but because he offered them patronage opportunities.

During Gus Dur's presidency, the military oppression in Aceh and Papua increased and the Maluku communal conflict was neglected. President Abdurrahman Wahid was finally dismissed by the MPR in 2001. As a consequence, vice-president Megawati succeeded him as the new president.

Indonesia under President Megawati Soekarnoputri was relatively stable. She was friendly to the military and had a similar vision to several conservative generals, mainly in maintaining NKRI (*Negara Kesatuan Republik Indonesia*). Despite her weaknesses, some progress related to political reform was made under her rule. Crouch explains that

Nevertheless, the stability Megawati's government, in contrast to the nineteen months of upheaval under Abdurrahman, provided space for the MPR and DPR to adopt important legislation. Although hardly driven by the president herself, the MPR adopted fundamental reforms which transformed the constitution.

Megawati's government also prepared draft legislation which resulted in incremental steps toward reform in other areas. New electoral laws were adopted, the regional autonomy laws were revised, laws on national defence, the police and military were passed and a new anti-corruption commission and court were established.

However, according to Crouch, President Megawati unfortunately was not able to improve the Indonesian economy significantly. Economic progress was an important factor to attract people to vote for her party, the Partai Demokrasi Indonesia Perjuangan (PDI-P), in the legislative election as well as to support her in the direct presidential election in 2004. As a result, in the 2004 legislative election, PDI-P saw a drastic decline in its support from 33.8 per cent in 1999 to 18.5 per cent in 2004. Golkar got more votes, 21.6 per cent but this share of the votes was a Golkar decline also compared with the 22.5 per cent it received in 1999. Susilo Bambang Yudhoyono (SBY), with his Democrat Party, defeated Megawati in the 2004 direct presidential election. He won it convincingly with 60.6 per cent of the votes compared with Megawati's 39.4 per cent after the elimination of the other three candidates.

Crouch considers that the 2004 direct presidential election was a landmark in the reform of Indonesia's political institutions. He quotes Aspinall, writing, 'the elections of 2004 brought to an end the "transitional period" in Indonesia's politics that began in 1998'.

President SBY and the vice-president, Jusuf Kalla (JK), ruled Indonesia for a full term of five years. The Democrat Party–Golkar coalition and SBY's control of the armed forces *Tentara Nasional Indonesia* (TNI) was one of the main factors in maintaining the power of the Yudhoyono–Kalla administration. The successful resolution of the Aceh separatist movement's demands and an anti-corruption campaign was a big

achievement. Political consolidation under SBY boosted political and economic stability in the country.

Chapter 3 describes reform of the constitution and the electoral system. Crouch refers to Andrew Ellies' statement that the amendments changed 'a state with a single all-powerful highest institution of state to become a state with constitutional checks and balances'. Megawati's PDI-P, which was backed by some military conservatives, initially rejected the amendment to the 1945 Constitution and the direct election for presidents. But at the end, she agreed because of pressure from her party and from the public. The DPD (*Dewan Perwakilan Daerah* [Regional Representative Council]) and the Constitutional Court were developed in the 2001 round of constitutional amendments.

It was agreed that the DPD in the 'new constitution' would have limited power to prevent it becoming similar to a senate in a federal system. Crouch notes, 'The amended constitution provided that elections to the DPR (and the regional DPRDs) would only be contested by political parties while the DPD elections could only be contested by non-party individuals'. The main function of the new Constitutional Court was to assess whether laws were in line with the constitution. The court also had a final say over disputes between state institutions, the dissolution of political parties, disputes over general election results, and to respond to the DPR's request to decide whether a president's or a vice-president's behaviour merited dismissal. Other amendments were related to regional autonomy, defence and security, human rights, and so on. The four sessions of the MPR between 1999 and 2002 had changed the 1945 Constitution fundamentally. Another sign of progress was the withdrawal of a proposal which would place Muslims under Islamic law.

The new election law was also passed by the DPR. It changed the closed list system of general elections in the New Order system to an open list system to enable voters to vote for their preferred candidates more freely. The open list system undermined the power of the party's leader to determine legislative candidates.

A major emphasis on decentralisation was taken by Habibie's government to cope with the problem of national disintegration after Soeharto. Pressure from regions outside Java for a wider regional autonomy, even federalism, was strong. Golkar had no serious objection to the new decentralisation law in order to get support from the regions and the public for the coming general election in 1999.

Because of its difficulties in controlling the chaotic circumstances after the fall of Soeharto, the military also had no serious objection to Habibie's decentralisation programmes that were the subject of law 22 of 1999. This law was drafted by Ryaas Rasyid and his 'Tim Tujuh'. The Law on Regional Government (22 of 1999) had a federalist flavour; it transferred authority and resources to the district level directly, bypassing the provinces. The hierarchy of regional governments was abolished. Governors tended to become coordinators of the district heads, rather than their superiors. This was different from the local government structure set up in law 5 of 1974. Nonetheless, under law 22 of 1999, the position of governor remained unclear, it was the central government's instrument and the region's representative as well. This dual position copied the New Order model of regional government.

The Habibie government's law 25 of 1999 also devolved financial matters to the regions. His decentralisation policies were greeted enthusiastically by the regions and disintegration tendencies decreased. However, the implementation of decentralisation policies was confusing because of the lack of legal instruments. Crouch explains that 'Administrative preparations for autonomy proceeded very slowly. Ryaas estimated that effective decentralization would require 120 legal instruments—5 laws, 47 government regulations, 7 presidential degrees and various other regulations'. Furthermore, in following the decentralisation big-bang approach of laws 22 and 25 of 1999, local conflicts, money politics, and corruption grew rapidly in many regions in Indonesia.

Megawati's government replaced law 22 of 1999 with law 32 of 2004 to recentralise some government functions. Of law 32 of 2004, Crouch writes

Overall, the new law shifted the balance of authority from the regions towards the central government. The hierarchy abolished by Law No. 22/1999 was restored and, in a formal sense, ultimate authority was now placed in the hands of the central government in accordance with the concept of the unitary state.

He sees this as a move from ‘crisis-ridden’ politics to ‘politics-as-usual’. Although the new regional government law developed a base for democracy at local levels, it did not lead to better quality regional governments.

Chapter 5 examines efforts toward judicial independence, combating corruption, court failure, big corruption cases (1999–2004), the Soeharto family, Bank Indonesia and the Bantuan Likuiditas Bank Indonesia scandal, Golkar and the 1999 elections, the Bank Bali and Akbar Tanjung cases, dropped cases, Yudhoyono’s anti-corruption drive, conflict between agencies, and anti-corruption politics in regional government. One of the New Order legacies was corrupt courts which served the regime’s needs. In this chapter Crouch argues that under the post-authoritarian regime, the judicial system experienced only minimum reform; the courts were freed from the control of the Department of Justice and the Constitutional Court (*Mahkamah Konstitusi*) was established. The courts failed with big corruption cases because of the defendants patronage ties with the regime.

Chapter 6 discusses the reform in part of the military. The reform was clearly seen as being the military’s withdrawal from day-to-day politics, such as from the government (as *bupatis*, governors, etc.) and from the parliament. A step toward civilian control over the military came with the success of Yudhoyono and Kalla in imposing on a reluctant military a peace agreement with Aceh in Helsinki on 15 August 2005. For further military reform, Crouch notes that ‘major areas remained largely unreformed including the army’s territorial structure, military financing, and the ‘impunity’ of military officers before the law’. The limited military reform in the writer’s view was largely initiated by some reformist members of the military, rather than the president or parliament members responding to public pressures.

Chapter 7 explains communal conflict in Maluku and its resolution. Communal conflicts in Maluku began on 19 January 1999 (the date of *Lebaran* after the *Ramadhan* fasting month) when a quarrel occurred between a Christian Ambonese minibus driver and a Muslim Bugis youth at a bus terminal in Ambon. This triggered fighting and spread throughout Ambon Island and beyond. 'The initial fighting involved Christian Ambonese and Muslim BBP [Butonese, Bugis and Makassarese] youths but its ethnic character became religious especially when mosques and churches began to be destroyed.' This conflict ended two years later after thousands of people had been killed or wounded.

The Malino peace agreement, which was signed by Christian and Muslim Ambonese in Malino (South Sulawesi) on 11–12 February 2002, ended the horrifying communal conflicts. Before the peace, the conflict escalation was caused mainly by the poor performance or the lack of professionalism by the military, and by the involvement of radical militias from in and outside Ambon. Moreover, the weak president's leadership also contributed to the worsening circumstances in Ambon before peace talks in Malino were taken.

Chapter 8 examines resolving the separatist challenge in Aceh. The Indonesian government of Yudhoyono and Kalla was able to cope with problems of GAM's (*Gerakan Aceh Merdeka* [Free Aceh Movement]) separatism in Aceh. The Helsinki Memorandum of Understanding was signed on 15 August 2005 between GAM and a representative of the Indonesian government. This peace agreement was reached only after the tsunami at the end of 2004 that destroyed much of Aceh. In that agreement, GAM members got some concessions from the Indonesian government: an 'integration' fund, land and jobs. GAM was also permitted by the Indonesian government to build local political parties in Aceh, as well as, take part in the direct gubernatorial election in Aceh in 2006. As many local people predicted, Irwandi Jusuf, one of the GAM officers, won that *pilgub langsung* (direct election for governor). Moreover, nearly half the district headships were also won by GAM candidates. In terms of this the writer argues that

In 2005 the government in Jakarta, following the convincing victory of President Yudhoyono in the direct election of 2004, enjoyed much more legitimacy than the Abdurrahman and Megawati governments and was more capable of implementing its goals in a coherent way. ... While his vice president, Jusuf Kalla, was making secret contact with GAM, Yudhoyono was cementing his own base of support within the TNI that would enable him to curb attempts to disrupt the Helsinki negotiations.

As many observers witnessed, Aceh was stable under the Yudhoyono–Kalla government. GAM reduced its demand for full independence to self-government. This progress was well accepted by the Indonesian authorities.

Crouch's question about reform in unpromising circumstances in his introductory chapter is answered in the concluding chapter. The answer is clear, that is, an uneven reform. He concludes that, of six sectors under his examination, minimal reform occurred in the courts. Crouch states

Reform, however, did not proceed evenly across different fields. The most thorough reforms were in governing institutions—the architecture of governance. The constitution had been thoroughly amended and now approximated to formal international democratic standards... Centre-region relations had also been drastically overhauled... The previously dominant military had stepped back from direct political participation although it continued to exercise informal political influence and full civilian control had not been achieved. The least progress was made in the judicial sector...

It is my opinion that this book is a kind of history of *Reformasi*, a reflection as well as an evaluation of political reform in Indonesia after and authoritarian regime. In *Reformasi*, Crouch explains at length, six main sectors had been reformed: the national constitution (UUD 1945), electoral laws, centre-regional relations, courts, the military, communal conflicts in Maluku and separatism in Aceh. Crouch supports his explanations with data, interviews with key figures, and a broad range

of theoretical frameworks. As a senior Indonesianist, who has a long experience with Indonesia and Indonesians, it is not surprising that his deep knowledge and understanding of Indonesian politics is very convincing and this can be seen clearly in this book and is its great strength.

Nonetheless, I see several weaknesses of this book. First, the author has a bias to President SBY; he does not dwell on SBY's weaknesses, but he does mention several times weaknesses of previous presidents. Second, the author does not explore whether political reform in Indonesia has positive effects on the Indonesian economy. I mean the author should also explore the economy of Indonesia since Soeharto. I believe that poverty and unemployment in Indonesia after Soeharto worsened because SBY's 'neo-lib' policies had marginalised small farmers, small traders, labourers, and the 'weak' as a whole. The wide gap between the rich and the poor in the New Order era, was maintained by SBY's *Reformasi* regime.

Third, the great increase of *pemekaran daerah* (formation of new regions) as an effect of decentralisation policies after Soeharto does not appear in this book. *Pemekaran daerah* is a meeting point of many interests: local elites, political parties, business communities, government officials, NGOs and universities. Several studies show how collusion, corruption, manipulation, and mobilisation coloured the process of 'district multiplication', which involved local and national elites. Good governance and law enforcement is largely still absent in this Reform era in Indonesia. So, can a deliberative democracy be born from a 'transactional' and 'free market' political system in Indonesia in this *Reformasi* era?

I am of the belief up to now that Indonesia is still in a transition period, which is indicated by the re-birth of old practices in new forms. The 'criminalization' of the Anti-Corruption Commission, SBY's weak leadership, the government's 'soft censoring' of the press, the restrictions to freedom of religion and the increasing poverty since 1998, according to me, can jeopardise the reform agendas that were introduced by students and pro-democracy supporters in 1998–99. In terms of this,

I suppose that Crouch's book is too optimistic in seeing reform and progress in Indonesia under President SBY.

This book is interesting and important. Above all, it is Crouch's big contribution to the discussion of political reform and the development of political science in Indonesia.