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BOOK LAUNCH: INDONESIA: THE GREAT TRANSITION

**with editor and co-author John J. Bresnan,
Senior Research Scholar of the Weatherhead East Asian Institute
Columbia University,
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The following is a transcript of Professor Bresnan's remarks:

This book had its origin almost five years ago. Indonesia was in a condition that aroused deep pessimism. An Australian scholar predicted that it would fall into five or six separate pieces, like Yugoslavia or the Soviet Union. I was meeting with the four colleagues who have contributed to this volume. I asked if they expected Indonesia to remain more or less as we knew it. None of us thought Indonesia was going to fall apart. We decided to write a book inquiring into why things had gone so wrong, look for remote as well as proximate causes, and try to peer into the future in the light of our analyses.

In the ensuing years, as we prepared the text and looked for a publisher, the situation in Indonesia kept changing, and we kept updating our analyses and revising our projections. The tone of our manuscript gradually became sunnier. The year 2004 – the year of elections in Indonesia -- ended as we were making final revisions for the firm that did publish the book, Rowman & Littlefield.

The timing was fortuitous. The first direct election to the presidency in October and the tsunami that came in December of 2004 seemed to mark a turning point in Indonesian history. The nation had taken major steps toward reforming its national constitution, installing a stronger legislature, a more independent judiciary, and a more decentralized system of government altogether. Communal tensions were subsiding, and counter-terrorism was being made more effective. The gross domestic product was approaching the levels the economy enjoyed before the financial crisis. Leaders were beginning to consider what role they should play in the region and beyond. We found the process of change taking place in Indonesia so widespread and so weighty that we called it “the great transition.”

Five people made this book, and I am only one of them. I want to give you a taste of what each of us has to say without attempting to summarize all. The five contributors are: Donald Emmerson of Stanford University on Indonesian identity; Robert Hefner of Boston University on social legacies and the future; Annette Clear of the University of California Santa Cruz on political reform, myself, until recently at Columbia University, on economic recovery and reform; and Ann Marie Murphy of Seton Hall University on Indonesia and its relationships with the rest of the world.

We start by noting the talk of break-up, and further note that Indonesia has had a history of more than 50 years as a separate and independent entity. We ask, what will be required for it to last another 50 years?

Don Emmerson first describes the heterogeneity of Indonesia linguistically. It is not the most varied nation in the region. The island nations to its East include quite a number that are more heterogeneous than Indonesia. Its neighbor immediately to the Papua New Guinea, is the single most heterogeneous nation on earth. But we do not hear much about PNG falling apart. Ethnic heterogeneity need not necessarily lead to conflict.

What if we turn the question around and ask, what holds Indonesia together? Then our answer is, in effect: not a very great deal, but enough.

First of all, as Bob Hefner writes, Indonesia has been accustomed to people living in close proximity to others who are different – and dealing with them more or less peaceably over a very long period of time. He writes: “When Europeans first arrived in the Indonesian archipelago in the early 16th century, they encountered a bustling maritime realm that already had a history of a thousand years of commercial and cultural exchange.” And he says of this long history: “The great movement of people, commodities and cultures contributed to the archipelago’s most distinctive social trait: its ethnic plurality within civilizational commonality.”

Ethnic plurality is indicated by the geographical arrangement of languages and dialects in Indonesia. Linguistic variety is slightest in the western islands, such as Java and Sumatra, and greatest in the eastern islands, from Timor to New Guinea. But a linguistic map will not match the political one we are all familiar with. Indigenous languages do not follow borders like those drawn by Europeans. The same languages typically appear on both sides of these political borders, whether we are considering the land borders in Kalimantan or Timor or Papua in the East or the sea borders between Indonesia and Malaysia in the West. This “erasure of sovereignty” by speech makes it difficult to identify what is Indonesian and what is not.

Political borders are important, however, because they are recognized by the international community, although the inclusion of Papua is questioned in some quarters. In addition, Indonesia is geographically fortunate in that it does not face any neighboring power that has an interest in its not holding together.

In addition to borders, Indonesia is blessed with a national language – bahasa Indonesia – which has been growing very rapidly in use in the public sphere, while vernacular languages – Javanese, Sundanese, and the other first languages – are growing slowly or not at all, and are increasingly confined to the private sphere of household and family. Bahasa Indonesia is the “first language” only in families with mixed linguistic backgrounds. So long as this is the case, Bahasa Indonesia is unlikely to become the first language of any one ethnic group, and so is likely to continue to be the preferred language for public national discourse for all ethnic groups.

Emmerson was designated to deal with separatism. He writes, well before the tsunami of 2004, the following about Aceh: “Aceh is not poised to leave Indonesia, and Islam is not the engine that is driving the Acehnese toward such a result. Grievances stemming from Jakarta’s brutality mixed with rancor

over its avarice are the cause.”

His views on Papua are worth sharing in more detail: Christianity, he says, does not fully account for Papuan separatism. The numerically dominant Papuan churches are organizationally divided. No charismatic religious leader evokes a common Papuan identity. Papuans were almost entirely absent from the nationalist struggle to create Indonesia. The exploitation of Papua's natural resources for the benefit of Jakarta and foreigners is a major grievance. Papua in 2003 was the poorest province in Indonesia. For ethnic Papuans, stigmatization based on race and culture compound the material exploitation. But secession is not in sight. The opinion is very widespread in the rest of the country that, ever since East Timor's departure, no province should be permitted to secede.

Emmerson concludes by asking, what does Indonesia need most? Taking Aceh and Papua particularly into account he replies “...A shifting of priorities - away from erecting a nation deductively to meet the specifications of yet another national leader's abstract scheme, and toward the inductive cultivation of better governance in the service of society as it is. Not redesigning the nation, but socializing the state.” Others would add that Indonesia needs not only a change of the laws that apply to these regions on its periphery. It needs a change of heart.

Bob Hefner asks whether Indonesia has a legacy of “social capital” large enough to enable it to focus on “the cultivation of better governance.”

Hefner describes the Islamization of the archipelago as one of the most important social movements in the history of Islam and of early Southeast Asia, providing a common religion to 88 percent of the Indonesian population. Again, however, the distribution of religious adherents works both for and against a common identity. There is a broad pattern of Islam giving way to Christianity from West to East, but it has no political effect. What has had a political effect is the fact that, almost from the beginning of a “public sphere” in Indonesia in the early 20th century, Indonesian Islam has been divided between those who believed that public life should be organized on a multi-religious or “religiously neutral” basis and those convinced that Islam must provide an all-encompassing model for state and society. This division was particularly wide on the island of Java.

Indonesia also has been impacted by more recent social changes driven by the rapidity of economic growth between 1967 and 1997. “Whatever its political missteps,” Hefner says, “the New Order improved education, made significant advances in family planning and public health, and built up the country's infrastructure for communications and transport. These achievements boosted per capita income, fueled the growth of a new middle class, and spurred a great movement of people around the country. Migrations and social mobility blurred ethnic boundaries and challenged established hierarchies....These changes were destined to strain the country's traditions of commensality and tolerance.”

In the months following Suharto's resignation, Indonesia seemed to stagger from riot to riot. Most of these events involved attacks by urban gangs, nominally identified as “Muslim,” on people and property that were Christian or Chinese or both. This sectarian violence was of a magnitude never seen before in modern Indonesia. Thousands died in acts of wanton violence.

In the year 2000, the competition entered a new phase. Powerful figures in

the conservative elite around Suharto provided support for a new paramilitary group, the Laskar Jihad. Although President Wahid tried to stop them, the backers of this paramilitary group were able to assure that it was escorted across the island of Java and then taken by ferry to Ambon. Ambon already was the scene of the largest rioting between Muslims and Christians and Chinese. Now the level of violence in Ambon and elsewhere in Maluku increased significantly. It was only after the bombings in Bali in late 2002 that Laskar Jihad was told it must disband. But paramilitaries have proliferated greatly in Indonesia in the years since Suharto fell; they are no longer the exclusive weapon of powerful politicians.

Hefner attributes the civic violence to a combination of factors: the declining capacity of the Indonesian state, heightened factionalism among the elite, and what he calls "sectarian trawling" by elements in state and society. The main task in years to come will be to get leaders to resist the temptation to reach out and polarize, and instead to channel their energies into free and fair competition, following the rules of the democratic game.

Indonesia, Hefner concludes, may not turn itself into a peaceful and fully democratic place any time soon. But many of its people appear to have learned from their rich social history. That is an expression of optimism that one might call "measured." I think none of us in the book would disagree with measured optimism.

Annette Clear looks at the structure of politics and asks whether it is changing in fundamental ways. She first describes the growth of the autonomous Indonesian state. The Dutch colonial state established itself largely by force of arms and functioned as though it were autonomous from the society, banning political parties and exiling dissidents. Sukarno introduced the idea of a strong central executive power with increasing authoritarian attributes. Suharto completed the process and made it more concrete, with the willing aid of the Indonesian army. Civil rights were routinely abused. Political parties essentially ceased to exist. The Council of Peoples Representatives (also known as the Parliament) became a rubber stamp. The question is: to what extent does the present regime continue to be autonomous from the society?

Clear points out that there was little in civil society to resist this increasingly autonomous state. The major dissidents during the New Order were three large Muslim organizations: the Nahdlatul Ulama, the Muhammadiyah and the Himpunan Mahasiswa Islam. All three survived New Order repression. The first two operated extensive educational and welfare systems, counted their members in the tens of millions, and were led by Abdurrachman Wahid and Amien Rais respectively, two men who played key roles in the change of regime in 1998. The third was the largest student organization surviving on the university campuses, which provided the "people power" in the streets that helped bring down both Sukarno and Suharto.

The security structure developed by the Indonesian army helped bring down Sukarno and the Communist Party, protected the Suharto regime for more than three decades, and suffered the same fate as Suharto – the eventual loss of power in an environment of shame. Now a civilian minister of defense is pressing the armed forces to undergo a fundamental reform, starting with the auditing of their sources of income.

Clear adds that this security system was financed by what is known as a "rentier" economy. Indonesia, with an abundance of natural resources, depends heavily on "rent" paid by foreign entities for access to these

resources. Foreign aid and foreign investment were critical supplements to this income from natural resources. These sources of funds, more than taxes levied on the population, supported the political institutions of the Suharto regime – the presidency, the military, and the politico-bureaucratic elite. Clear concludes that the most useful way to increase the influence of public opinion on government in Indonesia would be to make government more dependent on the Indonesian people for its income. If the people are supporting the government financially, they will have a stronger incentive to voice their views and the government will have a stronger incentive to listen. She suggests replacing the slogan “No taxation without representation,” drawn from American history, with a new one that says to Indonesians, “No representation without taxation.”

Bresnan adds that the withholding of foreign funds was a factor in the fall of Indonesian presidents, beginning with the “go to hell with your aid” outburst by Sukarno when aid was terminated over “konfrontasi” in 1964. I show how the withholding of funds also shortened the presidencies of Suharto, Habibie, and Wahid. Thus the leverage available to external sources is a potential threat to the stability of any Indonesian political regime, not necessarily because the external sources wish to threaten it, but because the two parties are behaving in accordance with different norms.

Indonesia lost more economic growth than any other state in the region in per capita terms during the regional currency crisis of 1997-98. My own analysis leads me to see corruption at the heart of this loss. By the mid-1990s, Indonesia’s economic policies were being driven by the interests of the Suharto family. We are familiar with corruption in many countries, including our own. But data from Transparency International make clear that the case of Indonesia was among the worst in the world, and one of the problems was that the president of the country was himself the worst offender.

Suharto’s departure from office also cost at least a thousand lives, but the national elections that identified his successors have been surprisingly peaceful and orderly. Political parties remain numerous, and one has the sense that the number will continue to be large because the party law continues to favor that outcome. But none of the current parties is large enough to gain a majority vote, therefore coalitions will be essential to governance. There has been a very mixed record of coalition government in Indonesia. There is a tendency to form cabinets of national unity; no party wishes to play the role of loyal opposition. But this makes the task of presidential leadership very substantial indeed.

Moreover, the new constitutional division of powers must be seen to work. The president of Indonesia may be eager to get things done, only to be held up by legislative failure to support him. The legislature may have the upper hand, but it cannot accomplish much without a majority that can work with the president and his cabinet. No one really knows how the new Council of Regional Representatives or the new Constitutional Court might help or hinder when issues arise between the executive and parliament.

Each branch of government in Indonesia has problems internal to its own working as well. The legislative branch includes too many members who have too little experience with what it takes to make a large legislative body productive. And the executive and judiciary have some very painful changes to bring about. The minister of defense and the chief justice both estimate that it will take 25 years to carry out the reforms they see as needed in their own institutions. The legacy of corruption is now much too large for any new

leadership to overcome in a single term in office.

The level of Indonesia's corruption in its response to the financial crisis was nothing short of massive. Emergency loans made to hold off bank runs were sent abroad as though they were free gifts to bank owners. Few private corporations taken over by the government were resold in a transparent manner. It is widely believed that many, if not most, were bought back by their former owners at bargain prices through third parties. Few banks that were taken over survive, and most of those private bank owners responsible for the mountain of bad debt appear to have negotiated settlements, enabling their owners to avoid court trials and public disclosure. The bank restructuring agency may well have been the most corrupt government agency in Indonesian economic history. Few state-owned enterprises have been sold off to help pay for the bailouts, in spite of many promises to do so. The cost of bailing out the banks and corporations has been met largely by cutting back on social services and on investments in economic growth.

Ann Marie Murphy contributes an analysis of Indonesia's foreign policy in a chapter entitled "Indonesia and the World." Much of the chapter observes changes in Indonesian policy over time in terms of its shifting emphasis on either "diplomasi" or "perjuangan" ("struggle," "combat" or "fight"). During most of its first half-century, Indonesian foreign policy was determined very largely by whoever was president and by whether his domestic position was supported by the prevailing international power structure. During the 1970s and 1980s, shared anti-communism made possible a prolonged era of "diplomasi" in relations with the West. But around 1990, the fall of the Berlin wall and the breakup of the Soviet Union led to an increase in "perjuangan." This was seen in such cases as Indonesia's reaction to the U.S. emphasis on human rights after the Dili massacre of 1991 and in its reaction to the "Washington consensus" on economic policy in the financial crisis of the late 1990s. Just as Sukarno had done, Suharto left office in a state of terribly bad relations with the West.

Hopes for a new era of Indonesian relations with the outside world came crashing down following the wholesale destruction in East Timor in 1999. The inept handling of this event by Gus Dur caused him to leave government bereft of international allies. Megawati was almost immediately faced with the aftermath of 9/11: on the one hand, American pressure for wholesale support of the war on terrorism, and on the other hand, widespread sentiment in the Indonesian population that the war could turn into an anti-Islamic crusade. The outcome of these two developments was to make Islam a major factor in Indonesian foreign policy for the first time in history. The American invasion of Iraq had the further effect of causing secular nationalists and Islamic elements in Indonesia to coalesce on a foreign policy issue for the first time. The U.S. decision to re-establish relations with the armed forces of Indonesia and the American response to the Aceh tsunami led to the return of a measure of "diplomasi" to Indonesian foreign policy.

Murphy finds striking continuities among these shifts in policy. One is the belief among many Indonesians that the world is a dangerous place. The rules of the international system are written by the great powers in a way that keeps secondary states down. Other continuities include: resentment against conditionality, particularly to the practice of linking political conditions to economic aid; the claim that Indonesia's size and history entitle it to a role of leadership in international affairs; less coherence in foreign policy with the rise of electoral politics and the significance of public opinion; foreign policy as a reflection of the personality of the president; the ability of personal interests of

the president to override broad national interests, and finally, the key factor determining whether “diplomasi” or “perjuangan” characterizes relations with the outside world will likely be the extent to which there exists a convergence of interests and attitudes between Indonesia and key international actors.

So we have seen some lessons emerge from our inquiry. One is that Indonesia does not face a major problem of separatism so long as Jakarta can shift its priorities, give society a larger role in running its affairs, and contain the brutality of its armed forces and the avarice of its own officials. Another is that social harmony, a traditional characteristic of Indonesian society, can be sustained if leaders of state and society avoid attacks across ethnic and religious lines, but rather reach out and build bridges across them.

Still another lesson is that financial corruption in elite circles has social, economic and political costs that any government of Indonesia will want to work vigorously to bring under control. This goal would be enhanced by less government ownership, and more active regulation, of institutions central to the stability and growth of the economy, including banks and major corporations.

Yet another lesson is that other states will find Indonesia more complex in its foreign policy-making, and more difficult to understand or influence, as public opinion grows in significance, and presidents of Indonesia find it harder to put a personal stamp on relations with the rest of the world.

Yet another lesson is that Indonesia needs time to meet the expectations of its reformers, time for political behavior to match more closely the assumptions of its constitution-writers, time for reality to begin to catch up with popular hopes. This time might extend to two or three decades in the view of prominent figures in leadership roles, and we would be wise to listen to them and exhibit the patience that will require.

Whether Indonesia’s leaders will prove able to meet these challenges over the next two or three decades remains unknown. Institutions in Indonesia are weak, and for some time to come, the personalities of individual leaders will be more important than the offices they hold. If it is fortunate, Indonesia will see good leaders arise to meet the needs of the times. If so, the great transition already so well begun may continue for decades yet to come.

The Great Transition, edited by John Bresnan, Rowman & Littlefield, 2005, ISBN 0-7425-4010-3 (cloth), ISBN 0-7425-4011-1 (paperback), can be purchased at Politics & Prose, Connecticut Avenue, Washington DC or www.amazon.com.

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