



Economist.com

WORLD
ASIA

Indonesian democracy

Beyond the crossroads

Apr 2nd 2009 | JAKARTA
From The Economist print edition

The election may be a shambles, but democracy is thriving

EPA



UNDER Suharto, the dictator who ruled for 32 years until 1998, Indonesian parliamentary elections were not so much rigged as scripted. But the pointless campaigns were lively, colourful affairs, giving an impressive imitation of the forms of democracy. Now that Indonesia enjoys the substance, too, political parties can give full vent to the voters' enthusiasm. The campaign for the parliamentary election on April 9th, the third since Suharto's downfall, has been a carnival of democratic competition: flag-waving, horn-honking processions; television-advertising blitzes; mass rallies with a few speeches, gifts of free T-shirts, 20,000 rupiah (\$2) notes and, most important, singing and dancing.

The poll itself is an exercise whose scale and logistical complexity are second only to those of a general election in India. Across more than 900 inhabited islands, 171m people have registered to vote. They have 38 national parties to choose from, and an estimated 800,000 candidates for the national parliament, known as the DPR, and lower-level provincial and other legislatures. And this is only the start of what may be a three-stage process. Parties, or coalitions of parties, that win at least 112 seats in the 560-member DPR, or 25% of the popular vote, may nominate candidates for the powerful presidency, to be elected in July. If no candidate wins more than 50% of the vote then, there will be a run-off in September.

Indonesia's national motto is "Unity in Diversity", and there is a surprising degree of consensus about the likely outcome of all this: the re-election of Susilo Bambang Yudhoyono, who in 2004 became Indonesia's first directly elected president, for a second five-year term. But even if the consensus is accurate, there is great uncertainty about the shape of the coalition he will lead, which depends in part on the results of the parliamentary vote.

Opinion polls (see chart) suggest many voters have yet to make up their minds but that the new DPR will probably be dominated by three parties: the president's Democratic Party (PD), which basks in the glow of his own popularity and is expected to double its share of votes to more than 20%; Golkar, which was once a vehicle for Suharto's re-election but which serves in the PD's coalition and is led by Josuf Kalla, the vice-president; and the main opposition, the Indonesian Democratic Party of Struggle, or PDI-P, which is the heir to the nationalist movement of independent Indonesia's founder, Sukarno, and is led by his daughter, Megawati Sukarnoputri, whom Mr Yudhoyono replaced as president.

The next administration will be another coalition. If Mr Yudhoyono and Mr Kalla remain on the same ticket, they will be hard to beat. But Mr Kalla has said he will contest the presidency himself, forging an alliance with the PDI-P and others. If he does, which is not certain, that might leave Mr Yudhoyono's secular PD leading a coalition of smaller parties, of which the most important are Islamist ones.

Thinking back to the political chaos, bloodshed and economic meltdown that surrounded Suharto's departure, it is hard not to be impressed that the legitimacy of this convoluted process seems to enjoy such general support in Indonesia. Democracy has taken root and flourished. Though it is still finding its way—and there are many reasons to worry about the forthcoming election—democracy's achievements are worth enumerating.



In a country with a history of political violence, the campaign has been largely peaceful and good-humoured, as it was in 2004. An exception has been Aceh, where a separatist insurgency ended with an agreement on local autonomy in 2005. The first local legislative elections in Aceh are being held alongside the DPR vote. Three former insurgents have been mysteriously murdered. The army accuses the former separatists' party, Partai Aceh, of continuing to espouse independence.

Separatists in restive regions such as Papua and Maluku can still be locked up for unfurling flags, as they were after a demonstration in Papua in March; four Dutch journalists were briefly detained for covering that episode. The army is accused of abuses in Papua of the sort it once perpetrated in both Timor-Leste and Aceh. But elsewhere, claims Amien Rais, a leader of *reformasi*, the turbulent reform movement that toppled Suharto, Indonesia has a free press and "100% political liberty".

The Indonesian miracle

The army is back in the barracks. Under Suharto it had *dwifungsi*, the "dual function" of running the country as well as defending it. It also oversaw a huge business empire, since partially dismantled, and was guaranteed enough seats in the parliament to ensure its privileges could not be chipped away. Now not only are serving soldiers barred from political office; the 410,000 members of the armed forces do not even have the vote. Six would-be candidates for the presidency are retired generals, including Mr Yudhoyono. But most Indonesians seem to expect the army to remain neutral during the elections.

Moreover, in the country with more Muslims than any other (nearly 90% of a population of about 240m), political Islam is firmly in the moderate mainstream. Indonesia has done well in rounding up Jemaah Islamiah, the al-Qaeda affiliate responsible for the 2002 Bali bombing. Some forms of Islamic orthodoxy—women wearing headscarves, for example—are more prevalent than a decade ago. And in the last DPR election, about 40% of the vote went to parties broadly defined as Islamist.

They have since played a role in promoting two regrettable pieces of legislation: one, to curb “pornography”, which though much watered down, might be used to ban such joys as traditional dancing; and one stopping Muslims belonging to the Ahmadiyah sect from proselytising. There has also been a worrying tolerance for thuggery by Islamist vigilantes. But, despite claims by some “nationalists” (as secularists like to call themselves) that extremists are taking over Indonesia by stealth, the country does not seem to be creeping towards fundamentalism.

In the early months of *reformasi*, dozens of Islamist parties sprang up. Most have since vanished or become part of the mainstream. To win power nationally and in local elections they have had to adopt a more secular image, or form coalitions with secular parties. Opinion polls have found dwindling support for the regulations based on *sharia* that some local governments have introduced.

The Prosperous Justice Party, or PKS, for example, grew out of the underground campus resistance to Suharto. H. Zulkieflimansyah, a PKS leader in the DPR, explains that religious activism was less tightly constrained than the political sort. Its precursor organisation grew into a nationwide network. In the 2004 elections it put this to good use, winning more than 7% of the vote. But he says the party, which joined the governing coalition, is between the rock of not alienating its core Islamist support and the hard place of needing to attract secular voters. The PKS, like most Islamist parties, is expected to fare worse in this election than it did in 2004.

Another largely successful reform is the radical decentralisation that has seen a big chunk of public-sector spending and power devolved to local levels. Parties that have done badly locally will now pay a price at the national level. The *reformasi* has also introduced a new sense of accountability, which has done a bit to rein in the still rampant corruption. So has the capture of some big fish. They include the father of Mr Yudhoyono’s daughter-in-law, one of several corruption suspects at the central bank, and so many DPR members that a judge asked if every law discussed there needs to be lubricated with cash.

Same old, same old

The persistence of pervasive corruption after the departure of the Suharto kleptocracy is only one of the clouds over Indonesia’s vibrant new democracy. Another is the continued dominance of Suharto-era figures. All the main contenders for power are survivors of that period. Even Ms Megawati, as part of the licensed opposition under Suharto, is a relic of his “New Order” regime. Blink, and *reformasi* looks less like the revolution it seemed to herald and more like a tactical manoeuvre to help the old Jakarta elite to cling to power. Blaming the stultifying environment of the Suharto years, optimists hope a new generation of leaders will emerge by the next elections in 2014. Indonesians, says Eva Sundari of the PDI-P, are not yet ready to elect a juvenile such as Barack Obama.

The absence of political debate in the campaign is also dispiriting. So thin is the ideological divide, for example, that the two main rival presidential candidates could be the incumbent and his deputy. Asked what Golkar stands for, Burhanuddin Napitupulu, a leading party strategist, seems flummoxed. “Prosperity and nationalism,” he eventually comes up with. Similarly, the goals of the PKS, as defined by Mr Zulkieflimansyah, are “the reform of the Islamic community”, and the aim of reform is “prosperity and justice”, roughly the PKS’s name. He pins some hopes on the party’s high position on the ballot paper. Likewise, the Golkar bigwig thinks his party has an edge because of its campaign colour, an “eye-catching” yellow.



A PD vice-chairman, Darwin Saleh, cheerfully concedes the party’s hopes rest on the president’s popularity: “paternalism will be dominant for the next ten years.” The PDI-P, as an opposition party, has a clearer platform: against privatisation and for stronger workers’ rights. But it is still less closely identified with a manifesto than an individual—Ms Megawati, whose undistinguished

presidency and aloof style are handicaps.

Two other parties are simply bandwagons for the presidential ambitions of Suharto-era generals. Wiranto, a former army chief implicated in the violence that accompanied the breakaway of Timor-Leste in 1999, heads Hanura. Prabowo Subianto, the former head of a notorious special-forces unit, who went into exile after being involved in the kidnapping of political activists in 1998, heads Gerindra. Of the two, Gerindra has created the bigger splash. Financed by Mr Prabowo's billionaire brother, it has poured money into TV advertising, and offers members an innovative freebie: one-year's worth of premiums for life-insurance policies that would pay out about \$200, a fortune to most. Its populist message may have won it 13m members but this need not translate into votes.

The absence of real policy debate provokes an understandable response: growing apathy. The percentage of voters who opt, in the Indonesian term, for *golput*, or the "white party"—ie, do not vote or else spoil their ballots—was widely watched in the Suharto days as a measure of tacit dissent. In 2004 the *golput* rate, just 5% in 1999, reached 25%, and is expected to climb further this year.

The number of Indonesians unrepresented in the new DPR will rise because of the threshold that parties have to cross before any of their candidates are allowed seats: 2.5% of the national vote. There is no second-preference system, so those votes, which may account for as much as 20-30% of the total, are in effect ignored. Defenders of the system point out the importance of thinning the numbers of parties. But that is to ignore the likely alienation of voters in provinces, such as Papua, still chafing at rule from Jakarta.

In yet another reform, voters will pick individual candidates not party lists. So it is possible that some might win the popular vote but not be elected because their parties nationally fall short of the threshold. That is one of many reasons to expect the results to produce consternation, wrangling and legal challenges.

Dictatorship was so much easier

Many Indonesians are not even sure how to cast their votes, after a planned shift from hole-punching to box-ticking was aborted (both are now allowed). Folding the bath-towel-sized ballot paper will also be tough, and voting will take so long queues will need patience. By April 1st the software to transmit the results had still not been installed, 5.7m ballot papers had been found to be invalid and many others had not reached the polling stations. Unlike India, Indonesia does not stagger its election, though some Christian districts will be allowed to delay voting a few days.

Most seriously, questions have been raised about the voters' lists, after a scandal this year over a governor's election in East Java, in which more than a quarter of the names on the list were found to be duplicates or bogus. The enterprising police commander who made this discovery was chivvied into retirement three months early and the investigation downgraded, giving the impression of a cover-up.

Whether or not there was an attempt to rig the election in East Java—or something similar is planned nationally—the mess highlights the weakness and ineptitude of the independent election commission. This is in part a result of a corruption scandal in 2004, which saw some commissioners go to jail. Not only did that deter potential recruits, it also meant that the commission's budget is now on a much tighter leash.

With so many problems, there have been calls for a delay in the vote. They are unlikely to be heeded. Even the PDI-P's Ms Sundari would be opposed. Candidates, she says, cannot afford an even longer campaign. And the move from a party-list system has created tremendous friction within the parties. They want the election over with.

The electoral stimulus

All that money the candidates have been splashing out is useful at a time when Indonesia's economy is cooling sharply in the draught from the global downturn. Exports, dented by falling demand and collapsing prices for commodities such as coal and palm oil, were down 36% in January in value terms compared with a year earlier, according to Mari Pangestu, the trade minister. The central bank expects a decline of 25-28% for 2009 as a whole. Most economists expect GDP growth to slow to about 3% from 6.1% in 2008.

That is still a far cry from the cataclysm of 1998, when the rupiah collapsed and the economy shrank by 13.1%. The rupiah has weakened moderately in recent months, and the government has been arranging back-up swap arrangements with multilateral banks and other countries, including a \$15 billion facility from China.

EPA



Yudhoyono sings the blues

The government has announced its own fiscal stimulus of 73.3 trillion rupiah, about \$6 billion, or 1.4% of GDP. Most of it will be in the form of tax cuts, with only 17% devoted to infrastructure and poverty relief. That is in part a reflection of the government's lack of capacity. Though the need of better infrastructure is desperate, the government knows that promising to throw money at the problem is an inefficient way of generating economic activity.

There could have been no more graphic or terrible illustration of this than a disaster which struck on March 27th. The Situ Gintung dyke burst in the middle of a night of heavy rain. Within minutes it had tipped 2m cubic metres of water from a reservoir onto the township of Cirendeui, just outside Jakarta. More than 300 houses, a school and a college campus were deluged. Rescuers and residents picked through the mud, finding nearly 100 bodies. Residents say that cracks in the dyke, built by the Dutch in 1933, had been spotted a year ago, but nothing had been done. The disaster was worsened by the illegal building of houses under the dyke.

Many other existing dams need urgent repairs; many new ones are planned but unbuilt. This is, in part, an unwanted by-product of decentralisation: inept local authorities sit on funds for projects they cannot get started. The corruption implied by the illegal building did not extend to oiling the wheels to get the dyke fixed. Those who stayed despite knowing the dangers—some even practised evacuation drills—must have been trapped by poverty.

People do not seem to blame Mr Yudhoyono for all this or, reasonably enough, for the global slump. Judging from the polls and anecdotal evidence, he is seen as a decent man struggling to deal with a series of calamitous acts of God—the 2004 tsunami hit just after he took office. The anti-corruption drive has been popular, as have cash handouts for the poor, introduced last year to compensate for rising fuel prices. Some 19m poor families are receiving 100,000 rupiah a month.

If Mr Yudhoyono is criticised, it is as a ditherer and fudger—not the worst faults in somebody negotiating the survival of a new democracy. A bigger danger to his record, and to that democracy itself, would be a badly flawed election. It is not just for the president's sake that it matters that Indonesia's great electoral drama, against the odds, goes all right on the night.