Two decades of reformasi: Indonesia and its illiberal turn

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Abstract: Pressures for a particularist form of Indonesian democracy – illiberal in many of its characteristics – have strengthened rather than receded since reformasi. The exclusivist religious and nativist mobilisation that surrounded the 2017 Jakarta gubernatorial elections was only one recent manifestation of this illiberal turn. This article surveys the impacts of this illiberal turn across diverse areas of policy making in Indonesia, including decentralisation, civil-military relations, economic and foreign policy, as well as in the approaches to recognising past abuses of human rights. We find clear variation in its impacts, produced by differing constellations of old and new forces in each sector, as well as the strategic politico-economic value at stake and the salience of each sector to coherently expressed public pressure for reform. In particular, where the state and the market has failed to address social injustices, more illiberal models of Indonesian politics have emerged, some under the guise of populist discourses that nonetheless continue to serve predatory elite interests and shift attention away from the inequalities in Indonesian society.

Key words: Indonesia, democratisation, illiberalism, political reform, policy

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Two decades of *reformasi*: Indonesia and its illiberal turn

In the two decades since the fall of the authoritarian President Soeharto in May 1998, we have seen a fundamental transformation of Indonesia’s political system, through four constitutional amendments, the creation of new institutions of democratic governance and oversight and “big bang” decentralisation reforms. These reforms opened politics to new actors and amplified public pressure on the workings of the state, but did not entirely supplant the politico-business elite entrenched during Soeharto’s rule (Robison and Hadiz 2004). Indeed, as has been frequently observed, holdovers from the authoritarian regime led and designed Indonesia’s democratic reforms, albeit from a position of having to accommodate rising new demands (Malley 2009, 137; Crouch 2010). Consequently, although democracy has become “the only game in town”, the reorganisation of these old forces has precluded Indonesian democracy from fully embracing liberal democratic norms. If anything, pressures for a particularist form of Indonesian democracy – illiberal in many of its characteristics – have strengthened rather than receded over time, as evident in the 2014 calls to abandon direct elections as a Western import.

*Illiberalism and Indonesian democracy*

It should be acknowledged that many analysts would reject the applicability for the Indonesian case of the idea of “illiberalism” and of illiberal forms of democracy, where the basic freedoms and rights of citizenries are said to be regularly infringed upon by elected governments (Zakaria 1997). Though associated closely now with Zakaria’s piece, the idea has a much longer history. It featured prominently and was rigorously debated in the literature about the “failure” of liberalism in Germany that eventually led to the rise of Nazism. Primarily introduced in the 1960s and 1970s by the historian Fritz Stern (see Jarausch 1983, 269), who emphasised culturally ingrained tendencies toward hierarchical, authoritarian and nationalistic values, other scholars
explained illiberalism in terms of the economic and social forces that emerged out of the social dislocations specific to Germany’s 19th century industrial transformation, wherein bourgeois constitutionalist streams were too weak to overtake interests enmeshed within a patriarchal state. Even in the case of industrialising Pacific Asia in the late 20th century, Bell, Brown, Jayasuriya and Jones (1995) had pointed to illiberal democratisation processes where liberal norms were subordinated to such values as familism and harmony, before Zakaria’s intervention. Within that work, Jayasuriya (1995) argued that Asian democratisation would reflect continual renegotiation between state elites and capital that excluded broader social interests because of the structure of the political economies involved. Today, a number of academic as well as popular articles have lamented the growth of illiberal tendencies within democracies as varied as India, Germany and the United States (Guruswamy 2017).

Despite a context much different to industrialising Germany or South Korea, we argue that the idea of illiberalism within Indonesian democracy is becoming increasingly relevant given a number of developments. These show that political transformation in a liberal direction remains hindered in many contested arenas, given the prevailing constellations of social forces that disadvantage the establishment of broader freedoms and rights. They also show that although social interests that challenge established predatory patronage systems have made advances, these have been constrained by the broader context encountered. Moreover, as Bourchier’s (2019) contribution to this Special Issue demonstrates, both the resilience and malleability of illiberal political ideas in Indonesian democratic politics and how they can borrow from existing conservative nationalistic and religious traditions helps legitimise illiberal political practices (see also Bourchier 2015).
But it should be acknowledged too that the introduction in 2004 of direct elections of the national
and sub-national executive has seen elections produce new actors and leaders, some of whom are
regarded as being pro-people rather than beholden to established elites (Zhang and McRae 2015).
Moreover, Indonesian democracy has seen increased spending on healthcare and education and
provided space for the organised assertion of non-elite interests, especially in local contests
(Aspinall 2014). Further, unlike the Philippines, Indonesia avoided in 2014 – albeit narrowly –
the election of a populist strongman of the ilk of Rodrigo Duterte (Curato 2016) and has escaped
the outright authoritarian turn of Thailand (Kanchoochat and Hewison 2016). Its reforms to civil-
military relations have proven unusually resilient (Mietzner 2011). In fact, Indonesia’s stature
within the broader debates on democratic consolidation has been arguably enhanced given the
results of the Arab Spring.

Nevertheless, events over the last decade (at least from the second term – 2009-2014 – of the
Yudhoyono presidency), and from 2016 in particular, have spurred renewed suspicions that
Indonesian democracy has now taken a more pronounced illiberal turn. The 2017 Jakarta
gubernatorial election was particularly eye-catching in this regard. A new politically salient
exclusivist brand of Islam was evident in this election in the mobilisation of hundreds of
thousands-strong crowds to assert that only a Muslim may become governor. Amidst this
mobilisation, mainstream candidates abandoned their pluralist credentials to stand centre-stage
with violent intolerant groups such as the Islamic Defenders Front (FPI), which had been
previously confined to the fringes. Lest such developments be dismissed as an ugly but
nevertheless ephemeral aspect of a hard-fought campaign, the winning candidate Anies
Baswedan – formerly regarded as a liberal Muslim intellectual – referenced the racist and
exclusivist religious themes of the election in his inauguration speech. Indonesia was not allergic
to religion, Baswedan said, while also proclaiming that the time had come for “native” (pribumi,
non-Chinese ethnic) Indonesians to be masters of their own house (Tribunnews, October 17, 2017).

These events did not go uncontested. Alarmingly, however, even opponents of this sort of exclusivist religious mobilisation within civil society themselves turned to illiberal tools and proved far less organised than those mobilising bodies to “defend Islam”. Unnerved by the show of strength of Islamic conservative forces, some of the more progressive elements within civil society supported the national government’s move to disband the controversial Hizbut Tahrir Indonesia (HTI), one of the main organisations behind the protests, and the emergency legislation giving the government largely unfettered powers to dissolve societal organisations. The government also established a new agency to promote the state ideology Pancasila, which had been the subject of compulsory civics classes under authoritarianism. Outside of government, those campaigning against exclusivist forms of Islamic politics have themselves deployed slogans of support for the Pancasila and the inviolability of the unitary state, each of which had previously stood as the core symbols of conservative statist-nationalism (Hadiz 2017, 274-5).

Many observers see the Jakarta gubernatorial election as a convenient bellwether for the overall trajectory of democratic governance in Indonesia, as each of the candidates were effectively proxies for the main coalitions of major political forces who will contest the 2019 elections. These events and the broader illiberal turn they appear to embody provide the departure point for this Special Issue, which surveys two decades of post-authoritarian political, economic, foreign policy, security and justice reforms. Each of the contributors to this volume engage in detailed analysis of the extent of an illiberal turn in each of their respective arenas of focus, its drivers and countervailing forces. Together, these articles provide a nuanced assessment of the state of Indonesian democracy two decades after the fall of Soeharto’s authoritarian regime.
A key overarching argument of this article and the wider volume is that the turn toward greater illiberalism in Indonesian politics represents a new phase in struggles that have produced different outcomes in different sectors to date depending on the balance of competing interests that are engaged in them, and whether – in Indonesia’s decentralised polity – national and sub-national interests are aligned in favour of a particular outcome. Related to this first dynamic, the extent to which new and reformist actors have been able to meaningfully enter and establish themselves within these struggles has also been important. In part, current variations reflect outcomes achieved in the early years of democratisation. Where new rights and reforms were both enshrined in the constitution or in legislation and were institutionalised or became the norm early on in practice, they have proven more difficult to wind back, even when accounting for the perennial problem of enforcing laws in Indonesia. The implication is that deepening illiberalism, the beginnings of which could be seen by the second decade of reformasi, reflects the limited way in which a strong reformist or rights-based impulse gained ascendancy in many arenas of contestation during the first decade, in spite of such milestones as electoral reform and decentralisation. This argument is explored in relation to a number of contested arenas, especially with regard to the politics of policy-making and the relationship between the state and social interests.

The politics of policy making

Decentralisation and civil service reforms

Among the most contested of these arenas has been decentralisation policy. Alongside the greater recognition of political freedoms and civil liberties after the fall of Soeharto in 1998, the 1999 decentralisation reforms implemented in 2001, saw significant fiscal and political authority transferred to the district and municipal levels (kabupaten and kota). As has been widely
discussed in the literature, most often in terms of the intensified competition and patronage politics at the sub-national level, these changes have had profound effects on Indonesia’s wider political economy (Hadiz 2010).

First, as Diprose and Azca (2019) in this Special Issue highlight, democratisation and decentralisation intensified competition between sub-national elites for office, which along with local grievances, contributed to the onset of large-scale communal conflicts of the early post-authoritarian period in places such as Poso and Maluku. Second, decentralisation also triggered the push for splitting provinces, districts and subdistricts into smaller units (pemekaran) more aligned with concentrations of resources, ethno-religious groups, and the local geography. This increased the number of sub-national leadership positions in the executive and legislature, created thousands of new civil service positions and initially reduced the intra-elite competitive pressures in the conflict regions, although tensions were compounded by the large-scale escalation of conflict with the arrival of large numbers of jihadi fighters in regions such as Poso and Maluku (see also Diprose 2009; McRae 2013; Van Klinken 2007).

Eight new provinces were formed post-1999 to reach 34, with the latest province, North Kalimantan, added to the mix in 2012. Districts and municipalities proliferated from 292 in 1999 to 514 as of April 2017 (MOHA 2017). The burgeoning growth of the civil service put significant pressure on the national budget to support wages and the establishment of local offices. It also introduced a high degree of uneven functional capacity to implement new authorities and deliver services, which was particularly pronounced in the newly formed districts and which has resulted in uneven advancements in welfare across the archipelago. By 2010, the National Institute of Public Administration identified that 47% of bureaucrats across the archipelago still lacked “professional skills” (LAN 2010). No doubt, with the introduction on the Village Law in 2014,
and the disbursement of funds of up to Rp. 1 billion per village (approximately USD 75,000) directly into village accounts for development, this challenge of developing “professional skills” has now been extended to even smaller units of governance.

Further, the burgeoning state infrastructure intensified attention on the serious structural issues of endemic corruption and patronage practices within the bureaucracy at all levels, but also the difficulties of mitigating this practice and the impediments to implementing policy and service delivery (McLeod 2008). While the Civil Service Law was revised in 1999 (No.43/1999) and recommended the creation of an oversight body - the Civil Service Commission - this body was not created at the onset. While President Yudhoyono promised bureaucratic reform in his first term, the Ministry of State Apparatus and Bureaucratic Reform was not established until his second term. It took three more years of highly contested deliberation to pass further revisions to the Civil Service Law (No.5/2014), however, the Civil Service Commission did not even make it into the ratified draft. This indicates that without the entrenchment of early democratisation reforms, once power structures have been reorganised it is more difficult to tackle endemic problems, especially in areas where vested interests (in this case, located in the apparatus of the state itself) have much to lose.

Third, decentralisation together with the electoral reforms created new arenas to exercise power, control and even predatory practices more widely in the political system. The decentralisation of “money politics”, patronage politics, and the creation of “little kings” (raja-raja kecil) in the regions was a concern of observers of decentralisation at the onset (e.g. Aspinall and Benda-Beckmann and Benda-Beckman 2013; Potter and Baddock 2001; among others), and of the implementation of direct elections of regional leaders commencing in 2004 (Choi 2007). Because clientalistic practices have consolidated in electoral politics at all levels as the
established practice of gaining office, the pervasive practice of money politics continues to be of concern today (Aspinall and Sukmajati 2016). Such clientelism elevates the importance of local mass organisations that play the dual function of supporting the state in providing ad hoc social services, but also serving as a base for mobilisation during election periods. In Lampung and in East Java, for example, large martial arts (silat) youth sports groups also offer ad hoc social services for the poor through their extended social networks, provide manpower for security services for industries in some cases, and provide a base for mobilisation during elections for connected political elites. In effect, while decentralisation reforms have on the whole been protected, it has not necessarily followed that liberal democratic norms and practices pervade through sub-national politics.

However, the flipside of this change is that decentralisation has provided increased scope for, and scale of, political actors (in the legislature, bureaucracy and in civil society) with their divergent interests, to influence authority and policy decisions to benefit sub-national regions. Working groups, task forces, committees and public-private partnerships involving state and non-state actors have proliferated in the formal structures of policy making in districts and provinces, while new and old informal networks of influence abound as the instruments of politics and of sub-national policy delivery. Policy innovation has been made more possible – particularly in providing social services such as child protection and in health, education and local economic development, albeit unevenly, at the sub-national level. Zhang and McRae (2015, 8-10), however have found that some of the resulting local policy initiatives do not persist even when they have received awards as innovations. Even so, the more complex system of policy development, despite the weaknesses in implementation, is in contrast to the highly hierarchical and centralised structures of governance of the past, in which top-down decision making could not accommodate local specificities.
Fourth, in the wider political economy of some sectors, such as the resource sector within which national oligarchic interests have long been entrenched, the degree to which sub-national interests have been able to challenge them has been highly varied. In places such as Riau, where oil extraction has long generated revenues for the centre, there has been a greater continuity in patronage networks of the past and present (Diprose and Azca 2017). Challenges to central control did arise with the emergence of the Free Riau Movement, but once revenue sharing agreements were revised so that more revenues flowed to the sub-national coffers, the movement dissipated. In these places, central and peripheral elite interests were aligned and there have been few disruptions to the status quo patronage politics of the past.

Elsewhere, local elites have pushed for a greater share of revenues from resource wealth than decentralisation legislation provides, at the expense of national elites. The Bangka and Belitung islands, the site of rich tin deposits, provides one example. In 2001, the local district head introduced new regulations that recognised artisanal mining and imposed new local taxes and levies on large-scale mining (Erman 2008; Diprose et al. 2017). Both measures damaged the interests and revenues of powerful national-level New Order-era elite coalitions, especially the PT Timah tin monopoly that was closely aligned with Golkar, the regime party of the authoritarian period (Erman 2008). To be sure, local elites benefited from these new arrangements in increased local revenues and through illicit payments, but the additional incomes for the local populace had wide electoral appeal, rendering such measures more resilient.

Finally, while decentralisation raised expectations of broad-based improvements in welfare – which have in fact occurred – inequality has also grown across the two decades of reform (see the next section). On the one hand, local elections can provide cross pressures for the local
leadership to accommodate diversity and different group interests through joint tickets that cross-
cut group cleavages (Brown and Diprose 2009). On the other hand, it is well established in the
literature that where socio-economic and political inequalities abound, particularly if they occur
along sensitive group identity lines, there is a greater propensity for conflict and even violence
(Diprose 2009; Cederman et al. 2011; Stewart 2008; Tadjoeddin 2014). Pierskalla and Sacks
(2017) surmise that where specific groups have been locked out of welfare gains under
decentralisation, tensions have risen. Additionally, Rosser (2013) has identified that the weak
implementation of the rule of law has compounded this challenge to broadly realising socio-
economic rights, as the propensity to avoid prosecution has allowed for oligarchic and other
interests to continue to use predatory practices (see Robison and Hadiz 2004).

Overall, under decentralisation, liberal reform has been more likely in those sectors which
compete less directly with entrenched interests, particularly in areas rich in resources or other
strategic assets. Even though delivering broad-based social programs and income-generating
opportunities has widely been an important facet of local politics, patronage and predation
practices have either been sustained from the past or replicated among new actors, particularly
in economically lucrative sectors. Thus, decentralisation remains a key feature of Indonesia’s
governance system, although it has not produced even and widespread socio-economic gains.

**Civil-military relations**

Civil-military relations have been another highly contested arena, where early post-authoritarian
reforms were far-reaching but ultimately incomplete. The military had played a dominant role in
Soeharto’s authoritarian regime, with its dual-function (*dwifungsi*) doctrine enabling the
placement of active officers into positions of authority in most civilian institutions, and the so-
called territorial command meaning that much of the military’s personnel was deployed in
parallel to the civilian administration throughout Indonesia (Crouch 2010). Additionally, much of the military’s resources were raised off-budget through a network of legal and illegal businesses. Early reforms stripped the military of much of this political role. By 2004, active officers had been withdrawn from the bureaucracy (with the exception of the defence ministry), the appointed military bloc in national and sub-national legislatures had been abolished, and the government had legislated to take control of military businesses within five years (Crouch 2010; Sebastian and Gindarsah 2013). The direct election of the president from 2004 also made the civilian government more robust against renewed military takeover, while direct local elections ensured a sharp decline in the number of military officers occupying mayoral and gubernatorial positions (Mietzner 2013). Nevertheless, these reforms did not establish complete civilian control – Honna (2013, 186) describes a grand bargain under which the military agreed to disengage from politics in return for civilian leaders respecting the military’s institutional autonomy and overlooking its lack of accountability.

These incomplete reforms have left the military as a persistent threat to democracy, albeit one that is unlikely to directly challenge civilian rule (Aspinall 2010). One way in which early failings of military accountability have become a driver of illiberalism in more recent years has been the rehabilitation of authoritarian-era generals with chequered human rights records as senior public officials, party bosses and political candidates. Their return has been possible because they were dismissed from their posts but never prosecuted in the early democratic period.

One prominent example is Wiranto, commander of the armed forces upon Soeharto’s resignation, who was dismissed in 2000 by President Abdurrahman Wahid from his post as Coordinating Minister for Political, Legal and Security Affairs after his indictment in East Timor for crimes against humanity. He was appointed to the same post as part of the Jokowi government, having
previously run unsuccessfully for president in 2004 and vice president in 2009. Prabowo Subianto is another, dismissed from the military in 1998 in connection with the disappearances of pro-democracy activists, and thereafter spending a period in self-imposed exile in Jordan. Aided by the renewed popularity of the military in public opinion polls amidst political wrangling and dissatisfaction with civilian politicians, Prabowo’s political party Gerindra gained public support quickly. It became the third largest in the legislature, enabling him to emerge as Jokowi’s narrowly defeated rival in the 2014 presidential elections. He is widely expected to take on Jokowi again in 2019. Defence Minister General Ryamizard Ryacudu - a hardline nationalist linked to allegations of human rights violations - is another to enjoy a rehabilitation, after his military career stalled when President Yudhoyono blocked his appointment as military commander in 2004.

In the security sphere, evidence for an illiberal turn in civil-military relations is manifest in the legislature granting state agencies greater repressive powers even as the incidence of violent conflict and terrorism recedes. In one example, a 2012 Social Conflict Law grants sub-national leaders the ability to declare what amount to civil emergencies in their regions, under which they gain extraordinary powers over the local population. In this context, Diprose and Azca (2019) in this Special Issue chart the impact of the global discourse on anti-terrorism in maintaining the relevance of Indonesia’s prior conflict regions to institutional competition between security agencies. Joint security operations between the police and military in Central Sulawesi to weed out a small number of former, poorly resourced and organised jihadi combatants espousing their alliance with ISIS, has provided the impetus for the military to demonstrate its importance and to push for an increased role in domestic security through revisions to the anti-terrorism laws. Diprose and Azca (2019) argue the scale of the operations in Poso also served to strengthen
public perceptions of threat and insecurity and reasserted the importance of the role of security actors in domestic affairs.

Such moves appear to be as much opportunistic as they are strategic, and therefore, unlikely to be a part of a master plan for the military to renege on its grand bargain and return to power. After all, such a plan would infringe on the interests of the political parties that have dominated Indonesian politics for two decades and is likely to encounter resistance from those who have benefitted most from Indonesian money politics-infused and decentralised democracy. Yet the same civilian leaders have frequently provided new opportunities for the military to assert itself politically. Other recent developments indicate that some military actors are increasingly playing a political role in the Jokowi era. The Commander of the Armed Forces to the end of 2017, Gatot Nurmantyo, extended support to hard-line groups such as FPI in the Jakarta governor’s race, albeit intervening only after civilian contenders in the governor’s race focussed public attention on divisive ethno-religious exclusionary politics (Hadiz 2017). Gatot and other senior military figures have also sought to popularise the notion of a “proxy war”, through frequent media statements and speeches in various public forums, including on university campuses. In the absence of a conventional threat to Indonesian security, the “proxy war” imputes that undefined foreign interests are seeking to recolonise Indonesia by weakening the fabric of its society without the need for a military invasion. Consistent with this idea that Indonesian society faces unseen threats, the military has also pushed for large numbers of civilians to undertake State Defence (Bela Negara) training (Reza 2016).

Another illiberal development has been a renewed push by the military to involve itself in civilian areas of governance, as evident for example in the signing of Memorandums of Understanding with numerous civilian agencies in recent years (IPAC 2015; 2016). Again, at least in part, this
phenomenon stems from incomplete reforms in the early years of democratisation. Laksmana (2019) in this Special Issue highlights the promotional logjam within the Indonesian Armed Forces (TNI) as in part explaining the influx of active duty officers into civilian ministries, a factor Honna (2011) has previously cited to explain Indonesian navy support for formation of a coastguard. He contends that intra-military, inter-agency, and civil-military conflicts have occupied the TNI leadership's energy as much as the need to maintain the organisation's political relevance, challenging any efforts to professionalise. Yudhoyono sought to strengthen civilian control over the military, and carefully manage the rotations of officers to reduce the pressures of the logjam. However, with Jokowi taking office, Laksmana argues, the frequency of rotation declined compared to Yudhoyono's last few years and the previous challenges are again at the fore.

At the sub-national level, the efforts of individual military actors to profit by providing informal protection to illicit resource extraction activities are not new, although they might have intensified (Diprose and Azca 2017), nor is its role in gaining revenues through the more formal protection of strategic assets and industries. With these developments in mind, it is clear that compared with the early years of reform, we have seen a gradual increase in influence of the military (and other security forces) in national politics, which is indicative of the hypernationalism and illiberalism which have begun to intensify in recent years.

**Economic policy and inequality**

The first decade of Indonesian democratisation did indeed indicate a major orientation toward economic liberalisation, particularly the greater role for the market, but also for land, property, labour and other rights in the early years. While strong protections for labour were introduced (World Bank 2016), IMF loan conditions and other policy reforms saw market and banking
deregulation, labour outsourcing, and the winding back of fuel subsidies to name a few. The same Asian Financial crisis that drove these reforms also curbed their effect on foreign direct investment (FDI) flows, however, which only began to slowly recover and grow anew during Yudhoyono’s first term (Lindblad 2015).

Economic liberalisation, though often halting, has had a direct effect on the sort of actors that pervade in Indonesia’s democracy and on some of its workings. In a study of the ownership of Indonesia’s 200 largest listed corporations (including some data on unlisted firms), Carney and Hamilton-Hart (2015) identified that in the first decade of reform, listed state-owned corporations were more prominent after the crisis than before it, and foreign governments (particularly Singapore and Malaysia) substantially increased their ownership stakes in many of Indonesia’s largest corporations. Liberalisation also produced more varied political patrons and modes of political engagement, they observe, with many business owners entering politics (see also Aspinall 2013). The move of entrepreneurs into politics has been particularly visible in newer parties such as the People’s Conscience Party (Hanura) and the Great Indonesia Movement Party (Gerindra), as well as in Golkar (Poczer and Pepinsky 2016).

Economic reforms and decentralisation under reformasi has also resulted in the growth number of provincial and district businesses (Aspinall 2013). Further, Post-Soeharto economic liberalisation has also seen international firms, often operating through subsidiaries and joint ventures, at times challenge the market control and bottom line of entrenched economic elites. Boyd et al. (2010, 238) argue that a decrease in production in the crucial oil and gas sector up to 2010 was due to reduced exploration efforts based on concern for fair rules for cost-recovery, poor incentives for new exploration and international investment, natural decline in production and, in the new decentralised era, the difficulty in land acquisition, securing production permits
and in doing business. The resultant loss of market share by established firms has contributed to the resource nationalism that intensified in the latter years of Yudhoyono’s first term, particularly in the service of oligarchic elites who sought recapture their position in the resource sector (see Warburton 2014).

The point to be underlined is that new sub-national and international actors have made inroads into oligarchic power structures (especially in the highly contested resource sector) under specific conditions. These conditions often involve popular sub-national policies that both line sub-national budget coffers and satisfy both local politico-economic elite and social interests such as in the case of tin mining on Bangka island discussed earlier. The central government tried for years to outsmart Bangka district regulators by using government regulations to restrict exports of unsmelted tin. However, the Bangka district head found several work arounds, and both illicit and licit exports continued (Erman 2008). The centre then legislated to partially retake control through the Mining Law (Law No. 4/2009), which outlawed the export of raw (unsmelted) minerals (Erman 2008; Diprose et al. 2017).

In 2014, given these sorts of periphery-centre tensions in key resource sectors, Jakarta wound back a degree of the decentralisation reforms by giving authority for mining, forestry, maritime and fisheries licences to provincial governments, that, as history would suggest, are more likely to be influenced by politico-economic interests at the centre (Diprose et al. 2017). In the case of Bangka Belitung, the changes in districts had already had sufficient time to take root. While PT Timah now predominantly controls tin mining in the region, the tin produced by artisanal miners continues to reach the supply chain through middle men. The outcomes of these kinds of contests are ultimately tied to what it takes to win local elected office in some regions as the investment in pure money politics is not entirely aligned with sub-national electoral outcomes. Instead,
sophisticated strategies that affect the local distribution of material resources and enable the sustenance new local coalitions of power are also required.

Aligning social interests and those of elites is not confined to sub-national political strategies. Natasha Hamilton-Hart’s (2018) survey of Indonesia's food self-sufficiency drive in this Special Issue shows that politically-connected rent-seeking interests are present in the food sector in the form of large-scale agri-business and benefit from the food self-sufficiency policies that President Jokowi has championed. However, they appear to be relatively unimportant in steering Indonesian food sector policy but instead smallholder producers - who also favour self-sufficiency policies - are so numerous that they themselves have wielded influence. Hamilton-Hart suggests that because such smallholders benefit too from the president’s food self-sufficiency drive, Jokowi is better placed to claim that his policies are pro-people and aimed at alleviating poverty.

All of these changes to economic policy have taken place amidst Indonesia’s recovery from the Asian economic crisis of the late 1990s. In the early post-Soeharto years, a resumption of growth and poverty alleviation dominated public debates. Absolute rates of poverty began to fall during the Wahid and Megawati presidencies, but growth scarcely reached 3%. Economic growth and poverty reduction thus remained the key pillars of Yudhoyono’s development plans and Indonesia improved markedly on both fronts, despite the impact of the Global Financial Crisis commencing in late 2008 (Lindblad 2015). More recently, both a steady decline in growth from 6.5% in 2011 to around 5% under Jokowi in 2015 and the end of commodity boom have ensured economy stimulus and efforts to maintain strong growth remain a policy focus.

Jokowi and Kalla’s “Nawa Cita” – Nine Priorities – were developed to improve productivity and
competitiveness in the international market, and to address weaknesses in the economy. The Nawa Cita prioritises economic independence by moving strategic sectors to the domestic economy. Under Jokowi’s administration, we have also seen a shift away from the privatisation of state–owned assets, whereas state-owned enterprises (SOEs) have received an injection of billions in funds, together with access to capital and strategic contracts (Warburton 2016). For Jokowi, Warburton (2016) argues, the state should control imports and exports and functions to provide economic services and nurture local industry, with the state sector deemed to be the “locomotive for his infrastructure boom”.

Efforts to regain control of key economic sectors and to paint the state as the engine for development resonates with the older cohort of Indonesian populace who were accustomed to such developmentalist strategies under the New Order. In pitching the Nawa Cita, and in the campaigns for the presidency, Jokowi depicts a model of organic statism in which there is a central role for the state is improving welfare and representing the interests of society as a whole (see Bourchier 2015). The amplified rhetoric of resource and economic nationalism in recent years endorses a key role for the state in redressing global North-South inequalities by redistributing Indonesia’s economic development gains back to the country rather than to foreign firms. This is of course a popular political strategy as it paints faceless foreign entities and powers as the economic bogeyman, detracting from Indonesia’s internal economic problems, predatory patronage practices and growing inequality.

Indeed, the question of who development policies and objectives benefit is a key in understanding the emergence of the hypernationalist and populist politics. Although poverty rates decreased by more than half between the late 1990s and 2016 (depending on which measure is used), progress has been slow on tackling some intractable aspects of poverty and improving welfare – both for
those living in dire poverty or at subsistence levels, and for those who live precariously just above the poverty line and are vulnerable to economic shocks.\(^2\) Inequality also grew sharply during the first two decades of the reform era, while it fell in other Asian economies which also experienced the financial crisis (World Bank 2016). Indonesia’s GINI co-efficient has risen steadily from 0.34 in 2002 to 0.38 in 2010, early in Yudhoyono’s second term, meaning the country’s wealth was increasingly concentrated among fewer people. Yudhoyono did little to tackle inequality during his second term, and by 2012 the GINI co-efficient reached 0.41, where it remained until a marginal drop in 2016 to 0.40 (BPS 2017). According to the World Bank (2016, 7) “In 2002, the richest 10 percent of Indonesians consumed as much as the poorest 42 percent combined; by 2014, they consumed as much as the poorest 54 percent...[and] the richest 10 percent of Indonesians own an estimated 77 percent of all the country’s wealth. In fact, the richest 1 percent own half of all the country’s wealth”.

Issues of growing inequality are clearly significant to the observed rise of populist politics in Indonesia (Aspinall 2015, Mietzner 2014, Hadiz and Robison 2017), which seems to have tapped into broad-based grievances related to skewed patterns of wealth distribution. The problems of inequality are particularly evident in Indonesia’s large cities where there are growing populations of urban poor. Increased mobility and telecommunications mean that inequality is more visible, driving wider discontent among the Indonesian poor and the lower-middle classes. This no doubt partly contributed to the mobilisation of the urban poor in demonstrations during the Jakarta gubernatorial elections (Wilson 2017). Discontent with limited and uneven improvements in

\(^2\) There were marginal decreases in the number of people living below Indonesia’s poverty line from 10.96% in September 2014, just prior to the inauguration of Widodo, to 10.64% in March 2017 (BPS 2017b). Rural rates during this period were higher than the average, at 13.93% in March 2017 (ibid.). Of significant concern, however is the depth and severity of poverty experienced by those living below the poverty line. The poverty depth index increased from 1.75 in March 2013 to 1.94 in March 2016, which includes the first two years of Widodo’s Presidency (BPS 2017c). The index was significantly higher in rural areas at 2.74 in March 2016, and places such as Papua had a significantly higher rate of 9.37 in the same period.
welfare provides the base for mobilising non-state political actors that can appropriate such discontent in populist campaign strategies, while disguising efforts to claw back control of the state and its institutions and resources. Yet the deeper structures that sustain this inequality are obscured by the nationalist rhetoric that seeks to redefine the social justice agenda in political discourse. Growing inequality allows some actors to capture the gains of this inequality and grow their power as the divide between the “haves and the have nots” widens.

**Indonesia and the world**

Two of the articles in this special edition bear directly upon the question of Indonesia’s place in the world. An illiberal turn in Indonesia's conception of its place in the world is evident in each of them, be it the drift away from universalist notions of justice in Indonesia's reckoning with its authoritarian past (McGregor and Setiawan 2019), or the increasingly visible nationalist response to challenges to Indonesia's claims to maritime territory (McRae 2019). The varying extent to which these illiberal currents determine policy outcomes illustrate the importance the kinds of interests that are engaged in competition each sector.

McRae (2019) in this Special Issue surveys Indonesia’s foreign policy - understood in strategic terms - observing strong continuities in Indonesia’s approach and position on the South China Sea dating back to the authoritarian era. Here, broader interests are only weakly engaged. Robison and Hadiz (2017, 896), for example, argue that “ruling political and economic interests” do not require “the capture of foreign markets or resources or to influence the policies of other nations” to maintain their pre-eminence. Tellingly also, apart from the brief tenure of Alwi Shihab under President Abdurrahman Wahid, Indonesia’s political parties have been content for career diplomats to occupy the post of foreign minister throughout the democratic era. Accordingly, McRae argues, although both initial democratisation and the more recent illiberal
turn have had clearly visible effects, neither have fundamentally transformed Indonesian foreign policy. As one example, even as nationalist, anti-foreign rhetoric has steadily increased in Indonesia since the 2014 presidential election (Aspinall 2016), Indonesia has continued to engage pragmatically with a range of international partners (McRae 2019).

By contrast, McGregor and Setiawan (2019) in the Special Issue find such ruling interests directly engaged by the question of how Indonesia should deal with past human rights abuses. If Indonesia were to adopt international models of transitional justice, various former military officers in both the current Jokowi government and previous democratic-era administrations could face prosecution or be named in truth-telling exercises as bearing command responsibility for abuses. Accordingly, although Indonesia did initially incorporate various international human rights principles into Indonesian law – most notably adding a chapter on human rights to the amended Constitution modelled on the Universal Declaration of Human Rights – in practice, the operation of these principles has faced stern resistance.

The military was able to undermine newly-formed human rights courts to the extent that they failed to achieve a single conviction of military personnel either for the 1999 East Timor violence or for the 1984 Tanjung Priok massacre (Rusli 2004; Sulistiyanto 2007) and have not been re-convened since (McGregor and Setiawan 2019). A slated Truth and Reconciliation Commission was never formed, after the Constitutional Court in 2006 revoked its enabling legislation. Indeed, military interests have prevented new actors from assuming decision-making authority over transitional justice, with no civilian occupying the powerful post of Coordinating Minister for Political, Legal and Security Affairs at any point during the democratic era. Under these circumstances, McGregor and Setiawan (2019) observe, the Indonesian government has rejected international models of transitional justice as culturally inappropriate, and instead turned to novel
“Indonesian” non-judicial mechanisms. They argue the principles of *musyawarah* (deliberation) and *mufakat* (consensus) held out to underpin these Indonesian mechanisms, have repeatedly been deployed throughout Indonesia’s modern history to underpin particularist forms of Indonesian democracy with strong illiberal undercurrents.

**State and social interests**

All of the discussion above is intricately related to the matter of the kinds of social interests that are engaged, and predominant, within struggles over different arenas of contestation. It is therefore important to step back at this point and observe how these interests are represented within contemporary Indonesian state and society and how they may be related to what we have identified as growing illiberalism within Indonesia’s democracy.

Many of the debates about Indonesian democracy have focused on the extent to which institutional reforms have altered the balance of power between different social forces and interests. As alluded to earlier, though opportunities to challenge entrenched interests have occurred during the reform era and changes have emerged when there has been alignment between a range of sub-national, national and even international interests, some of these have resulted in new networks of predation and patronage rather than cohesive liberal alliances that are able to push reforms in a politically liberal direction. In other words, though it has been two decades since the fall of Soeharto, the legacy of the regime he created continues to shape the contours of state and society relations in Indonesia. This is because the New Order had so thoroughly disorganised and fragmented any threatening set of social interests, whether premised on a putative liberal middle class, working class militancy or even on reactionary Islamic petty bourgeois politics. Such an outcome was achieved through outright repression by a pervasive security apparatus as well as through a web of state-sponsored corporatist organisations that co-
opted much of civil society. It was only when the New Order ceased to deliver economic growth as a result of the Asian economic crisis that its institutional structure, based on repression and organisational and ideological domestication, began to unravel. Despite the enthusiasm that initially infused Indonesia’s reformasi struggle, and continuing efforts waged by bands of reformers whether within the institutions of the Indonesian state or within its civil society, the legacy of New Order rule still looms large over Indonesian democracy.

This is not to say that new political actors have not emerged – as they would be expected to with the passage of time. Joko Widodo's rise to the presidency reflects an ability to navigate the new contours of direct elections by mobilising public support as do the success of a host of mayors presenting a reformist platform to voters who are increasingly eyed as promising candidates for provincial and even national executive leadership positions. More broadly, Mietzner (2014) observes that individuals with reformist inclinations have come to inhabit Indonesia’s major social and political organisations – even Golkar – the former New Order era regime electoral vehicle. Some of these new actors have emerged from activist circles, student and NGO movements and from new corporations, rather than from within the ambit of the New Order’s extensive corporatist organisations, from where the regime used to recruit and undertake the political socialisation of new operatives.

Certainly, these new political actors have had to reach accommodations with robust networks of predation and patronage within any given arena of contestation in order to survive politically but it remains to be seen whether they will be simply absorbed into the existing logic of Indonesian politics or pose a fundamental challenge to it. After all, reformist discourse continues to resonate with significant sections of the public, as evident in the fact that Jokowi won the 2014 election despite a concerted smear campaign, and that incumbent governor, Ahok, garnered 42 percent of
the vote in the Jakarta gubernatorial runoff despite his prosecution for “blasphemy” and his Chinese ancestry which was counter to the pro-Muslim and nativist elections rhetoric of the winning candidate.

Indonesia’s anti-corruption fight is the major area that demonstrates how democracy has constrained predatory interests from running rough shod over all of Indonesian politics. Consistently strong public support for Indonesia’s Corruption Eradication Commission (KPK) – although lacking any strong organisational underpinning – has been crucial both in emboldening the commission to pursue some of Indonesia’s most powerful established interests, and in preventing the commission from being dismantled when its targets push back. Between 2009-2017, the commission has become embroiled in three high profile confrontations with very senior police figures - in one case effectively preventing the appointment of a particular police general as chief of police - in addition to taking on an electronic identity card corruption case that threatens dozens of national legislators (Dick and Mulholland 2016).

Undeniably, this series of confrontations has taken a heavy toll on the commission’s personnel. The commission’s then head, Antasari Azhar – in the view of some scholars (Butt 2012) – was framed for murder in 2009. Various other commissioners have faced trumped up criminal charges in response to the commission’s investigations, forcing their resignation. A high-profile police investigator transferred to the commission has also faced politically-motivated prosecution, and had acid thrown in his face near his Jakarta residence in 2017. With the exception of the Antasari case, however, all of these prosecutions against the commission’s personnel have ultimately been dropped.
Public support for the KPK has induced successive presidents intervene to prevent an array of legislative and budgetary attempts to weaken the commission. These have included proposals to revise the KPK law to remove its prosecutorial and wiretapping powers, requiring it to obtain a court warrant to conduct a wiretap (virtually ensuring the wiretap would leak), and establishing a police anti-corruption special detachment with a greater budget than the commission itself. But the commission continues to pursue very high-profile targets, notably taking national legislative speaker Setya Novanto, a Golkar boss and powerful government ally, into custody in 2017. This was in connection with a corruption case involving a project to introduce electronic national identity cards. Nevertheless, some question the systemic impact of the KPK’s prosecutions, with Dick and Mulholland (2016) characterising them as “cutting off the heads of a hydra”.

The degree to which new actors alter the existing logic of politics, rather than being wholly absorbed within it, is an important matter because Indonesian civil society, as often the case elsewhere, itself has been full of internal contradictions. One the one hand, civil society activism has secured clear advances in the observance of a range of political and socio-economic rights. Organisations like AMAN (Alliance of Indigenous Peoples of the Archipelago), in advocating for the recognition of customary and communal land rights, gained a review of the interpretation of the 1999 Forestry Law (that categorised customary/traditional forests as state forests) by the Constitutional Court. The Court agreed with the main arguments of the claimants that certain articles of the Forestry Law were unconstitutional, and changed the law to remove customary forests from the definition of state forests (Butt 2014).

On the other hand, civil society is also inhabited by decidedly illiberal or even anti-liberal organisations. Many progressive student organisations, labour unions, environmental groups and other organisations tend to have a both deep faith in the state as the main benefactor of social
welfare despite the oft-encountered deficiencies, and a scepticism of the opportunities provided by market mechanisms. The weak social basis for liberalism certainly dates back to Indonesia’s early independence years, with, for example the Indonesian Socialist Party (PSI) performing poorly in the 1955 elections. Under the New Order, it was difficult to be decidedly anti-state and to criticise its failures in redistribution, but equally capitalism was distrusted, so the state was avoided by promoting a swadaya (self-help) agenda, unless cooperation could produce social benefits. In the 1990s, civil society discourse was focussed on promoting a more just state (rather than alternatives to the state - see Robison and Hadiz 1993, 26-28), and certainly today there is support for the nationalist agenda of the state and its enterprises being the most appropriate institution to manage the resource base (Warburton 2016).

The default position of civil society organisations has long been that the state should be the main mechanism of social justice, unless it becomes too aligned with business interests or predatory actors and then alternative agendas are pursued. However, what constitutes this social justice agenda, who has rights and who should benefit remains contested. Sub-nationally, debates on political legitimacy have been coloured by ethnic claims: defining “Malayness” in Riau, Dayak rights in Kalimantan, and Sasak rights in Lombok vis a vis those of other communities in the region. More broadly, the rights of religious and other minorities have come under sometimes violent attack.

Other illiberal and anti-liberal organisations abound. The infamous Pemuda Pancasila (PP), while no longer as influential as it was during the heyday of the New Order, remains a formidable youth/gangster organisation that can act as enforcers for local elites in cases like land disputes. As is well known, its origins lie in the public mobilisations by the military directed against its major political foe in the 1950s and 1960s, the PKI (Ryter 2005). The FPI, Forum Betawi
Rempug (FBR), and various others like it, have developed militia forces that recruit mainly from the urban poor and play a major role not only in organised crime rackets, but also have come to be important in mass mobilisations on behalf of competing elites during election time (Wilson 2015). They do this mainly by making appeals to conservative and socially exclusionary interpretations of Islamic morality, while older organisations like PP usually latch on to nationalist symbolism and imagery to legitimise their existence. Such developments are not entirely surprising given that the broader comparative literature notes that the Nazi movement had emerged within German civil society in the 1920s and that groupings with illiberal tendencies had emerged in the Middle East, recruiting followers by providing welfare services that states had retreated from in an age of growing economic austerity in the region (Berman 1997, 2003). For White (1994, 377), moreover, it is possible for civil society to include “decidedly ‘uncivil’ entities like the Mafia, ‘primordial’ nationalist, ethnic or religious fundamentalist organisations, as well as ‘modern’ entities such as trade unions, chambers of commerce and professional associations” (see also Hewison and Rodan 1996).

Similar observations could be made about the sorts of interests that prevail within the business world. While Indonesia’s New Order-era conglomerates were undoubtedly hit badly by the Asian economic crisis – overleveraged as they were in foreign debt – it is also clear that many soon recovered and returned to the commanding heights of the private sector of the Indonesian economy (Chua 2008). Many were able to ‘game’ the banking recapitalisation scheme led by the IMF by misusing large injections of funds by Bank Indonesia in the form of so-called liquidity funds (BLBI). Although these funds were intended to enable the banks to remain liquid, they were commonly sent offshore to prop up other parts of the conglomerates that owned the same banks (Hadiz and Robison 2014). In other words, big business was soon in a good position to influence the workings of an increasingly expensive democratic system, where the funding of
electoral campaigns was the purview of a very murky world of operators and fixers. Though relatively new businesspeople like Chaerul Tanjung (allied to former President Yudhoyono’s Democrat Party) or Hary Tanoesudibjo (linked to the Soeharto family) have emerged, as companies like the property developer Podomoro (said to be behind Ahok’s controversial Jakarta Bay reclamation project) have also become newly prominent, the broader fusion of business and political interests that was such a hallmark of the New Order is a continuing feature of the democratic period.

The point to highlight here is that democratisation in Indonesia has not unleashed a wave of politico-economic and rights-based liberalism in spite of the dramatic institutional transformations that ensued following the fall of the particularly rigid and centralised authoritarianism of the New Order. Reform in distinct arenas of contestation has been about what kinds of social interests can attain ascendancy, and to what extent established predatory alliances could be sidelined. If the latter, the question that follows is whether emerging newer alliances have an abiding interest in pursuing reform in a liberal direction. Though some local contexts may diverge from the norm, and some early victories may be difficult to wind back, it appears that the constellation of social interests within Indonesian state and society has provided the broad setting for the turn to a more distinctly illiberal direction that we have witnessed in recent years.

Conclusion
We have argued that while there has been an illiberal turn in Indonesian politics and society, it has necessarily been uneven – sub-nationally, sectorally and in particular arenas of contestation. The illiberal tendency is growing, however, together with the agendas of economic and resource nationalism. But the “illiberal turn” has been driven too by the deepening inequalities in
Indonesian society. Such inequalities have fed into the competition among a wider scale of actors especially in sub-national arenas that nevertheless continue to emphasise patronage networks and predatory practices to advance particular interests. Variation in the outcomes of contestations within different arenas are basically contingent on the constellations of new and old powers that prevail, as well as the strategic politico-economic value on offer and the salience of each sector to coherently expressed public pressure. It is also shaped by the speed at which new actors that espoused liberalising or pluralist agendas were able to organise and advance their agendas to capture political spaces in the early years of democratisation.

In particular, where the state or the market has failed to address social injustices, more illiberal models of Indonesian politics have emerged, some under the guise of populist discourses that nonetheless continue to serve predatory elite interests (Hadiz 2017). Reclaiming and reshaping the discourse on the role of the state in providing social justice is not necessarily new, however, but is something which permeates through modern Indonesian history. It was evident as much in the development discourse of the New Order, as it was in the discourse of the reformers in the early years of reformasi. The examples we provided suggest that elements within civil society will support statist policies and particularist notions of Indonesian democracy that entail a larger role for the state where the state is notionally able to produce redistributive affects beneficial for wider society. The result of this could be both the unwinding of already halting market reforms as well as the growth of new and more localised network of predation and patronage – no less than two decades into Indonesia’s era of reformasi.

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