

LEGACIES OF HISTORY, PRESENT CHALLENGES, AND THE FUTURE

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Introduction

Of the many myths and legends in Indonesia, the notion of the “Great Majapahit” has been the most attractive to many Indonesians. Mohamad Yamin, regarded as Sukarno’s ideologist, was the main proponent of this legend. He believed that the Majapahit Hindu Kingdom in the fourteenth to sixteenth century was a vast and strong Kingdom, covering the entire archipelago and extended its influence as far as Madagascar in the West and Taiwan in the North.

In reality, however, Indonesia came into being only in the twentieth century, when nationalism began to grow in certain parts of the archipelago, and more specifically since the Youth Oath or Pledge in 1928 that recognized “one country, one nation and one language, namely Bahasa Indonesia”, as the national movement was taking shape. In 1945 this modern state was established by the Nationalist Movement. Thus, the Indonesian state and nation were only established some 63 years ago. It is quite a young nation.

The Legacies of Sukarno and Soeharto

The first era of this young nation was led by President Sukarno. This period began after World War II and the four years of the revolution. The economy was in shambles and political development highly unstable. Following the Dutch model, we had many political parties, and in 1947 developed a liberal parliamentary democracy which deviated from the presidential system under the 1945 Constitution. Unstable coalitions came and went during this phase with the government on average lasting only 11 months.

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The general election in 1955, the first of its kind, and an honest one, produced four main parties, but there was no stability. Bung Karno (or Brother Karno, as Sukarno was affectionately called) tried hard to have the PKI (Indonesian Communist Party) included in the government but he did not succeed. Some of the regions, especially Sumatra and Sulawesi, rebelled and martial law was proclaimed in early 1958. On top of that the Constituent Assembly failed to formulate a new constitution because of its inability to decide on the ideology of the Republic: Pancasila or Islam. To overcome the stalemate, Bung Karno in 1959, with support of the Army, declared a return to the 1945 Constitution, which provided for a stronger role for the President.

Because of his idea of permanent revolution, Sukarno prepared to take back Papua (Irian Jaya) by force which was accomplished in 1962 through negotiations between Indonesia and the Netherlands and mediation of the UN. He nationalized the Dutch companies in 1958, resulting in a worsening of the economy that had never recovered from the earlier setbacks. After that, in 1963, he started a confrontation against Malaysia (and Singapore, as part of Malaysia), which he considered to be a creation of a neo-colonial plot by the British. In the meantime the Indonesian Communist Party underwent a transformation because it lined up with the CCP (Chinese Communist Party) in 1962. When Sukarno fell seriously ill in early August 1965, the PKI thought they should do something to prevent the Army from taking over the country in the event of Sukarno's death. They instigated a coup that failed. Soeharto, with the support of the middle class, especially students and intellectuals, disbanded the PKI because Bung Karno continued to resist holding the PKI to account for the attempted coup. This was preceded by much political tension and physical clashes between the pro and anti-communist camps since the early 1960s. In the end Bung Karno was demoted by the MPRS (People's Consultative Assembly) and Soeharto became President in 1968.

Sukarno was the founding father of the Republic. He did an extremely important job in keeping the country together and giving self-confidence to the Indonesian people. However, in the end his political and ideological adventures made the country bankrupt. His extreme idea to maintain a permanent revolution and a NASAKOM (Nationalism, Religion, Communism) government consisting of all the major parties, including the PKI, was rejected by the people. Furthermore, his foreign policy of leaning towards China was a diversion from the non-aligned stance that had been scrupulously followed by the Indonesian elite since 1948.

Soeharto was the hero of the non-communist political elite and of the student activists because he was the only general that was brave enough to stand up to Bung Karno. He was also the one who dared to ban the PKI after

Bung Karno conferred power on him on 11 March 1966. He was definitely the leader who transformed the Indonesian economy and developed it into an East Asian economic miracle. However, he stayed too long as president and made the Indonesian economy a personal and a family affair. His governance was full of KKN (acronym for corruption, collusion, and nepotism).

His second mistake was that he did not want to prepare a new generation of leaders for the future. He appeared to have been greatly influenced by his idea of the Javanese kingship, wherein the King ruled until death unless he was dethroned by one of his relatives. That is why he always removed any aspirant for national leadership immediately after the person showed such an interest. As a result he was never serious about political development, because he was the only “anointed one” from above and everybody else was dependent on his “wahyu” (inspiration) and had to follow him.

After 32 years in power he had to step down because the financial crisis undermined all his belated efforts to undertake economic and political reforms. Until the end he was still trying to save his children’s economic interests, and he thought he could still organize the political reforms needed, until he found that his most trusted assistants like Habibie (his Vice-President), Harmoko (Speaker of the House and Chair of his GOLKAR Party), and Ginandjar (Head of Planning and protégé of Soedharmono, his former loyal aide and Vice-President) double crossed him and asked him to step down.

Both presidents, Sukarno and Soeharto, were strong leaders who would not step down until they were made to so. And both had an autocratic streak in their psychology and their governance. They also could not adjust to changes that were happening in the country. Soeharto did well in managing the economy in the first 20 years. After that he became corrupt or allowed corruption around him to take place, to his own detriment. Sukarno, on the other, simply did not pay any attention to the economy.

On political development and political liberalization, there were no major improvements under both of them. And both also instituted a highly centralized style of governance that put the regions outside Java always on the receiving end, creating a lot of resentment from 1958 when local rebellions started against the dominance of Java.

Indonesia developed economically under Soeharto, resulting in the emergence of a middle class of 30 to 40 million people. They could not accept an autocratic rule so easily anymore and demanded more political space and freedom. They got their chance when Soeharto stepped down and Habibie replaced him in May 1998, which happened only because of the financial crisis of 1997/98.

The Four Presidents Since 1998

With the above background on Indonesia under its first two presidents, there can be a better understanding of the transition periods involving the subsequent four presidents and why they faced enormous difficulties in changing the system of governance, structuring the relationship between the centre and the regions, and fully rehabilitating the economy.

Habibie was only an extension of Soeharto, having served under him for over 25 years and was a party to Soeharto's KKN. He has never accounted for the state funding and financing of the 15 strategic corporations he was managing during Soeharto's rule, including the aerospace conglomerate IPTN, Krakatau Steel, arms producer Pindad, nautical engineering firm Pal and Batam Development Agency. Tens of billions of U.S. dollars were involved. And then there was the case of procurement of the naval ships from Germany which happened under very cloudy circumstances. When Tempo magazine tried to publish the case, its printing licence was revoked by Soeharto. The country was still in the depths of the economic crisis when Habibie took over as President and he was assisted mainly by members of Soeharto's old guard. Therefore, there was nothing he could do other than follow the agreements with the IMF.

Habibie tried to demonstrate his democratic credentials by getting many laws passed through the DPR Parliament that was still dominated by the old Soeharto network of GOLKAR's majority rule. However, it is not quite true that he did a great deal to establish democracy in Indonesia. How could a person who had for over 25 years served an authoritarian ruler like Soeharto change overnight into a democrat as he claimed?

In a proposed new law governing the media, he attempted to curb the freedom of the media by requiring all journalists to be licensed to be able to practice just as lawyers and accountants are licensed. This was rejected by civil society and parliament. His proposal to limit the activities of civil society by introducing a new security law to replace the old anti-subversive laws of Soeharto was also strongly opposed by all political parties in parliament except the military faction.

Habibie was responding to the pressures from the people, including the pressure to hold a general election in 1999, and to push the new law on decentralization through parliament. His biggest political blunder was the way in which East Timor was given independence, which was one of the main reasons why his accountability speech to the MPR (the People's Consultative Assembly) was rejected which in turn prevented him from being chosen as a candidate for the presidency at the MPR session. He was also not able to control the armed

forces that went on the rampage in East Timor after the plebiscite. Withdrawing his candidacy for the presidency was the only way out for him, and he was lucky to leave almost unscathed.

Gus Dur, a great Muslim leader from the Nahdlatul Ulama, became Indonesia's president by default after the 1999 elections. This happened because Megawati, whose party won the biggest number of seats in the parliamentary (DPR) elections (33 per cent), did not make any effort to gain the presidency. Instead, she expected to be offered the position by the MPR on a golden platter. This was not how the system worked. Her passivity provided the opportunity to the Muslim parties to outmanoeuvre her and to put Gus Dur in the presidency. To defuse the expected strong reaction from Megawati's supporters (especially in Jakarta, Central Java and Bali), who felt that she was cheated and betrayed by Gus Dur, she was immediately approached by Gus Dur to become his vice president. This solved the one-day crisis.

Gus Dur was already in poor health when he became Indonesia's fourth president. Instead of having a qualified and solid team to assist him, he squandered his opportunity by having a rainbow coalition in his cabinet. Above all he did not give them the chance to make any decision because he himself would decide on as many issues as possible. Because he was so erratic and capricious nothing much improved under his presidency. He went abroad too often, and continued to behave like an activist from an NGO in conducting foreign policy. He achieved little because his foreign policy initiatives were not prepared in collaboration with the Foreign Ministry. There was never any follow up on his "official" escapades.

In the end parliament could no more stomach it and asked that the MPR be convened to assess Gus Dur's competence, especially after he allegedly misused Bulog's (Logistics Bureau) funds. The result of this was his removal from the presidency by the decision of the MPR. He was replaced by Megawati, his Vice-President. His efforts over several months to oppose the impeachment process were to no avail because too many people and the political parties withdrew their support for him.

The new President, Megawati, had been a leader of PDI-P (Partai Demokrasi Indonesia Perjuangan, Indonesian Democratic Party-Struggle) since 1982. She rose to the top largely because she was the daughter of Bung Karno. She had little interest in governance or politics, but she believed that she had the task to complete Bung Karno's mission. She could have prepared herself for the job during the Soeharto years when she was a member of parliament representing PDI. Unfortunately, she failed to use that opportunity.

Megawati's cabinet was a mixed bag, and amongst her entourage there were individuals that were known to be not clean. Her minister for labour, a hero to her during the PDI leadership struggle in the Soeharto years, was himself a labour leader. His attention was solely on the interests of labour and not on the health of the economy as a whole. Although Megawati was able to stabilize the macro-economy, her government failed to attract new investments, in large part because the new labour laws became a major disincentive for investors.

Her main weakness was her unwillingness to listen to advice and to reach out to the people. She did not want to talk to the media. She was also very hands off in her style of governance. Although her party had 33 per cent of the seats in DPR, and as such was the biggest faction, she was not able to create coalitions that fully supported her.

When the September 11 terrorist attack took place in the U.S., she could have worked with Indonesia's moderate Muslims to strongly condemn the extremist groups in Indonesia but she did not. That kind of passivity was again demonstrated at the time of the Bali bombing in October 2002. On Aceh, she was very reluctant to find a compromise and a political solution to the conflict because her only reference paradigm was of NKRI (the unitary state of the Republic of Indonesia) as advocated by Bung Karno, her father and her role model. That was also the case on the issue of Papua. She created by Presidential Decree the province of West Papua, which was in violation of the Law on the Special Status of Papua. Ironically, the Constitutional Court did not reverse the decision on the argument that the province was already created.

In conclusion, Megawati was in essence only a transition figure, and as such should not be evaluated as a full president. Her record was mixed. While she was a pluralist and a nationalist, she was very much a hands-off president. In some instances it was good to have left matters to the respective ministers.

When she was running for president for a full term, she was advised to select better people for her cabinet if elected and to announce this during the presidential campaign. She was also advised to reach out to the people to mobilize their support. Alas, none of these happened. That was why she could not win against SBY in the first direct presidential election of 2004. Her party, PDI-P, also lost seats in the parliamentary election from 33 per cent in 1999 down to 19 per cent in 2004. The first direct presidential election showed that popularity was the main reason for people's support and for their votes. SBY made good use of his position as Megawati's Coordinating Minister to become known to the people. He also became the popular spokesman of the government,

because Megawati was not inclined to talk to the people directly or through the media.

SBY talked well and in a measured way, and has the looks of a leader. But in fact, he lacks decisiveness, even after four years of being president. He is too cautious, would like to please everybody (and therefore ends up displeasing many), would like to see all aspects of a problem and get everybody's ideas first before he is willing to decide, which can be a lengthy process. One example is the decision to increase fuel prices and to cut fuel subsidies. The cabinet made the decision on 5 May 2004, but it was announced only on 26 May because the president was still hesitant. There were 11 cabinet meetings in between the decision and the announcement to deliberate again and again on the issue.

In a dire situation, as Indonesia's economy is obviously in, one cannot let the momentum slip away. In early 2005, at the first Infrastructure Summit, SBY promised to issue or amend 14 laws and regulations in order to improve the investment environment. As late as in 2007 only the Investment Law was concluded, and the Taxation Law was passed only in mid-2008. In his military career, his indecisiveness was perhaps a major reason why he never became a regional commander except for a short stint at Sriwijaya Command (South Sumatra Command) in Palembang.

What has he achieved thus far? Much has happened in the arena of political development because of new circumstances and new developments that have generated pressures for change rather than primarily because of his leadership. Democracy has developed and deepened as a result of the active involvement of the people in NGOs, the media, mass organizations like NU and Muhammadiyah, scholars, and think-tanks, as well as some elements in the political parties and the parliament to establish democratic principles and practices. Others in the cabinet and in the bureaucracy have also made their contribution. Foremost is the Minister of Finance, Sri Mulyani, who has undertaken major reforms of the bureaucracy in the Department of Finance. The business sector, such as APPINDO (Employers' Federation of Indonesia) (headed by Sofyan Wanandi), has also participated in the efforts to promote and implement reforms.

What is true is that SBY has not hampered the initiatives taken by others, in the society at large as well as in the government, such as Jusuf Kalla's efforts to negotiate a peaceful solution to the Aceh rebellion. He also supported the efforts of the Anti-Corruption Commission on corruption cases at the Central Bank and at the Attorney General's office. Unfortunately, when it comes to ideological or religious issues, he has not come out strongly to act against the unlawful actions

of radical groups like the FPI (Front Pembela Islam or Islamic Defenders Front) in the Ahmadiyah case. His belated effort to implement the rule of law and public order on that case has been weak.

He has also not taken action against more than 50 regencies (out of over 450) that have introduced the syariah law, which is in violation of the constitution. According to the law of decentralization, the Central Government can annul the local regulation within 30 days of its issuance if it is considered against the Constitution or against another national law. In fact, the regions proclaiming syariah have not been able to implement it because the rules for its implementation have not been formulated. However, this has been damaging to SBY, because it showed the inability of the Central government to implement the Constitution and national laws in the political arena. Except for Aceh where syariah is stipulated in the special law for that province, the adoption of syariah in other regions should be firmly opposed by the Central Government. Hopefully, the Constitutional Court that is now looking into the case will make the right decision.

The other area that has been neglected because of the indecisiveness of SBY is the economy. He has not been able to move it enough to overcome poverty, unemployment and underemployment resulting in an increase in the number of people living below the poverty line. He has achieved macro-economic stability, which was already achieved under Megawati's presidency, and he has achieved 6 per cent growth since 2006, but this is not enough to provide jobs for over 2 million new workers that enter the labour force annually. That is why unemployment is still over 12 per cent and underemployed around 20 per cent. He has not been firm enough in removing obvious obstacles, and is very sensitive to anti-globalization and anti-foreign protests, especially from parliament and the labour unions.

As has been said above, the legal reforms were not achieved as promised. Judiciary reforms have been too slow, the labour market has become very rigid and the bureaucracy is stalling. On corruption some efforts have been made and some real cases at the highest level have been prosecuted by the Anti-Corruption Commission, such as the cases against two former Governors of the Central Bank and the Attorney General's Office, as well as members of DPR, but this has not yet happened across the board and in a more consistent way. SBY has been defending his minister and financier Aburizal Bakrie to the hilt, especially in relation to very dubious cases which are against the interest of the people, such as the Bumi Resources fiasco on the Jakarta Stock Exchange, on top of the Lapindo mudflow case. Thus, SBY's governance has not been as consistent and

above board as some people have thought. This will complicate the country's efforts to deal with the international financial tsunami.

What Has To Change?

Following the above examination of all the presidents of Indonesia from independence until today, the question is why Indonesia had to go through all that it went through. If one considers the many endowments Indonesia has, namely ample supply of good human resources, abundance of commodities and minerals and other resources such as forestry and fisheries, why could it not prosper and have good governance? In 1998 Kishore Mahbubani asked me what road Indonesia will take and how long will the economic crisis last. Will we take the Korean way of resoluteness or the Thai way of muddling through, or will it be the Russian way after the Cold War, which has been messy and complicated and protracted? I answered then that most probably Indonesia will follow its own model of overcoming the crisis. And that is exactly what has happened! Why? And what do these developments mean for the future development of Indonesia?

The follow up question is what have we learned from the political developments so far, and how will this influence our future development?

We had a chaotic democratic development during the revolution, due to the armed struggle against the Dutch, and internal uprisings challenging the existence of the Republic during the period 1945–50. We experienced a leftist uprising in 1948 that was organized by the Indonesian Communist Party (PKI) and from 1947 rebellion by religious groups wanting to establish a Muslim state in several regions such as West Java, South Sulawesi and Aceh. But the nation and its leaders were also inexperienced and lacked the skills of governance that were necessary to build a state and a nation under conditions of great stress.

The economy had deteriorated rapidly during World War II and the revolution. It became worse after 1958 due to the total negligence of Bung Karno. During the 1950–58 period the country was under a liberal democratic system, and because of continued bickering among political parties, each government lasted for an average of only 11 months.

When the Constituent Assembly could not agree on the principles of the state, Pancasila or Islam, Bung Karno (under pressure from the Army), declared that the Provisional Constitution of 1950, with a parliamentary system, was replaced by the 1945 Constitution with a presidential system that would have a stronger executive. However, in practice it led to the concentration of power with Bung Karno, especially after he disbanded the DPR and the Constituent Assembly.

The main lesson from this period was that without a stronger middle class, better educated people and a minimum of economic development, democracy could not be properly implemented.

The “guided democracy” with Bung Karno as the centre was not a real democracy because it lacked the three basic criteria that define a democracy. They are: (a) the supremacy of law, namely that the rule of law should be the basis of the state and society and no one is above the law; (b) equality before the law, namely that everybody, whether a street cleaner or a president, is equal before the law; and (c) there is the possibility of changing the government democratically, namely through general elections.

The situation under guided democracy deteriorated rapidly because Bung Karno became increasingly dependent on the PKI since only the PKI supported his leftist ideas and policies consistently. Bung Karno became increasingly worried about the army which was seen as a major hindrance to the implementation of his leftist policies.

The 1965 abortive coup of the PKI was the result of this confrontation. Although Bung Karno did not support it, he did not want to condemn it. Therefore, the majority of the elite, with the support of most of the people, removed Bung Karno from the presidency in 1967. The Indonesian people could not accept Communism as their ideology and political system, although the PKI was then the third largest Communist Party in the world (after the Communist parties of the USSR and China). The PKI crumbled within a short time, even with the continued support of Bung Karno.

Another lesson was that anarchy, as caused by the divided leadership between Bung Karno and Soeharto, can easily happen and cause great devastation. This happened when the people (with some help and encouragement from the local military in several places) took the law into their own hands and killed members and alleged members of the Communist Party. It took place mainly because these people were worried about possible retaliation by the PKI if in the end they won the political struggle. It should be noted that when the PKI was at the height of its power they were very oppressive and often took matters into their own hands such as seizing land by force from Muslim leaders and sometimes killing them as well. Furthermore, the Army was unable to uphold law and order as their discipline broke down because they were internally divided. And human rights were not much of a concern then, since they had not become part of Indonesia’s political culture.

The events of 1965 were traumatic and should never happen again. They constituted one of those catharses in Indonesian political development and were a

watershed. People are still reluctant to talk about the killings that occurred because they are still too raw emotionally. It will take perhaps another generation before the matter can be re-opened completely.

When Soeharto took over the leadership of the country, he was considered a hero. The Army that supported him was also politically more astute. They formulated their dual role, which was accepted by the people then, because they were seen as the saviour of the nation against the real threat of a Communist take over. Above all, they became the last arbiter in political life.

The overall tendency in the region then was to follow the so-called “Korean model” or “East Asian model” of development, in which priority was given to economic development. Only when the middle class has grown large can democracy and political development become viable. Soeharto stayed too long in power and the longer he was in power the more reluctant he became to prepare a new generation of leaders to take over. That is why we have great difficulties today in finding capable leaders.

The so-called “45 generation” (founders of the Army during the revolution) who came from all walks of life had the experiences and knowledge about politics and the society. They were able to organize “politics” for Soeharto. The succeeding generation of military academy trained officers were not up to that job and simply became Soeharto’s praetorian guards.

When he lost trust in the leadership of General Benny Moerdani, his Commander-in-Chief during the period 1983–88 and a long time associate as well as his intelligence chief, he started to look for alternative support from Muslim groups. He supported the creation of the Association of Muslim Intellectuals (ICMI), with Habibie put as its head. He believed that Habibie was his main protégé and confidant, but found out later that he could not trust the man and never wanted to see him again after Habibie took over the presidency, not even on his death-bed.

After so many years in power, the military began to abuse its power. We have learned one thing about them: they are effective as a group because they are well-trained, but basically they are a machine that the national leader should use only for the defence of the country. Their power should be limited and they must come under democratic and civilian control. They have now retreated from politics, from all state organs including the legislative councils. However, the structure of the military still has to undergo more reforms because it still has a certain political role. They have not fully accepted civilian control and continue to maintain their sense of impunity from wrong-doing. Their businesses have largely become empty shells and are not worth much because of corruption

and incompetence in managing them. And most of all they do not want to be accountable to the civilian judiciary for their violation of laws and abuses of human rights.

The military cannot keep its political role much longer, because there is almost no patriotism left among many officers. They are no longer concerned about the nation and the people but only about their own plight and pocket. This is so because for over a decade they acted as mere security guards for Soeharto, completely dependent on him for everything. Moreover, they have lost their legitimacy in the eyes of the Indonesian people. In that sense, they have no chance to take over in a military *coup d'état*. The more the Indonesian democracy is consolidated, the more difficult, indeed impossible it will be for them to return to politics.

The transition period after Soeharto stepped down was marked by instability and civil strife in several regions (Aceh, Papua, Central Sulawesi, West and West Kalimantan, and Riau). The deep economic crisis of 1997–98 caused serious unemployment and poverty. Soeharto had opened up the economy, particularly after Indonesia hosted the APEC Summit in 1994, but he had continued to protect the businesses of his children and cronies. Therefore, there was no coherent policy to face globalization, and the people were not being prepared to deal with the effects and consequences of globalization.

Indonesia's structure of government under Soeharto was too centralized for such a diverse nation and a large archipelago. Several regions had rebelled against this "Javanese imperialism", but ended up being clobbered. With the end of the Soeharto era, this structure could no longer be sustained. The policy of decentralization adopted in 1999 was the right answer to put an end to the pressures from the regions. As an integral part of democratization, decentralization is the way to keep Indonesia united and intact. The process of decentralization has been rather messy, but it has brought about some positive results. Provinces and *kabupaten* (regencies) have greater authority in deciding what is good for them and thus they have greater ownership in the development programmes.

Indonesian politics is now to a large extent dependent on what the moderate Muslims are going to do in political life and development. They are represented in two large mass organizations for social and educational purposes, namely Nahdlatul Ulama (40 million supporters), which is a rural based organization, and Muhammadiyah (30 million supporters), which is an urban based one. Muslims in the country are well-versed in Islamic laws and rites. If asked whether some parts of the syariah should be implemented, most would tend to say yes, because they are and want to be good Muslims. However, polls about their political affiliation

and aspirations suggest that most of them have chosen the national Pancasila ideology and political parties that are based on pluralism and democracy.

That is why in the last two democratic elections (1999 and 2004) the more conservative Muslim parties (those that advocate the implementation of syariah) received no more than 23 per cent of the seats in parliament. If parties influenced by Islamic ideas (such as PAN — National Mandate Party — which is aligned to Muhammadiyah and PKB — National Awakening Party — aligned to NU) are included, the combined votes they received translated into about 38 per cent of total seats in parliament, which is less than the general election of 1955 (43 per cent). But, it should be noted as well that certain laws initiated by the Muslim parties such as the anti-pornography law (passed by the DPR in November 2008), tend also to be supported by many other parties, including GOLKAR.

This means that policy proposals related to values and religion, unless they call for stark syariah laws, could be supported by many of the Muslim parties as well as Muslim members of certain nationalist parties such as GOLKAR — which in turn means that on these issues the “secular” groups have always to be watchful. The political leadership and the government have to be clear about their role: that they should not only be above the political parties, but they are responsible for maintaining public order and implementation of public laws. The recent pressures on the Ahmadiyah sect and the declaration of the syariah in 50 districts suggest that much remains to be desired on this front.

There will always be some extremists among the 200 million Muslims, but they have been small in number although very vocal and extremely active, including in instigating rebellions (1947–65) or trying to achieve their objectives through terrorist acts as the Jamaah Islamiyah has done. The latter appears to have become a part of the global terrorist movement under Al-Qaeda. The government, especially the police, with the support of the international community, have done their part to overcome and prevent those acts without compromising the law and human rights.

The Future

The above review of the state of political development leads me to make the following concluding remarks about the future.

First, democracy has taken root in Indonesia following a messy transition period, and is maturing for the future. What has made this possible is the struggle of the elite to keep democracy intact. Efforts by some politicians and ex-army leaders to limit democracy for the sake of stability have been effectively opposed

by NGO leaders and the media as well as influential political leaders. One example of this is the move by Habibie in 1999 to introduce a new law to replace the anti-subversive laws created under Bung Karno and Soeharto which he had to abandon in the face of opposition. Similarly, the moves by General Wiranto and several other military officers to create vigilante groups of extreme Muslim groups in 1999 to confront the students' demonstrations against the Habibie presidency were widely condemned.

Second, unity has been preserved, despite some real dangers in the first five years after Soeharto stepped down that Indonesia could split up into four to five states. A major success was the resolution of the Aceh conflict through a peaceful political solution on the initiative of Vice President Jusuf Kalla with help from former President Marti Arthisaari of Finland and from the EU. The agreement to allow local political parties to be established in Aceh and the acceptance of an ex-GAM leader as the first elected governor mean that peace is going to stay. Another special effort to keep Indonesia's unity is reflected in the law on the Special Autonomy for Papua and the establishment of the Papuan Council, consisting of regional government and civil society representatives, which will decide first on every major policy concerning Papua.

Third, minorities, such as the Indonesian Chinese, feel that they are more accepted as equals and will contribute more.

Fourth, the military has become almost non-political, but it has yet to reform its institutions and show its willingness to be accountable for its abuses.

Fifth, Muslim organizations and Muslim political parties in general are now willing to accept Pancasila as the state ideology and understand that they cannot impose syariah laws. However, the moderates among them should always be on the alert, because some groups/political parties still attempt to wholly or partially implement the syariah in the future.

Sixth, in the end economic development is critical for political stability and the consolidation of democracy. There are always dangers, especially if the global economic crisis inflicts great damage to the economy. Efforts to work together with East Asians in the ASEAN Plus Three or the East Asia Summit (EAS) have to be intensified as a *conditio sine qua non* for economic recovery, in addition to efforts in the global context (G-20 and the WTO).

Seventh, one lacuna has to be recognized. A generation of political leaders has been lost due to Soeharto's unwillingness to prepare for a young generation to take over from him. That is why no young leaders have emerged to contest the 2009 presidential election. Since the threshold to propose a presidential candidate has been raised (a minimum of 20 per cent of the seats in parliament

or 25 per cent of the total votes in the parliamentary elections), there could most probably be only three candidates, namely SBY, most probably supported by his own Partai Demokrat plus PKS (Partai Keadilan Sejahtera or Prosperous Justice Party) (in case it has less than 20 per cent of the DPR seats, with Hidayat Nur Wahid as SBY's VP candidate), Megawati from PDI-P, and Jusuf Kalla as GOLKAR's candidate. In the last Leaders Meeting of GOLKAR in October 2008 a decision was made that if the party emerged as the leading party in the parliamentary election the Board would propose its own presidential candidate. It is not inconceivable that GOLKAR could become the number one party again.

This suggests that a presidential candidate from the new generation could only emerge in 2014. There can be many potential candidates by then that will come from the ranks of local leaders (successful governors or *bupati*/district heads), young politicians in parliament, NGO leaders, business leaders, and from within the bureaucracy. But all of them need time to be known at the national level, and the next few years will be critical for that purpose.

In conclusion, it can be ascertained that democracy and unity will stay as part of Indonesia's future. Challenges still exist, especially from the right-wing extremists (fundamental Muslims or from the military), who could create anarchy if the economy collapses in order to take over the government. But this is only a remote possibility, because the Indonesian elite and the people, including moderate Muslims, will oppose such action. A political collusion between Muslim extremists and the Army leadership is now more remote than in 1998. History has shown that despite some lacunas the Indonesian elite and the Indonesian people have rejected authoritarianism as a political system and will continue to support the unitary state. With a growing middle class and with a better group of leaders in the future that determination is likely to be maintained.

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