

Indonesia: A Failed State?

Is Indonesia a failed state? Even after almost five years of multiple crises—economic, political, social, and cultural—one could not say that of Indonesia today. Indonesia has become a weak state, but not a failed one. Nevertheless, the question is valid: If the crises Indonesia faces continue for another 5–10 years, could the country become a failed state? Because this outcome is not impossible, the Indonesian elite should overcome its differences and forge a degree of unity to try to find solutions to the various crises besetting the country. The leadership must prioritize their actions, but are they able to do so?

After the fall of President Suharto (1967–1998), the elite gave little attention to unity and the national interest because the government had mismanaged these objectives during Suharto's rule, which used authoritarian methods. Instead, the pendulum swung in the other direction, and the focus became group or individual interests. At last, after so many years of misery and strife, a sense of urgency and willingness to put the Indonesian house in order again is emerging. The elite seem to be renewing a sense of national unity and ordering the government's priorities to restart the engine of economic development that just recently held so much promise for Indonesia.

History of the Nation-Building Process

Observers often refer to some earlier Hindu kingdoms such as Sriwijaya and Majapahit as the precursors of the Indonesian nation. In the modern sense, however, the country's existence is based on Indonesia's nationalist movement, which first started in Java in 1908 and then spread throughout the ar-

Jusuf Wanandi is a founder and member of the board of trustees of the Centre for Strategic and International Studies (Indonesia).

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chipelago. In 1928, youth from across the islands pledged to build one country, one language, and one nation—a pledge that became the basic principle of the nation and the state. Indeed, the battle against Dutch colonialism in the form of the Netherlands East Indies was the only real unifying factor that led to the establishment of the Indonesian nation and state.

After the Republic of Indonesia was established in 1945 following colonialism, nationalism, and revolution, the elite among the various ethnic groups, religions, and races were all determined to establish a new national

identity and, in so doing, subdue the political consciousness of their own separate groups. Indonesia has more than 490 ethnic groups. Although almost 90 percent of Indonesians follow Islam, Indonesia has many Protestants, Catholics, Hindus, and Buddhists, among other religious groups. The state has no official religion but recognizes the aforementioned ones. Racial groups such as Chinese, Arabs, and Eu-

ropeans constitute Indonesia's minorities.

Although a federal system of government may be most suitable for accommodating these groups, Indonesians never seriously considered constructing one because of the overwhelming depth of the diversity. Moreover, because the Dutch first proposed a federal system in 1948 for neocolonialist reasons, a stigma attached to this form of government, which became unacceptable to the political elite.

Presidents Sukarno and Suharto addressed the problem of unity by adopting an authoritarian system that lasted for 40 years (8 years and 32 years under each ruler, respectively). The two presidents tried to strengthen Jakarta's role as manager of the various regions. Sukarno initially tried to accomplish this task with his charisma and charm; he eventually resorted to authoritarianism and military might to solve some conflicts. Suharto mainly used the army as a second line of authority to centralize the political system and the bureaucracy. As a result, extensive regional autonomy has now become an important issue on the national agenda. The government can never enforce Indonesia's unity by might alone. In the end, a political system so stymied by force from the center in Jakarta will arouse only rebellions and insurgencies.

In 1999 the government enacted new autonomy laws (Law Nos. 22 and 25) that provide for full participation of about 400 districts (*kabupaten*) in governing the country. Implementation could begin messily, but in the long run the new laws should give the regions a strong sense of belonging and, in turn, give Indonesia another chance to retain its unity in the future. While Jakarta tries to weather the crisis, the district leaders energetically continue to develop their districts, saving their respective parts from stagnation and chaos.

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Suharto's use of force to maintain unity does not work for a diverse country such as Indonesia. The challenge for the future is re-creating the sense of solidarity that existed when the nation was created. At that time, the political elite coalesced in Jakarta and in other cities on Java for education and political training. Today, special efforts such as training, seminars, and conferences, as well as networking among themselves, might be needed for the local elites to come together regularly. They should know each other better and discuss common problems and find solutions to improve Indonesia's future. These efforts should involve not only the bureaucratic elite but also political parties, nongovernmental organizations (NGOs), intellectuals, and the private sector, among others.

Despite a rapid reduction in the number of people living below the poverty line, from more than 60 percent to less than 15 percent, in the 30 years of Suharto's rule, the distribution of income remains greatly uneven and has put pressure on the Indonesian society and state. Income discrepancies exist among the population at large as well as between the western part of Indonesia, where most of the economic development has taken place, and the eastern part, which has continually been falling behind. This disparity has compounded the political tensions that exist between the center and the regions. The status of the large number of people living just above the poverty line remains quite precarious; after the crisis in 1997, for example, 20 million people just above the poverty line immediately dropped back below it.

The economic system of monopolies and oligopolies created by Suharto from 1978 to 1997, in addition to the corruption encouraged by the example of the country's first family, benefited groups such as the Sino-Indonesians more heavily than others. Consequently, anti-Chinese sentiment, which has existed since the Dutch used the Chinese as intermediaries, thus distinguishing them from indigenous Indonesians, has become more readily apparent. Anti-Sino-Indonesian feelings will likely remain as long as income gaps and poverty are widespread. At this juncture, religious or other ethnic conflicts have somewhat obscured the problem.

The Sense of Being a Failed State

Several weaknesses are evident in Indonesia's sociopolitical arena. Most pronounced is the limited power available to the highest level, namely the presidency and the cabinet. An equally serious problem's source lies with the Parliament and the leadership of the country's political parties, where the sense of unity and social purpose has been lost and individual or group interests have become paramount.

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NGOs possessed a common bond in undermining Suharto, but since his downfall these groups have had difficulty cooperating with one another. In addition, the leadership of the armed forces continues to be demoralized and divided. Although the police force has more responsibility today than in the past, it is also split among generations and many interest groups, impeding its already limited capabilities to enforce law and order. The judicial system is corrupt and untrustworthy. Suharto's two worst legacies are corruption, which has permeated every sector of Indonesian life and could take a generation of strenuous efforts to overcome, and the absence of any successor

capable of governing the country. Because Suharto wanted to wield power forever, he always blocked anybody with the potential to lead. As a result, a country of 220 million people has difficulty finding capable leaders at the national level.

Yet another change in the presidency before 2004 would be detrimental to the country's democracy. Three presidents have been elected in the last four years; each of their terms should have lasted five years. Nor have candidates emerged to replace President Megawati Sukarnoputri. The few existing ones, namely Hamzah Haz (the vice president) and Amien Rais (the chairperson of the People's Consultative Assembly, the highest constitutional body), are not widely accepted. Therefore, the emergence of a people's movement consisting of civil society, elements of political parties, mass organizations, media, and the private sector is critically needed to support good and effective leadership for the country.

Indonesia's economy grew by 3.4 percent in 2001 and will likely grow 3.2–3.8 percent in 2002. The country's large population base, however, facilitated much of this growth rate, which is itself not good enough. A minimum of 6 percent annual growth is necessary to absorb the new workforce entering the market each year. Furthermore, without an injection of new capital, the economy will not be able to sustain growth during the next few years.

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The government's domestic debt totals more than U.S.\$60 billion, largely because of the need to recapitalize the nation's banks. Without more income, the state cannot jump-start further economic development in the face of the huge amounts of money needed for debt servicing. The situation becomes critical in 2004 when the government begins to repay the principal of its domestic debt. In the meantime, the government has undertaken economic restructuring and reform only halfheartedly because of political con-

straints in the executive branch (with its lack of strong leadership) and Parliament (with its newfound assertiveness and narrow-minded political, group, and individual interests).

The need for social safety nets is very real, especially in health and education. An increasing number of children are not immunized against various diseases. In addition, the education of the country's youth is deteriorating because of the financial crisis.

The country's most devastating deficiency, however, lies in the realm of security and law and order. The sense that law and order are breaking down is evident throughout the many horizontal conflicts in various parts of the country attributable to religious, ethnic, economic, and political causes. The transgression of rules every day by so many people in all types of situations compounds the feeling. People take the law into their own hands because they no longer trust law enforcement agencies (police, attorneys, and judges)—a truly disturbing outcome. These problems have no easy answers because the situations in places such as Aceh, West Papua, Moluccas, Poso (Central Sulawesi), and West and Central Kalimantan are complicated and will take years to resolve. Even where the problems are small and simple, overcoming them is not easy because of the corruption that has permeated all law enforcement agency levels.

Regional Conflicts

Regional conflicts are the most visible sign of the breakdown of the central government's authority, and no clear strategy to overcome these problems seems to exist. One has a sense of drift. The political elite knows only one way to solve conflicts: by force, a method used many times. Yet, force has never been completely successful; simply repeating tried tactics will not solve these problems.

The most debilitating conflict is in the province of Aceh, where three rebellions have occurred in the last 20 years. The government is still looking for a military victory even though it could not solve the problem through force even at the height of its military might in the early 1990s. The government had subdued the rebellion twice by military means, but the conflict re-surfaced after several years. At the same time, 10,000 people, many of them innocent civilians, have become victims; hundreds of thousands have become internal refugees.

The problem began when the Acehnese felt the Suharto regime had neglected and marginalized them and they exhibited their defiance. Because Golkar, the government's party, had never won a majority in Aceh, the government marginalized the province. Military abuses were so horrendous that

the situation turned into a full-fledged rebellion. The Acehnese now demand, first and foremost, judicial condemnation for the perpetrators of human rights violations, especially those conducted at the end of the 1980s and the beginning of the 1990s. They also demand a fairer share of the revenues from their abundant natural resources.

Even though the government has stated that it has a full-fledged development program for Aceh, it has apparently only given attention to military operations while neglecting the rest, including the economic and political arena. With the assistance of the Henri Dunant Center in Geneva and with the support of a group of advisers chaired by Surin Pitsuwan, the former foreign minister of Thailand and a Muslim, negotiations have resumed. Ambassador Wiryono Sastrohandoyo, a capable former diplomat who facilitated negotiations between the government of the Philippines and the Moro National Liberation Front a few years ago, chairs the Jakarta negotiating team.

Nevertheless, Jakarta hints that military options are the only valid method for facing the rebellion. This approach became apparent in the military killing of Syafei, the commander of Gerakan Aceh Merdeka (GAM, the Aceh independence movement) and re-creation of a special military command in Aceh, which had been disbanded in 1998 when the Indonesian army withdrew from the province at that time. The military command's resurrection suggests that remilitarization is occurring.

The basis of the Geneva talks has been the new law on the special status of Aceh, which experts consider a very liberal law. GAM will hopefully agree to implement the law at the end of the negotiations. The hostilities are supposed to end this year with the disarmament of the combatants. A National Conference on Aceh will follow in 2003 for all sectors of Indonesian society to discuss Aceh's future. Then, perhaps in 2004, GAM is expected to transform from a military rebel group into a local political party, when GAM representatives will participate in general and local elections. Although the road map is clear and generally accepted, a great deal of effort is needed, especially by Jakarta, to implement it successfully.

In the meantime, no one should confuse the internal insurgency in Aceh with international terrorism. The Aceh problem has domestic root causes and should be handled as an internal affair. Here, a political solution is best for the future stability of the locality and for the whole of Indonesia. Attention to the rule of law and human rights concerns are very important issues in this effort. Without strong judicial action against the perpetrators of human rights abuses, the Aceh people will never feel that the conflict has been resolved.

The issues in West Papua and Aceh differ. Whereas Aceh has always been part of the nationalist struggle against the Dutch and played an important role

in the fight for independence (1945–1950), West Papua came under Indonesian rule only in 1963. Dutch neocolonialist efforts prevented West Papua from being incorporated as part of Indonesia in 1949, when the transfer of sovereignty to the republic took effect. For this reason, Papuans' emotional attachment to the republic has been limited. In the future, the case for the independence of West Papua could therefore be stronger than it is in Aceh.

On the other hand, the West Papuan argument has limitations. First, the population on this huge island is quite sparse. Of the three million inhabitants, only a little more than one million are Papuans; the rest are immigrants from other places in Indonesia. Second, many inhabitants are tribal and dispersed, speaking in more than 400 dialects; they could not even communicate with each other, except in the Indonesian language. Third, local leadership is extremely weak. Fourth, the region is rich and has become the last frontier for Indonesia's economic development.

That Indonesia would allow an independent Papua is almost impossible to believe. Most importantly, unlike East Timor, West Papua was part of the Netherlands Indies, and Indonesia sacrificed quite a bit to retrieve the island from the Dutch. All of these factors would make organizing an effective anti-Indonesian movement difficult for West Papuans.

Unlike the situation in East Timor, the Indonesian government must not abuse the Papuan people. The idea of a Greater Melanesia as supported by Papua New Guinea, Vanuatu, and others could be a real attraction to the Papuans in the future. NGO activists in Australia and New Zealand, and the West in general, are also willing to support an independent West Papua because of the shared Christian religion and the perception of Papua as the underdog, among other reasons.

The new law on the special system of governance in West Papua is welcome because the law considers many of the locals' wishes. Well-implemented legislation promises to be a good basis for a new relationship with the central government of Indonesia. To achieve this goal, Jakarta should do three things. First, the government should appoint someone to coordinate the implementation of the new law in Jakarta. Because the minister in charge of eastern Indonesia has not been effective, coordination on behalf of the president could be critically important. The coordinator must be well respected in eastern Indonesia and should have some real experience in regional government. Dr. Ben Mboi, a possible candidate, would be a good co-

Uneven distribution of income remains great, pressuring the Indonesian society and state.

ordinator, given his 10 years of experience as governor of East Nusa Tenggara. He is a medical doctor and also happens to be Catholic.

Next, the government should increase human resource development, especially in the sorely neglected fields of health and education. The government should also improve the economic infrastructure.

Finally, the government should take effective control of the natural resources in West Papua, which are prone to contraband activities such as illegal cutting, illegal fisheries, and smuggling—all of which are costly for the treasury as well as damaging to the environment.

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Transition periods provide excellent opportunities for all sorts of abuses, and the government must prevent them at all costs. The murder of Theys, one of the few Papuan leaders who wanted an independent West Papua in the future—but only through peaceful means—was a real loss to the country and the region. His murder demonstrates a potential harm for future development, hampering the

relationship between the center and the local leaders and the populace. Many believe that Theys could have been persuaded to accept the idea of self-governance instead of full independence under a more benevolent Indonesian regime. Finding more capable Papuan leaders, whom the Papuans also trust, to succeed Theys is a real challenge for the central government.

The problem in the eastern Indonesian islands called the Moluccas has some similarity with problems in Poso (central Sulawesi), the scene of fighting and conflicts between Muslims and Christians. Although the situation in the Moluccas is more complicated and involves more people, the problem was similarly more political and economic at first, later developing into a religious conflict. It is comparable to the situation in Lebanon at the end of the 1970s and early 1980s, when Christians, overwhelmed by the increasing number of Muslims and the Muslims' improved status and roles in society, felt cornered and reacted by attempting to change the balance of power again.

The problem in the Moluccas has been compounded not only by external factors, such as the involvement of the Laskar Jihad, a Muslim paramilitary group based in parts of Java, but also by the involvement on either side, depending on their religious loyalties, of individual army and police officers stationed there for some time or originally from that part of the country. Attention to such groups as the Laskar Jihad has been overblown. They are rather noisy groups, but small and marginal. Other mainstream Muslim

groups, such as Nahdlatul Ulama (35 million members) and Muhammadiyah (30 million members), are more moderate, open, and democratic in outlook. Extremist groups protesting U.S. policies on global terrorism are small and temporary in nature. These groups have gained some influence by involving themselves in local conflicts such as in the Moluccas and Poso because of the weak government and collusion with some police and military elements.

After so many failures, the agreements now concluded, first on Poso (Malino I) and in mid-February 2002 on the Moluccas (Malino II), are considered the best chance for success. Prior to any further progress toward reconciliation and peace, Laskar Jihad and TNI-police personnel must cease their actions, especially in the Moluccas, where more people are involved and the history and political development are more complicated. Involving neutral troops from Java could be another positive step. If successful, both Malino agreements between conflicting parties would demonstrate that, if the government is proactive and takes the lead in overcoming conflicts, a solution is possible. The government is the only entity that has the credibility as an honest broker and the power to implement the agreement reached.

Parties could emulate this strategy in West and Central Kalimantan, where conflicts arose between two ethnic groups, namely the Madurese “migrants” and the local Dayaks. The government must have credibility and be proactive for success in conflicts such as these, which can be anticipated and are aptly described as small skirmishes. One of the main constraints for the government has been its reliance on the military. Since Suharto’s downfall, the military has lost its political clout and become demoralized, and no effective civilian government is guiding its operations.

The police, who are now in charge of law and order, are even less capable and less disciplined than the army. They have never had any training or experience dealing with insurgencies such as the one in Aceh. When they try to assert themselves in those areas, more abuses are likely to occur, and security tends to deteriorate. Regional conflicts and insurgencies are a matter of concern, with thousands of people having died as a result. The breakdown of law and order in the simplest facets of daily life in cities and villages is even more distressing. In some places, citizens reacted to police abuses by attacking them and setting their offices on fire.

Past abuses, and corruption that has permeated every sector of life, has eroded trust in government agencies and institutions. If this trend continues, law and order could break down and anarchy could take its place. In politics, when and how that breakdown would happen is uncertain. To restore authority and legitimacy, the country must fundamentally correct government agencies, especially the legal authorities (police, attorneys, and the judicial system), and rid them of corruption. Although not a simple task or

an easy proposition, the continuity and success of the government and the system of governance in Indonesia depends on it.

Turning the Corner?

In the last two months, the government has begun attending to some of the priorities mentioned above, slightly stabilizing Indonesia's weak state. In April 2002, Megawati proposed a new commander in chief for the military, former chief of staff of the army General Endriartono Sutarto. He is professionally inclined and able to unite the armed forces, which are still divided and demoralized five years after the fall of Suharto. If Sutarto is successful, the government will be able to push the military to do its job once more and support the police against insurgencies, without worrying too much that the military could again cause mischief.

The economy has also improved recently, as the government slowly implements reforms. In part, increases in domestic consumption and in the price of oil have driven growth. Despite more than two years of political resistance, the BCA Bank, the biggest asset of the IBRA (Indonesian Bank Restructuring Agency), was sold, exemplifying the government's promising decisiveness. The Indonesian currency, the rupiah, has strengthened by 10–12 percent; economic growth is expected to be nearly 4 percent; and unemployment appears to have decreased. Exports are also expected to rise in the second half of 2002 as the U.S. and European Union economies recover.

In the meantime, regional conflicts have subsided. The Poso conflict in Central Sulawesi has basically ended, and the agreement negotiated by Jusuf Kalla (coordinating minister for people's welfare) is working. The situation in the Moluccas Islands conflict has improved, although not completely ended due to implementation problems, namely how to remove the Laskar Jihad and some army and police members from the islands. The conflict in Aceh has entered a negotiating mode again and is moving in the right direction. At this stage, 60 percent of the Aceh people are considered to be pro-Indonesia, as opposed to two years ago when 90 percent were considered to be pro-independence. Megawati has even established an ad hoc human rights tribunal to prosecute the abusers of human rights in East Timor during the time of the referendum in 1999.

Officials are making progress in the fight against corruption. The attorney general's office has again brought more serious accusations against Tommy Suharto, the son of President Suharto, for masterminding the killing of a Supreme Court judge in 2000. Authorities have detained some shady businessmen, who have not made any serious attempts to pay their debt, for interrogation and prosecutorial purposes. Even high-ranking officials such as

the governor of the Central Bank, Syahril Sabirin, who was sentenced to three years in prison, have been tried in court, while officials detained the speaker of Parliament, Akbar Tandjung, for interrogation in a corruption case.

The tide toward a calamity in Indonesia appears to have been averted. If one considers that these developments occurred within an anarchic political situation, the result has indeed been remarkable by all standards. If, despite these efforts, Indonesia became a failed state, it would be devastating for its existence and for Southeast Asia's stability. Indonesia could implode into several entities, beginning with Aceh and West Papua. More distressing is the anarchy that failure would create in Java, the most political and important polity in Indonesia. The chaos in, and deterioration of, Indonesia would destabilize Southeast Asia—at a minimum through the flows of refugees from many parts of Indonesia. The Association of Southeast Asian Nations, as a regional institution, would become dormant for at least a decade if its largest member descended into chaos and potentially split into multiple states.

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Conclusion

The last seven years have witnessed a cathartic development in Indonesia in particular and the whole of the Southeast Asian region in general. This description of the Indonesian state of affairs after five years of multiple crises—the end of which is still not in sight—shows that political development is complex. The crisis Indonesia faces is more political than economic. Despite some stuttering since the 1997 crisis, Indonesia's existence is not truly jeopardized. Indonesia has, however, become a weaker state. Although conflicts in the many regions have not led to the breakdown of the country, they present an enormous challenge to the Indonesian government.

Indonesia has survived thus far mainly because of two characteristics. First, the resilience and patience of the Indonesian people is almost unlimited; their tolerance for pain is very high. The Indonesian people accepted setbacks during the crisis as fate, and an atmosphere leading to social revolution has not yet emerged.

Second, at least until now, the populace's sense of patriotism and nationalism has held the nation together. The Indonesian people have been united for 100 years; despite their regional conflicts, history is a potent force for

unity. Even with the lack of leadership, rampant corruption, and priorities on personal and group interests, the body politic in Indonesia still has some sense of sacrifice and willingness to try again for the benefit of the nation. This asset has made the regional conflicts less likely to lead to separation and implosion.

The danger of anarchy, where people take the law into their own hands and where various sides use force to solve conflicts, is surely a concern. The

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economy is not moving very fast, and the sluggish economic growth has various causes. Fortunately, Indonesia has not yet reached a point where its society is falling apart. The most critical component to any reforms, however, is the country's political leadership. Unless the political elite can unite, formulate the right priorities, and implement its programs, efforts at reform will falter. A people's movement to pressure and support

the country's unity could become a decisive factor in the near future.

Time is limited, Indonesia's leadership is weak, its institutions are inadequate, and the multiple crises are deep. For Indonesia's continued survival, the people must believe the problems are solvable in the near term. Only that perception will give the people hope that Indonesia still has a future. If the elite cannot provide this vision, then Indonesia may be in danger of turning into a failed state in the longer term.