

# Political Transformation in Indonesia

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## **I. Introduction**

Two prominent historical phenomena have characterized the East Asian World during the last two decades of the 20th century. Firstly, the political and security stability in both Northeast and Southeast Asia was affected by the end of the Cold War and, especially, by the disintegration of the former Soviet Union, which has lessened the conflict of the superpowers. Secondly, the rise of East Asia at the center of an unprecedented economic developmental miracle has brought a vast transformation to the political, economic and security configurations of the region.

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Now here is the transformation more striking than in East and Southeast Asian, the region including Japan, China, the 'four tigers' of Hong Kong, South Korea, Singapore and Taiwan, and the emerging 'tigers' of Thailand, Malaysia and Indonesia in the Southeast Asia. The regional transformation has not only affected the entities within the region itself, but has also changed global politics and international relations. The transformation is not limited to the economic sector; the political and security realms have also experienced vast changes, with a trend towards more political 'openness' and a strategy of focusing on economic development in place of military dominance.

Unfortunately, the stability and sustainability of the miraculous growth of the East Asian region has been abruptly threatened, as we all know, by the severe impact of the contemporary economic crisis. The biggest casualty among the Southeast Asian countries affected by the crisis has been Indonesia where the economic crisis has rapidly turned into interrelated political and social crisis. But Indonesia and Thailand have moved toward greater openness and reform in their respective governmental and economic system. It is interesting that, directly speaking, the East Asian economic crisis in Indonesia has led the birth of reformation, with the aim of moving toward openness and reform in the political, economic, and socio-cultural fields.

With regard to the political economy of rapid modernization in contemporary East and Southeast Asia, this paper will argue that the birth of the political reformation in contemporary Indonesia cannot be separated from the process of economic development and rapid modernization in Southeast Asia.

## **II. Economic Crisis and the Decline of Soeharto's New Order Government**

The shift from geo-politics to geo-economics of the Post-Cold War era in East Asia has also been characterized by the emergence of the Southeast Asia as a zone of dynamic economic growth. In 1990's, nearly all of the economies of Southeast Asia have been expanding rapidly. From one influential point of view, a growing number of countries in Southeast Asia have 'gone from being dominoes to dynamos'<sup>12)</sup>. The real dynamos were Indonesia, Malaysia, Singapore and Thailand—a few of the ten countries of Southeast Asia. Undoubtedly, the economies of these 'ASEAN Four'—they belonged to the Association of Southeast Asian Nations since 1967—were preeminent.

Unluckily, the picture of the stability and sustainability of the spectacular economic growth of the Southeast Asian countries now is vastly different mainly because of the financial crisis.<sup>13)</sup> It seemed that, at a stroke, the Asian financial crisis threatens the geo-economic stability directly as well as the geo-politics and security of the region. Moreover, the economic crisis in East Asia has also made a negative impact on both the political and social stability of the countries in the region. One of the worst hit countries in this regard in Northeast Asia is South Korea, but the countries suffering the worst effects are in Southeast Asia.

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12) This was the expression used by US president Bill Clinton in a speech he gave at the November 1993 Asia Pacific Economic Cooperation (APEC) meeting in Seattle. This phrase is also found in the title of a 1994 book by John Bresnan, *From Dominoes to Dynamos : The Transformation of Southeast Asia*. See Donald K. Emmerson(1997), p. 166.

13) According to Merton H. Miller, the Southeast Asia financial crises is caused by interest rate risk, a risk that in principal, affects both lenders and borrowers, but which in the Southeast Asia crises has been falling mainly on borrowers. See Merton H. Miller(1998), pp. 225-233.

Indonesia, in particular, has experienced the severest shock to its national economic, political and social life. Unfortunately, the financial crisis, which began there by July 1997, quickly turned into a general economic crisis, and from that it transformed into political and social crisis. Student demonstrations in response to the economic crisis directly caused the resignation of President Soeharto by May 21, 1998, who was succeeded by B.J. Habibie. More generally, social protests, riots and violence erupted in several places in Indonesia and resulted in the loss of many lives. Jakarta, Surakarta(Solo), East Java, Aceh, Kupang, East Timor, Ambon and West Kalimantan were places struck by anarchy.<sup>14)</sup> Violent protests spreads and Indonesia's hailing journey to democracy takes another bloody turn. After bloody evicting, the Dutch during the Independence Revolution in 1945-1949, Indonesians of differing ideological stripes quickly launched into a frenzy of partisan debate at factories, universities, and plantations - as one put it, 'a kind of permanent, round-the clock politics'. In the next decade secessionist rebels waged war on Jakarta, itself teeming with radical Muslims, communists and soldiers. Sukarno's successor Soeharto, having imposed a New Order, liked to wield the memory of those years as justification for his punishing rule.

Soeharto has relinquished power now, and chaos has returned to the broad streets of the capital Jakarta. Since the

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14) Many social protests, and violent riots exploded in Jakarta, for example on June 15, 1998, June 20, 1998, before the resignation of president Soeharto; and some others in November 1998, and January-April 1999. Some others erupted in Surakarta(Solo) on June 14-15, 1998, East Java(Ninja and Santet issues) on October-November, 1998: Aceh(1998/99), East Timor(1998/99), Kupang(1998), Ambon(1998/99), and West Kalimantan(1998/99, issues on ethnical conflict: Dayak, Madurase and Malays). See. Kompas(June-December 1998; January-April 1999), Newsweek(23/Nov. 1998, pp. 12-17), Time(23/Nov. 1998, pp. 18-27) and Asiaweek(30/April 1999, pp. 28-31; 2/April 1999, pp 30-31.

fall of his mentor in May 1998, President B.J. Habibie has survived on the instability of the forces jockeying for a place in the new Indonesia's pro-democracy leaders, Muslims activists, students and armed forces. However, the contest over reform in Indonesia has been irrevocably radicalized.

The Habibie government faces many difficulties in overcoming the serious domestic problems, which relate not only to the economic crisis, but also to the political, social and cultural one endangered by it. Specific political problems that need to be overcome by Indonesia are a crisis of credibility within the life of a nation state, which is based on plural society distributed over 17,000 island set in a sensitive geo-political maritime context.

Unquestionably, Habibie's rule is able to accomplish the most democratic national election since the last true multi-party poll in since 1955, on June 7, 1999.<sup>15)</sup> The elections are crucial to restoring a sense of legitimacy to the government now headed by Soeharto's hand-picked successor President B.J. Habibie, and adding new vigor to the economy. Hopefully, it will be a historic first step toward the true democracy in Indonesia in the future.

### **III. Political transformation : Continuity and Change**

In assessing Indonesia in the late 1990s and speculating on its future direction, the continuities are at least as important as the changes. They illustrate some of the stronger stands in the societal fabric. Whether they are useful as tools of prediction is another and more complex question, for nothing is immutable.

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15) There are 48 parties contesting the June 7, 1999 parliamentary election. See, Tom McCawley & Dewi Loverd(1999) and Terry McCarthy(1999).

Of course, in the 1990s, the official view that there is nothing worth reclaiming from the 1950s' experience with parliamentary democracy is likely to come under increasing examination. In any case, it would be foolish to ignore the Old Order and the New Order and what came before. The latest episode, and Habibie as well as the next president especially, have their roots there.

Like many nation-states emerging from colonial rule, the Indonesian nation-state owes its geographical territory to its former colonial government, the Netherlands India. The Dutch arrived more than three hundred years before independence in 1945, looking for spices and wealth for an expanding empire. In 1602, the Dutch East Indies Company(Vereenigde Oost Indische Compagnies, VOC) removed the Portuguese from their strong hold in the spice islands, now called the Mollucas, in eastern Indonesia, and increasingly expanded its hold over the archipelago(Meilink-Roelofs, 1962).

Like the Javanese Kings who preceded them, the Dutch conducted a tribute system with taxes being paid in kind, either in crops like rice, pepper, coffee or in labor for building roads as palaces, personal services to officials and military service. The common language was Malay, brought to the coastal areas of Java, Sumatra, and others centuries before by Muslim traders.

For most of the colonial period, the Dutch troops were engaged constantly in suppressing one rebellion or another on and off Java(Ricklefs, 1993). The coming of the twentieth century saw the first awakening of nationalist movement in Indonesia. Reformist Islamic groups like the Sarekat Islam(Islamic Union) and the Muhammadiyah(Followers of Muhammad), both established in 1911 and 1912, represented the first attempts as

mass-based movements in the Netherlands India. In 1927, a group of Western-educated nationalists led by Sukarno founded the Indonesian Nationalist Party(PNI). The PNI stood for a new political identity that encompassed the many societies of the Indies. In October, 1920, congress of youth organizations brought the idea forth in the one echoing phrase: 'one nation-Indonesia, one people-Indonesian.' Since then the Malay language has been promoted to be Bahasa Indonesia, Indonesian language(Ricklefs, 1993).

The Dutch government was uninterested about the existence of Indonesian nationalism. The Sarekat Islam and other nationalist movements were suppressed in 1926 and 1930, and the nationalist leaders such as Sukarno, Muhammad Hatta and Sultan Sjahrir were hounded, exiled and imprisoned several years before the Second World War.

Needless to say, the Dutch surrendered to the invading Japanese army in March 1942, without much resistance. Hundreds of thousands of Indonesians were compelled by the Japanese for military duty elsewhere in Southeast Asia. And many of them never returned. The peasants were forced to deliver their rice to support the Japanese war effort. Export industries were collapsed, unbacked occupation currency sparked rampant inflation, and rationing led to black markets and widespread corruption. After initially taking benevolent view of Indonesia's embryonic independence movement, the Japanese soon banned the flying of the Indonesian red-white flag and playing of the national anthem. The Japanese rule maintained the principal Dutch administration system, continuing to rule through the established elite. But their political style was completely different. When Japanese rule ended in August 1995, the fire of nationalism was burning brightly. Two days after the

Japanese surrendered to the Allied Forces, Sukarno and Hatta proclaimed independence on 17th August 1945. A constitution was prepared and a cabinet formed. With the Japanese in retreat, the Dutch attempted to reclaim their colonial territory and therefore the next four years the independence revolution broke out. Ultimately, the Dutch re-conquest was a lost cause. The struggle for political independence was all encompassing preoccupation prior to 1950. The revolution by which independence was won is not only a central episode of Indonesian history but a powerful element in the Indonesian nation's perception of itself. All the uncertain groupings, for unity in the face of foreign rule and for a justice social order, seemed to come to fruition in the years after World War II. For the first time in the lives of most Indonesians, the artificial restraining of foreign rule was suddenly lifted. It is not surprising that the result was not the appearance of a harmonious new nation, but a little struggle among contending individuals and social forces.

But having achieved independence, the difficult task of government and nation-building began. It soon became clear that there were varied and contradictory ideas of how to govern. Governing a nation like Indonesia must have been an almost covering challenge to the young politicians emerging from the war of independence. Indonesia consists of over 17,000 islands stretching more than 5,000 kilometers from east to west, or roughly the distance from London to Baghdad. Spread out over these many islands are literally hundreds of spoken dialects and cultural subgroups. Little wonder, then, that maintaining national unity has been the constant preoccupation of Indonesia's leaders throughout its history.



#### **IV. The Parliamentary Democracy and Guided Democracy**

Indonesian political history prior Soeharto's arrival can be divided into two periods: the Parliamentary Democracy (Constitutional Democracy) from 1945-1959; and Sukarno's Guided Democracy of 1959-1965 (Feith, 1962). The most important of these periods are the struggle to establish an ideological basis for the Indonesian state, and the military role within the leadership of that state. By 1950 the initial decentralized federal system had been replaced by a unitary republic. Between 1950 and 1957 this fragile unity was governed by a number of elected administrations which sought to stabilize and unify structure whose 'collective memory' kept the pre-1949 struggles alive. The bureaucratic structures were also undermined by the way various administrations dramatically expanded the size of the civil service of party patronage. At the same time, between 1950 and 1957 all governments were coalition administrations, facilitating departmental fragmentation. From 1950 to 1957 the Indonesian state sought to escape the economic structures of Dutch colonial rule via the encouragement of 'indigenous' capitalization.

By the second half of the 1950's as the republic shifted from Constitutional Democracy to Guided Democracy, it was apparent that Indonesian capitalists were unable to compete effectively with the Dutch and foreign corporations, not to mention the powerful Indonesian-Chinese business groups. Many of the new 'indigenous' capitalists increasingly cooperated with and were coopted by established Indonesian-Chinese business. It is worth noting that, as of 1957, at least 70 percent of the plantation agriculture on Sumatra and Java remained foreign controlled, while another 19 percent was owned by Indonesian-Chinese

companies. In most instances when foreign capital had left Indonesia, it was Indonesian-Chinese capital which had taken its place (Robison, 1986).

However, between independence and the late 1950s, series of increasingly weak coalition governments grappled unsuccessfully with the new nation's economic problems, which military and civilian officials increasingly sought to integrate their bureaucratic authority with wider political power (Dixon, 1991: 190-191). By 1957, Indonesia had clearly turned to an 'intensified nationalist strategy' which involved increased state intervention to restructure the economy and the takeover of a great deal of Dutch-owned property (Berger, 1997: 169-188). Furthermore, by the second half of the 1950's, the central government was also confronting serious rebellion in the outer islands, which were often colored by ethno-religious opposition to Javanese dominance.

By the early 1960s, although the outer islands rebellions had been contained, they had resulted in increasing power for the Indonesian Army (ABRI) and enhancement of their ability to stifle political opposition under umbrella of Sukarno's Guided Democracy. ABRI also assumed an expanded economic role with direct control of the economy after 1957.

Separated from the military, Sukarno's Guided Democracy rested on a complex of political alliances which revolved around the nationalist party, PNI, the PKI and major Muslim party (NU and Masyumi). He played these parties off against each others, while at the same time, he pitted the mainly anti-communist military against the PKI.

At the same time, by the first half of the 1960s, Indonesia's

economy was on the brink of collapse. Inflation was hitting 600 percent annually, foreign debt was climbing rapidly and statistics on income and food intake per capita rivaled some of the poorest countries in the world (Berger, 1997). By early 1965, it was increasingly apparent that country's fragile power structure was in crisis and this led to the abortive 'G-30-PKI' / Gestapu Coup in September 30, 1965. What is beyond dispute, however, is that by 1967 Soeharto emerged as paramount leader and was pervading over a major change in Indonesia.

## **V. The Pancasila Democracy and Soeharto's New Order**

Many of the best and the worst features of the New Order political system can be traced back to the traumatic and bloody upheaval of those years: the rejection of Sukarno's impassioned ideological adventurism in favour of the cautious, low-key policies espoused by Soeharto that soon led to sustained economic development, and the tacit acceptance of repression and covert political violence that have become almost institutionalized as mechanism of social control.

The architects of Soeharto's New Order government defined their main mission as the need to re-established order in Indonesian society. The upheaval which followed the September 1965 coup provided the immediate pretext for a new approach to governance, but the pressure for change had been building for some time. The experience with parliamentary democracy in the 1950s and with Sukarno's guided democracy in the first half of the decade had convinced many in the military of the need for a much stronger government.

In their view, a strong state was the 'essential' condition of present day industrialization. Political 'order' and economic development, in other words, were seen as two sides of the same coin. According to Soeharto government, 'order' was not a condition resulting from the use of force; it followed rather, from the enforcement of the government's rules. The New Order seeks to portray itself as the defender of 'normality' and the 'rule of law', the unique enforcing the ground rules for interaction between Indonesia's social forces (Schwartz, 1994:28-29).

Regarding to Soeharto's 'New Order' regime in Indonesia, there were two different assessments. Economists, demographers, and agriculturers have mostly depicted the New Order's record in favorable light, while other social scientists have taken more negative view, a few of them offering extremely harsh and hostile assessments. For instance, economist have praised its achievements in transforming the chaos of 1965-66 into socio-economic growth, resulting in a broadly-based rise in living standard by the 1980s. Others have been impressed by the regime's outstandingly successful family planning program, by the rapid spread of basic education, and by Indonesia's contribution to regional stability through its key role in ASEAN. While observers of the political system have generally been far more ambivalent, acknowledging the benefits brought to the country by a strong and stable government backed ultimately by the armed forces(ABRI), but linking these with the various repressive and authoritarian aspects of the regime, including its poor record on civil liberties.

The change in regime in 1966 marked a watershed in Indonesian history by almost any measure. The drama and flamboyant of the Sukarno era has been replaced by the low-key and pragmatic Soeharto administration. The economy has been

transformed by effective economic management and the ability to take advantage of a favourable international environment. The rise of the economy had expanded by over 450 per cent. Indonesia has experienced its first period of sustained economic growth. The pace of socio-economic change is revealed by a few basic statistics.

Rice yields have almost doubled, and Indonesia has been broadly self-sufficient in rice since 1985. Production of most food crops has increased substantially, but structural change in the economy has meant that agriculture's share of GDP has fallen from 50 percent to 19 percent. By 1991, the value of manufacturing output exceeded that of agriculture for the first time, indicating that Indonesia had crossed a key threshold in the path to industrialization. 'Transport revolution' occurred in the 1970s as the ubiquitous 'colts'(light commercial vehicles) came into use throughout the country. The number of registered motor-cycles, buses and commercial vehicles has risen 24 times since the 1960s.

Sociologically, the break with the past has been equally exciting. A sizeable urban middle class has emerged for the first time in the nation's history. Urban Indonesian becoming a mass consumption society. The chronic shortage and traditional market (pasar) of earlier times are giving way in the major towns to proliferating shopping malls full of a vast of merchandise. At the same time, the poor have also become better off and wealth is now displayed at the very top income level. Private capital has been accumulated as never before. By the 1980 vast commercial conglomerate emerged, many owned by Sino-Indonesian, all possessing high-level political connections. While they had been crucially dependent on state largesse and patronage for commercial success in the 1970s and by the late 1980s, the

private sector had achieved very considerable autonomy.

Similarly, socio-economic change in rural areas has been equally attractive. Technological change in the food crop section had been particularly rapid, especially the adopting of high yielding commercialization varieties, and the commercial action of agriculture generally. The number of landless villagers has certainly increased and a new 'middle-sized farmers' has emerged.

In addition, the communication revolution and a rising middle class have also transformed the culture in Indonesian cities. The new commercial culture has penetrated the countryside thanks to satellite, rural electrification and improved distribution networks. The state television network offers a bland diet of programs with a strong emphasis on 'national development' (Pembangunan nasional).

The demographic transformation has also advanced rapidly along the path of worldwide demographic transition from high to low levels of mortality and fertility. Family planning has undoubtedly been in of the regime's greatest success stories, especially in central and East Java, Bali and north Sulawesi, but also throughout the countries (Hill, 1994: 14-21).

Certainly, sign of national integration are observable everywhere, and these developments are having a profound impact on national and regional identities. If there is still an enunciate regional divide, it is now more between the country's east and west (Indonesia) than the older dichotomy of Java and the outer island. The most serious and widely discussed regional division is now between the increasing prosperous and dynamic western part of the country (mainly Java, Bali and Sumatra, but

including part of Kalimantan) and the lagging east. When in the 1960s researchers found despair and poverty in parts of Central Java and East Java, in the 1990s (before economic crisis) they are more likely to find them in Timor, Flores or rural Irian Jaya (Hill, 1994: 14-21)

On the other hand, the earliest accounts of the New order stressed its militaristic or authoritarian aspects, linking them with the dependency theory. Later accounts have more emphasis on the increasing autonomy of the state. The New Order was appropriately characterized as a *beamtenstaat*, a state run by and for the officials, by Ruth McVey and as a 'bureaucratic polity' by Jackson, King and Rigg. Emmerson and King suggested terms like 'bureaucratic pluralism' and 'corporatism'. Another term provided by Crouch is 'patrimonialism', which appropriately characterizes one of the key features of the New Order polity, for it highlights the extent to which control over key financial resources, licenses and essential facilities needed by business enterprise derive from the president and his immediate circle of the power structure (Hill, 1994:34).

According to Jamie Mackie and Andrew MacIntyre, the evolution of the New Order power structure can be traced through three distinct phases. In the first phase, 1965-74, ABRI was the key factors in the configuration, although Soeharto gradually became a major player in his own right. He held office by virtue of ABRI's support for him. The bureaucracy was in a very weak position at that time, having been discredited by the economic and administrative chaos of the mid-1960s. It was deeply divided by factional and ideological rifts (Hill, 1994:45-50).

In the second phase, 1974-83, the bureaucracy and state

enterprises became much more effective instruments of government. Some elements were even emerging as wealthy power centers in their own right, such as the state oil corporation, Pertamina, or the food logistic agency and Badan Urusan Logistik (Bulog). Eventually, however, ABRI was still the decisive force. President Soeharto himself was in a curiously vulnerable position in the mid-1970s, although he regained the ascendancy drama after 1978.

In the third phase, from 1983 to 1997, Soeharto has become by far the most powerful actor on the national stage, having built up enormous personal authority. As head of state, he has been quite independent of his association with ABRI. Reversely, the influence of ABRI on the national stage has declined considerably (Hill, 1994:45-50).

In the same line, ideology has played a key role in the Soeharto era. The role of national 'ideology' Pancasila, which has been appropriated by the New Order reflects this point. All social groups were obliged to swear allegiance to Pancasila. By equating Pancasila with Indonesia's 'national essence', and by using it as an ideological justification for authoritarian rule, Soeharto has been able to give his brand of rule. Soeharto argues, the political choice available to Indonesia is not between authoritarianism and democracy; it is between 'Pancasila Democracy' and chaos (Schwartz, 1994: 41-42). Further, a Pancasila indoctrination program known as P4 (Pedoman Penghayatan dan Pengamalan Pancasila) was instituted to create ideological conformity around the official state philosophy. Most seriously, President Soeharto pushed strongly in 1982-83 to have Pancasila proclaimed the philosophical basis (Azas Tunggal) of political parties and all other socio-political organizations.



More fundamental was the gradual depoliticization of Indonesian life in the 1970s, which was followed by the 'party simplification' (Penyederhanaan Partai). The nine parties were compelled to regroup in 1972-73 into two large groupings, namely the PPP (Partai Persatuan Penbanunan), made up of the various Islamic parties, and the PDI (Partai Demokrasi Indonesia), amalgam of nationalist and Christian parties. Golkar, a semi-official party, represents the government. Formally, it was built as a small anti-communist grouping of 'functional groups', loosely joined under 'Sekber Golkar' (the functional groups joint secretariat). Its foundation was followed by the formation of the professional body of civil servants such as Korpri (Korps Pegawai Republic Indonesia). To dissociate civil servants from other political parties (monoloyalitas), their wives have to join Darma Wanita (the official 'women' organization), headed by the wife of the senior official, with an ethos of unquestioning obedience and acceptance of hierarchy discouraging independent thinking on political or social issues (Schwartz, 1994: 41-42). At the grass root level, the traditional principle of gotong royong (mutual cooperation) is reinforced as an extension of Pancasila, in order to maintain social solidarity and to minimize social disruption.

## **VI. The Succession Dilemma and Political Change: The Makings of a Crises**

Two prominent issues arose in the political debate in Indonesia by the early 1990s were the succession issue and the political change. The debate is complicated because these two issues are interconnected. It may not be possible to arrange a smooth succession without first changing the prevailing political structure. It also may not be possible to make meaningful

political changes while Soeharto remain in power.

The issue of presidential succession had dominated Indonesian politics almost for a decade. It was more apparent in 1995-1996 when Soeharto has held office for 30 years, making him one of the longest serving leaders in the world. With each passing years there was growing speculation over when he will retire his position, who will replace him and how the transition to a post-Soeharto era will be handled. Soeharto always refused to make known his plans, saying somewhat disingenuously that the future will be decided by the People's Consultative Assembly (MPR). On the other hand, he and the other forces in Indonesian politics, such as ABRI, the bureaucracy, the business community and various religious and social organizations, compete to maximize their control over or influence upon the succession.

The issue on political change, at the same time, emerged with several debate on reviewing Pancasila Democracy, problem of democratization, problem of 'keterbukaan' (openness), Dwi Fungsi ABRI (Dual Function), and others. In addition, issues on Islam, ICMI (Indonesian Intellectual Muslim Association) and Habibie are also apparent. The arrival of ICMI on the Indonesian scene raised more questions. Why did it emerge? What really is it? And what does it want? It is also an important issue on Islam in Indonesia by the 1990s.

The period of 1990s was also marked by the emergence of a variety of political reform movements challenging key aspects of the status quo. Two nascent political parties, a number of quasi-parties and 'rainbow' organizations were established. The most radical of these new organizations are the two self-declared parties, Partai Rakyat Demokratik (PRD, the People's Democratic

Party) and Partai Uni Demokrasi Indonesia (PUDI, the Indonesian Democratic Union Party). Both are the first new parties in the New Order period. Both parties are in direct contravention of Ordinance no 3, 1985, which limits the number of parties to three: Golkar, PPP, and PDI. The PRD is the more militant of the two. PRD was led by Budiman Sudjatmiko, and PUDI is chaired by Sri Bintang Pamungkas. It openly challenges key elements of New Order orthodoxy, by advancing, among other things, self-determination of East Timor, the introduction of a social democratic political system, a review of Pancasila as the sole ideological foundations (*azas tunggal*), and immediate improvement in worker's wages and conditions.

Besides, there were three new quasi-parties in October and November 1995. All brought together disaffected older generation politicians with younger NGO activities. These are 'PNI Baru' headed by Madame Supeni, Masyumi Baru (Majelis Syarikat Umas Muslimin Indonesia) founded by Ridwan Syaidi, and Parkindo (Partisipasi Kristen Indonesia) led by Sabam Sirait. The emergence of these parties prompted considerable discussion about the return of sectional or *aliran* politics.

The last category of new organization are the so-called 'Rainbow Group' (Kelompok Pelangi). Of these, PCPP (Persatuan Cendekiawan Pembangunan Pancasila: Association of Pancasila Development Intellectual) and YKPK (Yayasan Kerukunan Kebangsaan Persaudaraan Kebangsaan: National Brotherhood Reconciliation Foundation) are the most overtly political.

The most potent reform figure to emerge in recent years has been Abdurahman Wahid, the president of NU (Nahdatul Ulama) and Mohammad Amien Rais, now president of PAN (Partai Amanat Nasional: National Mandate Party), former president of

Muhammadiyah (Modernist Muslim). And the last is Megawati Sukarnoputri and her party, PDI-Perjuangan (Indonesian Democratic Party Struggle). In the present, PDI-P's Megawati seems to be a leading party in June 7 election.

Most of these phenomena contribute a crucial political situation in Indonesia prior to the resignation of Soeharto in June 7, 1998, which was followed by protest movement and upheavals as mentioned above.

## **VII. Conclusion**

Modern Indonesian history was marked by the process of continuity and change in political, economic, and socio-cultural lives of the Indonesian society from the proclamation of Independence up to the present.

Like other countries in Southeast Asia, the socio-political transformation of the Indonesian society was dominantly characterized by the desire to build the modern state and democratic government through the historical dynamic of the nation. Generally the internal and external factors affected the process of the transformation from the pre-independence period to the post independence one.

Four transitional periods characterized the political transformation in Indonesia from 1945 to 1999: first, the period of the formation of the Republic of Indonesia with the parliamentary democracy in 1945-1957; second, the shift from parliamentary democracy to Sukarno's Guided Democracy in 1957-1965; third, the shift from Sukarno's Guided Democracy to

the Pancasila Democracy under Soeharto's New Order, in 1965-1998; and the forth, a shift from Pancasila Democracy to Habibie government.

Unlike in South Korea and Taiwan in East Asia as well as other countries in Southeast Asia, the authoritarian government in Indonesia seems to last very long time due to the sociological, cultural and structural factors available in Indonesian society.

Hopefully, the success of the national election in June 7, 1999 will be the beginning for the formation of the true democratic and modern Indonesian society, and the continuation of the economic development towards the prosperity and justice.

The political transformation in contemporary Indonesia cannot be separated from the process of economic development and rapid modernization in Southeast Asia. In this regard, the experiences from South Korea and other countries in East Asia are very valuable for Indonesia and other countries in Southeast Asia.

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