

**Indonesia: One State, Many States,  
Chaotic State?**

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### **Introduction**

Since the fall of Soeharto in May 1998, Indonesia has undergone a series of transformations towards democratic governance, however it still exhibits characteristics of the previous authoritarian regime. From the outset it should be noted that Indonesia will be a unified state in the foreseeable future, and it can be assumed if Indonesia follows the right political strategies then the multiethnic republic will survive as the Indonesia that we know today. The only regions of Indonesia where there are significant movements clamouring for independence are in Aceh and Irian Jaya — however there is nothing inevitable about their secession, and there are considerable hurdles to be overcome if secession is to occur (not least of all that few, if any, international states will actually give recognition — which was a crucial factor in the East Timor case). But in some senses Indonesia has become more “messy” and harder to manage.

The state of Indonesia confronts a host of serious problems, and this is compounded by political infighting and inaction in Jakarta. Unfortunately the Abdurrahman Wahid administration failed to provide any kind of leadership on an array of problems confronting the state — political reform, economic reform, regional issues, and separatist and communal violence. In response to this inaction in Jakarta, on 17 February 2001 *The Economist* magazine ran a front page photograph of president Abdurrahman Wahid (or Gus Dur) and vice president Megawati Sukarnoputri with the candid caption “Would One of You Please Start to Govern Indonesia?”. While Gus Dur continued to travel to foreign countries and generate ideas on how to deal with problems, a lack of solidity in cabinet and a creaking bureaucracy were not able to produce good governance and consistent rational/legal authority. But in the final analysis, the instability of the Wahid administration was brought on simply because the outgoing president ignored the power configuration of the Indonesian parliament and the new multi-party environment. Slowly, but surely, those who supported Wahid in

1999 for the presidency withdrew their support. Wahid's legacy as a president will be to go down in history as a good tactician, but a poor long term strategist.

### **Political Developments**

Belief in “democracy” is enshrined in the 1945 Indonesian Constitution (*Undang-Undang Dasar 1945*) — the constitution still in force today — and the state philosophy, the *Pansacila*. Rhetorically Indonesia has never ceased to be a democracy since 1945 and through the Sukarno and Soeharto years. However, in Indonesia, much like the rest of the world, the term “democracy”, and what it means, has been contested. Democracy simply means “rule by the people”, but its applications are many and varied. Since the fall of Soeharto in 1998 the 1945 Constitution remains in place, but interpretations of it have altered significantly. Indonesian democracy has come more into line with the dominant Western liberal notion associated with free and fair elections, the genuine separation of powers, an open contest for executive power, and an open society (including media freedom and freedom of speech and expression). While Indonesia has shifted, there are still authoritarian elements evident in the polity and in this sense Indonesia could be described as a “post-authoritarian society”.

The constitution defines the roles of the organs of state and separates power between institutions. Accordingly six organs of state are identified: the Presidency; Parliament — the People's Consultative Assembly (*Majelis Permusyawaratan Rakyat* or MPR); the House of Representatives (*Dewan Perwakilan Rakyat* or DPR); the Supreme Advisory Council (*Dewan Pertimbangan Agung*); The State Audit Board (*Badan Pemeriksa Keuangan*); and the Supreme Court (*Mahkamah Agung*). How these institutions relate to one another has often proven open to interpretation, in particular the weightings given to the MPR and DPR have been altered over time. Indonesia is a Presidential System, but exhibits characteristics of a Parliamentary System (notably in the appointment of the executive), however the premier constitutional body is the MPR. In the absence of a constitutional court — as such a body does not exist in Indonesia — the MPR is the sole arbiter of constitutional issues.

The MPR and the DPR have been described in the foreign media as an “Upper House” and a “Lower House” respectively, however the system is a lot more complicated than that characterization would suggest. At the time of the 1999 elections

the DPR consisted of 500 representatives — 462 elected in general elections and 38 appointees from the military. With East Timor’s departure from the Republic, the DPR members were reduced to 495. The DPR is the legislature and must consider government bills in tandem with the Cabinet. The 495 DPR members then sit in the MPR, where they are joined by 200 others — 135 provincial representatives and 65 appointees.

Elections in June 1999, the freest since 1955, produced no clear winner who could automatically assume office (see Table One). Megawati Sukarnoputri’s PDI-P (*Partai Demokrasi Indonesia–Perjuangan*) gained nearly 34% of the vote to emerge the “winner”, although without a clear majority. Golkar, the former ruling party, gained 22.5% of the vote. Smaller percentages were gained by smaller parties, mostly based on Islamic groups or a Muslim identity — PKB, PPP, PAN, PBB.<sup>1</sup> Significantly two Islamic scholars came to political prominence: Abdurrahman Wahid, the former head of the 35 million strong *Nahdlatul Ulama* and associated with its political wing, PKB; and Amien Rais, the former head of the 28 million strong *Muhammadiyah* and its associated political wing, PAN. (PPP also drew much of its support from *Muhammadiyah*.) While both Wahid and Amien Rais had been part of the *reformasi* movement, the latter in more open opposition to Soeharto, they represent two different streams (*aliran*) of Islam in Indonesia. Wahid represents the traditionalist school, while Amien Rais represents the modernist school.

Table One: 1999 Election Results

	<b>% Election Vote</b>	<b>% DPR Seats</b>	<b>Number DPR Seats</b>
PDI-P	33.8	30.6	153
Golkar	22.5	24	120
PKB	12.6	10.2	51
PPP	10.7	11.6	58
PAN	7.1	6.8	34
PBB	1.9	2.6	13
TNI	-	7.6	38
Others	11.38	6.6	33

In the run up to the general elections, Megawati and Wahid had formed a *de-facto* pact where Wahid supported the PDI-P. However on 20 October 1999 the MPR met to choose the president and, to the surprise of virtually all commentators, Wahid was elected president. Most commentators and diplomatic corps expected a contest between Habibie and Megawati, or possibly then military supremo, General Wiranto, and yet Abdurrahman Wahid, whose party gained just below 13% of the vote in the June election, won office. The final result was 373 to Wahid and 313 to Megawati, as Wahid gained the support of Golkar and the *Poros Tengah* (the alliance of Muslim parties). What this result shows is that the presidency will not automatically go to the front runner, but to the individual who can bring the factions together. Megawati had refused to enter the campaigning for the presidency, preferring instead to be acclaimed as president (a pattern that has continued). Initial riots in Indonesia were abated when Megawati was appointed Vice President (in fact her supporters deemed that she had been robbed of her rightful position) with Wahid's support.

Wahid brought strengths and weaknesses to the position as president. He was well known as a moderate leader and an advocate of liberal democratic reforms. His democratic instincts have been evident in some cases, notably in his willingness to tolerate vociferous domestic criticism from the media and society (and parliament), and his olive branches to Aceh, Irian Jaya and East Timor. He also brought to the presidency a reputation as a shrewd political operator.

On the other side of the ledger his health remained a concern. This was compounded by capricious statements and decision-making (examples of policy confusion include his statement that a police report indicated that the military were behind the Christmas eve bombings, and his November 2000 outburst against Singapore). Wahid does not read from a prepared text and he will often say what comes into his mind — including the announcement of new policy. Wahid's assembling of his executive was really a major problem for his administration. First of all, Wahid's first cabinet was inclusive and contained members of all the main parties — including those supporting Wahid and members of the PDI-P. With the announcement of the second cabinet, he removed virtually all of Megawati's supporters and included mostly his own supporters. It is significant that some of the key figures who have moved against the president are those who were removed from cabinet and

feel a sense of grievance. Attacks against Wahid increased when reports of corruption within the administration surfaced — although to some extent these are touchstones for a wider disenchantment. Secondly, cabinet, according to reports, had become moribund and unfocused. Third, cabinet had become highly unstable in 2001 with constant reshuffles, causing many journalists to liken the situation to the child's game of musical chairs.

#### *The Events of Wahid's Impeachment*

Wahid had attempted to retain power in the face of overwhelming opposition and was not easy to depose, although it was clear in the two votes on the memorandum of censure that he did not possess the numbers needed to survive. His only hope was to attract votes at the last minute or to gain the support of the security forces. Wahid stood accused of corruption in two cases: the Brunei scandal in which the Sultan of Brunei handed US\$2 million to Wahid and the money was never deposited in state coffers; and the Bulog scandal in which Wahid's masseur managed to obtain US\$3.8 million from the State Logistics Agency (Bulog) in Wahid's name. Critics of Wahid, notably Amien Rais, have described Wahid's corruption as being worse than Soeharto on the grounds that Soeharto at least waited a decade before engaging in high level corruption. Of course the money concerned is "pocket change" to the business activities of the Soeharto family, so there is really very little comparison.<sup>2</sup> Although the procedure to remove the president is not spelled out in the Constitution itself, there is a supplementary piece of legislation which allows for a procedure to remove the president. Thus, there must be one memorandum of censure, followed by a space of three months to give the president the right of reply. If the reply is not forthcoming or deemed unacceptable, then a second memorandum of censure can be delivered to which the president is expected to reply. If, once again, this is deemed unacceptable then a special session of the MPR can be called to consider the president's future. Should the president be removed, then the Vice President automatically assumes the role of chief executive. Wahid consistently argued that the move is "unconstitutional" because the procedure is not actually in the constitution, however legally this does not make it unconstitutional *per se*.

In late January it emerged that Wahid seriously considered martial law as a means to survive parliamentary criticism as it became clear that he was to be given his first censure. Although initially denied by the President, the then Minister of Defence, Mahfud M.D., later confirmed that the possibility had been seriously explored. On earlier occasions Wahid had refused to take questions from a parliamentary subcommittee on the issue on the grounds that it was not a court of law. This perceived arrogance and unaccountability angered parliament. On 1 February parliament overwhelmingly passed the first memorandum of censure. Apart from Wahid's PKB, all the factions voted for the censure (including the TNI representatives). Wahid then sacked his Minister of Forestry, Nurmahmudi Ismail, and his Minister of Justice, Yusril Ihza Mahendra, both from smaller Muslim parties, most likely due to the perceived disloyalty of their parties.

After failing to secure the support of the security apparatus, Wahid issued a number of veiled threats about the future of the security situation, and even the future of Indonesia itself. Wahid began to warn that if he were removed from office it would lead to the break away of up to six provinces, although such an alarmist scenario should be discounted as a ploy to retain power. Only two provinces have serious independence movements and even they will struggle to obtain independence (see below). These statements were echoed by Megawati's sister, Rachmawati, who threw her lot in with the president and publicly questioned the competence and ideological direction of a government under Megawati. There is also the issue of Wahid's NU supporters. In fairness to the former President he has never promoted violence by his supporters, and has on occasion openly requested NU rioters to desist, but Wahid has also reminded Indonesia that he may not be able to restrain his supporters — and this must be seen as a veiled threat. Members of the NU made threats to parliament, and stability generally, about what might happen if Wahid were removed. Tens of thousands of young men have been training in *silat* (martial arts) and mystical toughening practices (including being run over by trucks) in order to defend Wahid. A number of militia groups have emerged from within NU calling themselves “suicide squads”. Intimidation of parliamentarians became commonplace, and more than a few took their security into their own hands.<sup>3</sup>

It was reported that by early April, when it was clear the opposition to Wahid was united and likely to result in his removal from office, that a deal had emerged between PDI-P and Golkar over succession.<sup>4</sup> The three conditions agreed to were that the MPR would no longer hold annual sessions, the vice presidency would remain vacant and that Megawati would not be challenged before the end of the current presidential term in 2004. PDI-P's 154 seats and Golkar's 120 seats give the two parties enormous strength in the DPR, and the MPR. However, this agreement may not amount to much in the end. In the weeks running up to the Special Session of the MPR, Golkar had quite publicly revived the idea of a power sharing arrangement between the president and vice president, thus allowing Wahid to survive in office (albeit with reduced powers). Golkar's support for Megawati appeared to waver in the weeks prior to her election as President and this potentially threatened to play the role of "joker in the pack" when the MPR made its deliberations.

Wahid's reply to the first censure was part apology and part defiance. Although elements of the media viewed it as an "apology", the President's failure to address directly the two scandals in question meant that on 30 April the second memorandum of censure was passed by 363 to 52. This time the military representatives abstained from the vote, although it would seem fairly clear that their sympathies did not lie with Wahid (as evident from the first memorandum vote). During May, Wahid reportedly once again revived the idea of martial law in cabinet. By late May Megawati began to give stronger indications about her own preferences during the impeachment proceedings. PKB leaders, assuming that Megawati was "disloyal" all along had urged her to resign her position well prior to this. (They had also argued that parliament should also resign as they had acted in bad faith in trying to reverse the decision they had made to elect Wahid.) Although keeping her opinions to herself for much of the duration of Wahid's presidency, in front of an audience of TNI officers in late May Megawati declared that Indonesia needed a new president. On 25 May, at a cabinet meeting, Wahid offered a power sharing deal in exchange for dropping impeachment proceedings. In a farcical scene Wahid is reported to have announced the deal and left cabinet before Megawati could reply. In any event by this stage the possibility of a power sharing deal seemed remote.

In late May Wahid issued a special order to the then Coordinating Minister (*Menko*) for Politics and Security, General Susilo Bambang Yudhoyono, to take special steps to restore order to the country — it was known as *maklumat* and caused alarm bells to go off that this was a step towards a state of emergency. The obvious point is that the *maklumat* simply instructed Bambang to do the job that he was already tasked to do. The Coordinating Minister seemed baffled by the order and stated that he would have to study it further to find out what it meant. Wahid's opponent labeled this yet another example of policy confusion. Ironically for the president, his decree may have contributed to a police crack down in East Java soon afterwards. In the town of Pasuruan, 196 rioting NU supporters were placed under arrest and 150 were reported as missing.<sup>5</sup> This may be an important indication of how powerless NU could have been in the coming weeks *if* the military had decided to take action against those rioting in support of Wahid.

At the same time General Susilo Bambang Yudhoyono and six other ministers tried to broker a power sharing arrangement. Bambang also made it clear that he had rejected the President's desire to dissolve parliament and assume emergency rule.<sup>6</sup> The military also repeatedly stated that they wished to stay out of politics. Key members of the TNI repeatedly stated that martial law was out of the question — including the chief of the army, General Sutarto, who has publicly defended democratic governance.

On 1 June Wahid made another cabinet reshuffle which removed four ministers. The most important changes came in the portfolios of security coordination and the Attorney General. General Bambang was replaced by General Agum Gamelar, who is considered close to Megawati. His appointment can either be seen as (1) an olive branch to the PDI-P as Agum was just as unlikely to support a state of emergency as his predecessor was, or (2) simply a means to sideline Bambang, who was clearly in opposition to many of the President's wishes. Golkar's Marzuki Darusman, who had earlier dropped all formal charges against the President, was not rewarded for his loyalty when he was replaced by Baharudin Lopa as Attorney-General. Lopa was appointed to give new impetus to corruption probes against two party faction leaders: Akbar Tandjung of Golkar and Arifin Panigoro of the PDI-P. A few weeks later, a second reshuffle saw the Coordinating Minister of Economics, Rizal Ramli, shift to the Finance Ministry. Further changes were made in early July when Lopa passed away

while in Saudi Arabia under circumstances not entirely explained, and bizarrely Marzuki came back into cabinet as secretary after just over a month's hiatus.

Wahid's final ploy was to threaten to declare martial law at 6pm, 20 July 2001. By this stage it is obvious that this was merely an empty threat as the security forces had no intention of deviating from the constitutional path. Wahid's threat did have the effect of pushing the parliamentarians to begin the impeachment process at the MPR immediately rather than on 1 August 2001. Gus Dur finally attempted to disband parliament early Monday morning on 23 July 2001 (he also announced new elections within a year and the dissolution of the Golkar Party), however this prompted a constitutional crisis which the MPR responded to by calling an emergency session in which Megawati was installed as the fifth president of the Republic of Indonesia. The vote for Megawati was overwhelming: 591-0 (out of a possible 700 votes).

From the events outlined above it can be seen that Wahid had used a wide range of ploys to shake off his opposition. However he failed to do the one thing that might have saved his administration, to share executive power with those who put him into the position as Head of State. As Wahid's supporters in other parties had slowly but surely abandoned him, Wahid seemed at a loss to understand why everyone had turned against his administration. Rather than looking to his failure to share executive power he had even taken to complaining to God (*Tuhan*) — as he did on 2 July 2001 — about the travails that he faced. Although one should not take this comparison too far, Wahid had attempted to wield executive power in the same manner as his autocratic predecessors (albeit with better democratic instincts) when the entire political system had undergone rapid change. As a president, Wahid had failed to make a transition to a multi-party environment.

What will Megawati's presidency be like? It is impossible to predict the direction of the new presidency with any certainty. Megawati has never openly discussed her party's policy or vision for Indonesia, beyond the very broad themes of nationalism and *reformasi*, leading many to conclude that she will be content to preside over government in a manner that allows her cabinet and her advisors to formulate policy. If Megawati is surrounded by capable ministers and advisors then this method of government would be a positive development for Indonesia. By contrast, Wahid had developed a reputation for being far too confident in his own conclusions about aspects

of governance. But if Megawati's presidency will be defined not by her own intellectual mark, but by those whom she chooses as part of the executive, the crucial question then becomes who will she choose to play a role in cabinet? The president's party is a "broad church" and includes educated urban liberals, strong nationalists and supporters of the president's father, through to members of the Timorese militias (Erico Guterres is a prominent member of PDI-P). There is also the complication of power sharing.

Megawati does not control an absolute majority, but her mandate is far stronger than Wahid's and this makes Megawati less vulnerable to the process that led to Wahid's dismissal. However, Megawati must ensure that other interests are looked after. The announcement of vice president was revealing in this regard. The leading candidates were Hamzah Haz, representing the *Poros Tengah* (central alliance of Muslim parties), and Akbar Tandjung of the Golkar faction. The non-partisan former general and former cabinet minister, Susilo Bambang Yudhoyono, was rumoured to be the favourite of Megawati, while rumours also persisted that the discredited former military supremo, Wiranto, may enter the race. Ultimately Hamzah Haz, leader of the United Development Party (PPP) and former Minister, was successful and *Poros Tengah* did well in the provision of cabinet positions (see Table Two). Hamzah Haz is from a moderate Islamic stream, but has urged the adoption of the "Jakarta Charter", which would place into the Constitution that Sharia Law is applicable to all Muslims.<sup>7</sup> He has also publicly praised the New Order regime of Soeharto. His party, although largely campaigning on broad themes of *reformasi* and nationalism, much like all of Indonesia's political parties, has also pushed for a reduction of TNI seats in parliament and elements have urged the adoption of Malaysia's *Bumiputra* policies to redistribute the wealth of Indonesian Chinese businesses.

Table Two: Voting Statistics in the Run-off for Vice President<sup>8</sup>

Candidate	Round One	Round Two	Round Three
Hamzah Haz	238	254	340
Akbar Tandjung	177	203	237
Susilo Bambang Yudhoyono	122	147	-
Agum Gamelar	41	-	-
Siswono Yudohusodo	31	-	-
(Abstentions)	4	3	29
(Invalid)	-	2	4
<i>Total</i>	613	609	610

While the direction of Megawati's government is uncertain, and observers and investors will be hanging off her every word, she does bring a measure of stability to the Indonesian political scene. Her first cabinet, announced on 9 August 2001, was hailed by observers as being about the best selection that could have been expected. Megawati has selected a mixture of partisan and technocratic appointments (See Appendix One). There are a number of notable features about the cabinet, which Megawati has dubbed the "Gotong Royong" Cabinet — Gotong Royong means "working together" and was a favourable catch phrase of Sukarno while he was president.

- 1) Financial markets have reacted extremely well to the appointment of the cabinet (causing the Rupiah to strengthen from around 11,300 to 8,700 to the USD), and most likely because of the professionals who join the executive. This includes: Coordinating Minister (*Menko*) of Security, Susilo Bambang Yudhoyono, former Lieutenant General and well known moderate; Coordinating Minister of Economics, Dorodjatun Kuntjoro-Jakti, academic and former ambassador to the United States; Finance Minister, Boediono, economist and former governor of *Bank Indonesia*; Minister for Trade and Industry, Rini Soewandi, successful

business woman; and the Minister for Foreign Affairs, Hasan Wirayudha, a career diplomat with experience in the Cambodia settlement and as leader of the Republic of Indonesia negotiating team in Aceh.

- 2) Megawati's cabinet also brings in multi-party representation, and avoids a fundamental mistake made by her predecessor. Her party, PDI-P, predictably provides the greater numbers, including Laksamana Sukardi (Minister for State Enterprises) and Kwik Kian Gie (National Development Minister) who are important players within the PDI-P and former cabinet ministers. Other parties have also picked up cabinet seats, such as Yusuf Kalla (from Golkar), Yusril Ihza Mahendra (PBB and Poros Tengah) and the important post of Minister for Defence goes to Matori Abdul Djalil (former head of PKB) in a magnanimous gesture to Gus Dur's supporters.
- 3) The military has also been rewarded for its role in recent events with four positions to former generals (incidentally the same number as Wahid's cabinets). Susilo Bambang Yudhoyono has been rewarded with a *Menko* position after his refusal to declare a state of emergency. Agum Gamelar, who is known to be close to Megawati and served in the Wahid administration, comes in as the Minister for Transport. The head of the TNI faction in parliament, Hari Sabarno, is the Minister for Home Affairs. Most controversially Ahmad Hendropriyono has been appointed as the National Intelligence Chief. "Hendro" has a checkered career in the military and is nicknamed the "Butcher of Lampung" after an incident, which many blame him for, in which soldiers massacred villagers in the Lampung area. But notably, Megawati continues the development during Wahid's time of the appointment of a civilian to the position of Minister of Defence (Matori Abdul Djalil) — although Matori, like his two civilian predecessors, is conservative and close to the military, and is therefore acceptable to the officer corps.

### *Military*

No discussion on Indonesian politics can be complete without some mention of the Indonesian military (TNI). The 300,000 strong military continues to play a major role in politics, although to some extent it has taken a backseat to political authorities. However it remained the case that elements of the military continued to work against the wishes of the Wahid presidency (see the sections on regional issues below) and the TNI continues to gain 75% of its revenues from “self funding” sources. Although at first Wahid appeared to have the upper hand in appointments within the military, including the much published sacking of General Wiranto from cabinet, towards the latter stages of his presidency he appeared to have lost control over this. His attempt to remove the head of the police in June was defied by National Police chief General Suroyo Bimantoro who simply refused to step down for several weeks.

There has been much speculation that a Megawati administration would be less inclined to proceed with the prosecution of crimes against humanity in the past, and more inclined to crash independence movements in Aceh and Irian Jaya. This is based on: (1) Megawati’s broad nationalist rhetoric (which some commentators may conflate with her father’s super-nationalism); (2) a perceived closeness to the military; and (3) the suggestion that Megawati was behind pressure on Gus Dur to sign Presidential Decree IV in April 2001 which unleashed the military to deal with pro-independence forces. While the latter point may provide a smoking gun, notes of caution must be sounded on the first two points. Political rhetoric must be seen in the light of statement designed for internal consumption, while, as Harold Crouch points out, it would be a mistake to assume that there is a “special relationship” with the military.<sup>9</sup> Crouch points out that the military position was more one of opposition to Wahid than support for Megawati, and that PDI-P was the victim of military repression prior to 1998. Therefore this does not signal the return of the armed forces. Given Megawati’s recent surprise expansion of court investigations into various atrocities (a move that took even the United Nations by surprise), Megawati’s handling of the military and its past may well be more measured than many have given her credit for.

### *Economy*

The economy remains a very difficult issue for Indonesia — problems exposed by the financial crisis have not improved and the political impasse in Jakarta had caused decision making on economic issues to become moribund. After strong growth returns in 2000 the Asian Development Bank suggested that “growth in Indonesia is forecast to slow slightly to 4.2 percent in 2001 before improving to 4.5 percent next year”.<sup>10</sup> These figures will most likely have to be revised downwards. The just under 5% GNP growth in 2000 was largely fuelled by healthy export returns, which were bolstered by strong oil prices and a rupiah rate which had undergone a slow but steady decline during the Abdurrahman Wahid administration. Economic restructuring has not gone ahead as many had hoped, and foreign investment is minimal (largely because economic uncertainty is coupled with political uncertainty and question marks over law-and-order). The looming problem for Indonesia is a banking system burdened by “bad loans” (or Non-Performing Loans — NPLs), which has largely been “nationalised” with government assuming much of the debt incurred through bad loans made in the past. The IMF failed to sign a new Letter of Intent in July 2001 with the ailing Wahid administration to release another US\$400 million to Indonesia, and a new tranche will have to wait until later this year. Total public and private debt in Indonesia now amounts to US\$264 billion, with the banking system alone responsible for debts that equal 100% of GNP.<sup>11</sup> The 2001 draft budget sets aside just over 50% of the entire state budget for debt servicing. This has placed enormous pressure on an array of subsidies funded by Jakarta, and its plans to devolve resources to the regions.

### **Regions**

There seems to be much speculation in the media and in sections of academia that Indonesia is on the path to breaking up into smaller political units. There is nothing inevitable about the collapse of Indonesia as the idea of nationalism still appears strong throughout the archipelago, with two exceptions — Aceh and Irian Jaya (or West Papua). Communal and/or sectarian violence has also been a major issue in Indonesia, principally in Ambon and the wider Maluku island chain, but also in Kalimantan and Central Sulawesi. These communal conflicts are not tied up with demands for

independence, however they could potentially weaken the Indonesian state and increase international pressure on Indonesia.

### *Aceh*

The province of Aceh has a population of 4 million. For the Republic of Indonesia, Aceh has been its most long standing secessionist problem, as it was for the Dutch authorities before them. Aceh was a very late addition to the Dutch East Indies, putting up the most sustained resistance to Dutch rule ever seen in the archipelago. Aceh was effectively an independent Sultanate until 1903, when the Dutch finally defeated the Acehnese Sultanate after three decades of war. However resistance carried on after that time.

Aceh is a largely homogenous society in ethnic and religious terms (being 90% Acehnese and nearly 100% Muslim). The Acehnese sued for independence in the 1950s but were unsuccessful. The movement lay dormant until the creation of the *Gerakan Aceh Merdeka* (GAM) in 1976. Although splintered along personal and ideological lines, the nominal head and founder of the GAM is Tengku Hasan M di Tiro who lives in exile in Sweden (and is the descendent of Tengku Chik di Tiro Muhammad Saman who led the resistance struggle against the Dutch). The formal head of the armed struggle is Tengku Abdullah Syafi'i, while Cut Nur Asyikin heads the important women's chapter.

The leaders of the GAM consider the Indonesian state to be little more than the imperial ambitions of Javanese colonialism. This stems from two arguments: first, that Aceh was independent prior to invasion by the Dutch, and thus has, until less than a 100 years ago, its own history; and second that Jakarta has economically exploited Aceh. On the latter point it is worth noting that Aceh produces 30% of Indonesia's gas exports yet to date has seen little returns from these natural resources. From the early 1990s Aceh was ranked as the seventh poorest province in Indonesia (out of 27 at the time) despite its resource wealth. This exploitation in Aceh, although also claimed by many in the provinces of Kalimantan and Riau, has become wrapped up in secessionist claims.

The Soeharto regime's attempt to crush the GAM started in earnest in the early 1990s when the province became a Military Operation Zone (DOM). This involved

such massive repression, including more than 5,000 deaths during the operation as well as torture and organized rape, that enormous hatred now exists for the security forces even in areas not traditionally resistant to the idea of the Indonesian state. Human rights abuses and assassinations became common place during the DOM phase (lifted in August 1998). The situation has not improved in the post-Suharto era with killings of both combatants and non-combatants on a near daily basis. The military campaign against the GAM often takes the form of the assassination of suspected (and unarmed) sympathisers in what *Tempo* magazine likens to Argentina's "dirty war".<sup>12</sup> The US State Department's human right's report on Indonesia for 2000 holds both the security forces and the GAM responsible for "numerous extrajudicial killings". Human rights groups, both domestic and international, estimate that 75-80% of those killed in the conflict are innocent civilians.

Economic exploitation and human rights abuses appear to have given much sympathy to the independence cause. It did not help that Abdurrahman Wahid promised a referendum for Aceh on its future soon after becoming president but then predictably retracted his remarks — however he had served to raise expectations unrealistically. In November 1999 between 500,000 to 1 million people assembled in Aceh to demand a referendum on Aceh's future. This is the clearest indication yet of the extent to which the Indonesian military have lost the hearts and minds of the Acehnese people.

The Aceh problem seems intractable under the current circumstances. During the Humanitarian Pause in 2000 nearly 800 people lost their lives — many seemingly the result of death squad-style assassinations. While many question if the Humanitarian Pause actually achieved anything at all, it does however represent the start of talks. These talks, brokered by the Henry Dunant Centre (or the *Centre pour le Dialogue Humanitaire*), have been about improving the humanitarian situation rather than political talks — something that Jakarta will not entertain. In January a "Moratorium" on violence was declared to extend the Humanitarian Pause. However in April 2001, impatience with the dialogue process lead then President Wahid to issue Presidential Decree No. IV (INPRES IV) in which the Republic of Indonesia would undertake a comprehensive plan to defend against the GAM. INPRES IV provided for a set of military and political solutions, however it is largely the military solution which

has been used, leading to about 10 casualties a day. The military has expressed its impatience with the dialogue process, and on 20 July 2001 they arrested all the GAM delegates in the dialogue process in Banda Aceh. Special autonomy has been announced for Aceh — now called Nanggroe Aceh Darussalam<sup>13</sup> — which will return 70% of revenue to the province and allow Aceh to extend Sharia Law.

### *Irian Jaya*

In contrast to Aceh, Irian Jaya is extremely heterogeneous with 257 distinctly different languages spoken amongst an array of tribal groupings separated by mountainous terrain. Its population numbers just over 2 million, but its diversity is compounded by the presence of more than 700,000-800,000 transmigrants. Irian Jaya was added to the Dutch East Indies in 1828, and this was the basis for the Indonesian claim to the province after independence, although it was not until 1 May 1963 that it was officially taken over by Indonesia. In 1969 a heavily rigged vote was taken amongst 1,022 selected tribal leaders which endorsed Indonesian rule and is known as “the Act of Free Choice”. The United Nations “noted” the plebiscite but did not “endorse” it, which leaves open a legal possibility of a revisit of recognition of Indonesia’s rule.

The struggle for independence in West Papua has been less marked by an armed struggle. Although the Organisasi Papua Merdeka (the Organisation of Papuan Independence or OPM) has been active militarily in the past, it is highly fractured (usually along tribal lines) and has been unable to challenge the armed forces of Indonesia. West Papua has witnessed the same reprisal attacks on civilians witnessed in Aceh and East Timor.

Independence leaders have chosen to press for legal claims to independence. This issue came to a head when Wahid sponsored the Papua People’s Congress in July 2000. The representatives to the conference passed resolutions to “correct history” and establish that representatives of the Netherlands had presided over a handover ceremony to Papuan authorities on 1 December 1961. The implication of this was that Irian Jaya acquired independence prior to Indonesia’s acquisition and, *ipso facto*, Indonesia’s rule had no legal basis. Representatives also questioned the 1969 Act of Free Choice. The reaction in Indonesia’s parliament was vitriolic as some senior legislators called the Congress treasonable and recommended a full-scale invasion.

Foreign Minister Alwi Shihab described the conference as a “distortion of history” while other ministers suggested that western countries would have a lot of sympathy for the independence cause given that the majority of West Papuans are Christian and thus the way was open for a future international intervention. The Irian Jaya Chief of Police, S Y Wenas, even imprisoned one of the Congress leaders, Theys Hiyo Elnay, and then refused the President’s order to release him. These events have sparked a new round of bloody show-downs. A number of militia groups, similar to those that operated in East Timor, have been fostered by the armed forces to undercut independence. Since this time more than 30 people have been killed as security forces fired on civilians attempting to raise the Papuan flag (known as the *Bintang Kejora* or “morning star”). This was sparked by an incident on 6 October 2000 when six people were killed at Wamena by the police as they attempted to raise the flag. Another Papuan leader, Willem Onde, was recently in Jakarta for talks to resolve the situation but was instructed by the Indonesian parliament that any discussion of secession would not feature on the agenda.

Like Aceh, West Papua has an abundance of mineral resources and the same problems of a perception of exploitation. One of the largest commercial operations in Indonesia is the Papuan based PT Freeport Indonesia, which operates one of Indonesia’s largest gold mines. Demands for independence are tied up with accusations of economic exploitation from the centre.

### *Communal Tensions*

Communal violence has been most evident in Ambon, and throughout the wider Maluku island group. Fighting between the Christian Ambonese and the Muslim transmigrants broke out in January 1999 and has so far claimed the lives of more than 5,000 people. However Jakarta has failed to bring order to the conflict, which has devastated Ambon and created 500,000 refugees out of the wider Malukus (100,000 from Ambon). Violence has also been widespread in North Maluku. Sectarian or ethnic conflict has been seen on a lesser scale in Kalimantan, Sulawesi, Lombok, and in a well coordinated bombing attack on churches in Jakarta and elsewhere on Christmas Eve 2000. March 2001 saw the deaths of hundreds of Madurese transmigrants in central Kalimantan in a repeat of the violence that struck the island in 1997 and 1999.

Poso, in central Sulawesi, a Christian enclave, is also showing all the signs of Ambon style conflict, once again being fuelled by the presence of outside forces moving into the area. Although these conflicts revolve around religious, ethnic and economic differences, it does not involve demands for independence by any of the protagonists. However this all serves to weaken the Indonesian state. Furthermore the armed forces have shown a disturbing trend of not preventing the violence, and the Indonesian daily, the *Jakarta Post*, goes so far as to say that there is a neat parallel between trials against members of the Suharto family and incidents of communal violence. On at least two occasions the police and army have fought against each other in disagreements in the midst of these crises — once in Ambon and once in Kalimantan.

### *Regional Autonomy*

Aside from these specific cases of regional turmoil, the centre-province relationship has changed since the fall of Soeharto in May 1998. The provinces have universally demanded some degree of power sharing after the demise of a very dominant centre which characterized the New Order Regime of Soeharto. Unlike in Soeharto's time, the provinces and districts now elect their own leaders, and are no longer subject to Jakarta's interference. In order to undercut anti-Jakarta sentiment it has been a political imperative to consider autonomy. Although Indonesia's situation would, on the face of it, lend itself to considerations of federalism, there are some powerful barriers to the adoption of that. Indonesia was briefly a federal polity after the Dutch government left Indonesia in 1949, although in less than a year the Indonesian government had abandoned the Republic of the United States of Indonesia (RUSI) as it was seen as a colonial legacy — one designed to weaken the fledgling state. In recent times virtually all political leaders have rejected the idea of federalism, with the notable exception of Amien Rais, speaker of the Upper House and leader of the modernist Muslim-orientated National Mandate Party (PAN).

The People's Consultative Assembly (MPR), last year adopted a resolution supporting autonomy for the provinces of Aceh and Irian Jaya. Aceh has already been granted an enhancement to its Special Autonomy Status to allow it to keep greater revenue and implement *Sharia* law. However there is also a plan for regional autonomy which does *not* involve devolution to the provinces, but to the districts (or

“regencies”) — some 400 *kabupaten* and *kotamadja* — which are the lower level of administration. The legislation surrounding this, which was due to be implemented between 1 January and 1 May 2001, is terribly confusing and appears to theoretically give the same powers to three levels of government — centre, province and district. However it is generally understood that the central government will continue to hold defence, foreign affairs, the high court, overall monetary and fiscal policy, religious affairs, and the development of natural and human resources. The districts will look after the *residual* powers of government including health, transport, education, development and so on. Concerns over this scheme surround the nature of funding for regional autonomy, as some provinces are vastly richer than others, and the lack of human resources at the lower level to cope with the devolution of authority. There are already reports that regional autonomy has simply devolved Indonesia’s infamous levels of corruption, collusion and nepotism to the lower levels with the emergence of localised powerful families and the descendants of the old sultanates.

## CONCLUSION

Although there is nothing inevitable about the break up of Indonesia, disastrously the Indonesian military seems intent on using crude force in Aceh and Irian Jaya and thus alienating the civilian population, while in some recent cases of communal violence the armed forces have simply been by-standers. Calls for independence in Aceh and Irian Jaya can probably be contained by a proper devolution of resources and an end to human rights abuses — two outcomes that elude Jakarta at this point in time. Indonesia continues to lobby a large number of countries in the global community not to give recognition to fledging independence movements in Aceh or Irian Jaya, nor to consider armed intervention in cases of communal violence. So far Indonesia has been successful but a failure to stem the violence may make it increasingly difficult for the international community to remain uninvolved. However, in the final analysis there is no prospect that the international community will recognize independence movements in Indonesia, nor will the Indonesian military be militarily defeated, and it is therefore hard to envision any kind of break down of the Indonesian state.

Although Wahid attempted initially to resolve these and other problems, his administration was ineffective on just about every level of governance. Not only had he presided over an ineffective government, but he failed to adjust to the realities of the Indonesian political system in the post-Soeharto era. In a system which now contains a system of checks and balances, Wahid refused to submit to the scrutiny of parliament and paid the price for it. At the same time Indonesia's experiment with democratisation is fraught with difficulties, and this is not helped by a vague constitution and a bureaucracy trying to adjust to a democratic polity. Although civilian rule is paramount in most respects, in the outer provinces it is clear that the security forces (or elements of it) are driving policy, or even undermining the decisions made in Jakarta. In short, the Wahid administration in 2001 was too preoccupied with damage limitation and political survival to address important political, bureaucratic, regional and economic issues. Wahid has bequeathed to Megawati a host of political and economic problems which he did little or nothing to improve during 21 months in office.

In summary, Indonesia is facing such a wide array of problems that it seems that almost everything has gone wrong at the same time (often referred to as the "multidimensional crisis" by Indonesian academics and the popular media). To compound this situation, the complexity of the multi-ethnic and archipelagic nature make Indonesia one of the most difficult states in the world to govern. But to put this in context, Indonesia's crisis is nowhere near as serious as that of the mid-1960s. While in the foreseeable future Indonesia will continue to be "one state", the effectiveness of its institutions to deliver good governance, avert communal violence, and undermine pro-independence sympathies in Aceh and Irian Jaya, remains open to question. Prior to her election, commentators wondered if Megawati's silence surrounding Wahid's precarious position represented her reluctance to take on the presidency, which may yet prove to be a poison chalice. Universally greeted by low expectations, the Megawati administration may yet prove more capable than many expected if her first cabinet is any indication.

## NOTES

1. *Partai Kebangkitan Bangsa* (PKB), *Partai Persatuan Pembangunan* (PPP), *Partai Amanat Nasional* (PAN), *Partai Bulan Bintang* (PBB), and others.
2. It is also worth noting that Wahid does not enjoy a lavish life style. In comparison Megawati is, according to official statistics, 17 times richer than the president. She owns 12 cars and 10 motorbikes. Megawati owns several petrol stations around Jakarta, while concerns have been expressed in the press that her husband, Taufik Kiemas, has links to Texmaco and the Jakarta Outer Ring Road project. See Kornelius Purba, "Who is richer, Gus Dur or Megawati?", *Jakarta Post*, 23 April 2001. It also seems that the major parties, including Wahid's PKB, are seeking revenue sources in order to build up a "war chest" for the 2004 election.
3. Many of the parliamentarians in Jakarta no longer answer phone calls unscreened. A number of parliamentarians have taken on body guards as well. A photo of vocal PAN politician, Alvin Lie, holding a sidearm, apparently for his protection, appeared in the *Sunday Times*. Alvin Lie and Ade Komaruddin (Golkar) told the *Sunday Times* they never leave home without bullet proof vests and hand guns. Robert Go, "'Cowboy Posse' in Jakarta Parliament", *Sunday Times*, 25 March 2001, p. 3.
4. This was reported in by the Associated Press. See "Megawati's Party Sets Rules for a Possible Succession", *Asian Wall Street Journal*, 10 April 2001, p. 6.
5. "Missing: 150 listed as lost after E. Java riots", *Straits Times*, 2 June 2001, A15.
6. See Derwin Pereira, "Gus Dur on his own over civil emergency, says TNI", *Straits Times*, 29 May 2001, A1.
7. Such wording would be more symbolic than anything else. Aspects of Sharia Law are already applicable to Muslims in Indonesia, however specific mention of Islam, or Islamic belief, was explicitly NOT mentioned in either the Constitution or the state philosophy (*Pancasila*). This is viewed as an important symbol of Indonesia's multi-religious character.
8. Sources: *Reuters*, 25 July 2001; and *Jakarta Post*, 26-27 July 2001.
9. Harold Crouch, "No, the Military Isn't Running Indonesia", *International Herald Tribune*, 2 August 2001.
10. "After Strong Rebound, Indonesian Growth To Slow Slightly To 4.2 Percent In 2001", Asian Development Bank, 29 April 2001.  
([www.adb.org/Documents/News/2001/nr2001034.asp](http://www.adb.org/Documents/News/2001/nr2001034.asp))
11. Abdul Razak Ahmad, "IMF aiding Gus Dur's downfall?", *New Straits Times*, July 2001.
12. *Tempo*, 8 January 2001.
13. This new name includes the Islamic/Arabic "Darussalam" (House of Peace) and the term "Nanggroe", which is local Acehnese word for the Indonesian term "Negri" (state). The utilization of regional vernacular for official naming purposes is without precedent.

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## Appendix One

### Megawati Sukarnoputri's "Gotong Royong" Cabinet

**President:** Megawati Sukarnoputri

**Vice President:** Hamzah Haz

#### **Coordinating Ministers**

1. Coordinating Minister for Security: Susilo Bambang Yudhoyono
2. Coordinating Minister for Economics: Dorodjatun Kuntjoro-Jakti
3. Coordinating Minister for People's Welfare: Yusuf Kalla

#### **Ministers**

4. Finance Minister: Boediono
5. Mines & Energy Minister: Purnomo Yusgiantoro
6. Trade & Industry Minister: Rini Soewandi
7. State Enterprise Minister: Laksamana Sukardi
8. Agriculture Minister: Bungaran Saragih
9. Defence Minister: Matori Abdul Djalil
10. Foreign Affairs Minister: Hasan Wirayudha
11. Justice Minister: Yusril Ihza Mahendra
12. Home Affairs Minister: Lt. Gen. Hari Sabarno
13. Transportation Minister: Agum Gumelar
14. Sea and Fisheries Minister: Rokhmin Dahuri
15. Manpower Minister: Jacob Nuwawea
16. Resettlement Minister: Sunarno
17. Health Minister: Achmad Sujudi
18. Education Minister: Abdul Malik Fadjar
19. Social Affairs Minister: Bachtiar Chamsyah
20. Religious Affairs Minister: Said Agil Munawar

### **State Ministers**

- |  |                       |
|--|-----------------------|
| 21. Forestry Minister:                     | M. Prakosa            |
| 22. Culture and Tourism Minister:          | I Gde Ardhika         |
| 23. Research and Technology Minister:      | Hatta Radjasa         |
| 24. Cooperatives Minister:                 | Ali Marwan Hanan      |
| 25. Environment Minister:                  | Nabiel Makarim        |
| 26. Women's Empowerment Minister:          | Sri Redjeki Sumarjoto |
| 27. State Apparatus Minister:              | Feisal Tamin          |
| 28. East Indonesia Development Minister:   | Manuel Kaisiepo       |
| 29. National Development Minister:         | Kwik Kian Gie         |
| 30. Communication & Information Minister : | Syamsul Muarif        |
| 31. State Secretary:                       | Bambang Kesowo        |
| 32. National Intelligence Chief:           | Ahmad Hendropriyono   |

(Sources: "Indonesian Pres Megawati's Cabinet Line-Up In Full", *Dow Jones Newswires*, 9 August 2001; "Megawati puts a good mix in her cabinet but too many generals: analysts", *AFP*, 9 August 2001; and "Profiles of main figures in Megawati's cabinet", *AFP*, 9 August 2001.)

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