
INDONESIA IN 2000

A Shaky Start for Democracy

R. William Liddle

At the end of 1999 Indonesia appeared to have completed a successful transition to democracy after more than four decades of dictatorship. Free elections had been held for the national legislature (DPR, Dewan Perwakilan Rakyat). The People's Consultative Assembly (MPR, Majelis Permusyawaratan Rakyat), a uniquely Indonesian institution comprising members of the DPR plus regional and group representatives, had chosen a new president, the charismatic traditionalist Muslim cleric Abdurrahman Wahid (called Gus Dur) and vice-president, Megawati Sukarnoputri, daughter of Indonesia's founding father and first president Sukarno, for the 1999–2004 term. Gus Dur, whose Partai Kebangkitan Bangsa (PKB, National Awakening Party) holds only 11% of the DPR seats, had then appointed a national unity cabinet consisting of representatives of all of the major parties.

Twelve months later, Gus Dur is widely regarded, both at home and abroad, as a failed president. He narrowly escaped dismissal by the MPR, which met for its first annual session in August 2000. Most observers and politicians concur that his personal legitimacy continues to decline and that the main obstacle to his removal now is fear that his likely replacement, Megawati, would be an even worse president.

This extraordinary fall is largely the consequence of Gus Dur's own disastrous choices. He has been unwilling to act like a politician in a democracy, that is, to build a broad base of support and adopt a set of policies responsive to the interests of this constituency. Instead, he has acted impulsively and inconsistently, often without consulting his own staff, let alone his putative

R. William Liddle is Professor in the Department of Political Science, Ohio State University, Columbus.

Asian Survey, 41:1, pp. 208–220. ISSN: 0004–4687

© 2001 by The Regents of the University of California/Society. All rights reserved.

Send Requests for Permission to Reprint to: Rights and Permissions, University of California Press, Journals Division, 2000 Center St., Ste. 303, Berkeley, CA 94704–1223.

political allies. Much circumstantial, and some harder, evidence suggests that, like Suharto during the previous New Order regime, he is amassing a political war chest for the PKB and his own reelection campaign in 2004 through control of income-generating government departments and by trading policy favors for contributions by wealthy individuals and businesses to party coffers. The result is that he has alienated virtually the whole political elite outside his own party and many erstwhile foreign supporters as well.

Politics

Important political developments in 2000 played out in several areas. These involved Gus Dur's cabinet appointments as well as his relations with the military and the regions. Also of continuing concern was the status of former president Suharto and his family.

The Cabinet

Gus Dur's self-inflicted wounds are most visible in his dealings with the DPR and MPR, particularly with regard to cabinet appointments. The pattern was set with the firing of Coordinating Minister for Social Welfare Hamzah Haz in November 1999, just one month after the installation of the national unity cabinet. Haz is a principal leader of the Islamic Partai Persatuan Pembangunan (PPP, Development Unity Party), a major partner in the coalition that elected Gus Dur president. PPP was not consulted, however, before Haz was fired. Gus Dur asserted, without further specification, that three ministers were implicated in corrupt financial dealing, but charges were never pursued against Haz.

On April 24, 2000, Gus Dur sacked Minister for Investment and State Industries Laksamana Sukardi and Minister for Trade and Industry Jusuf Kalla. Sukardi, a former Jakarta businessman and national leader of Megawati's Partai Demokrasi Indonesia-Perjuangan (PDI-P, the Indonesian Democracy Party-Struggle), was generally regarded as both the most personally incorruptible and most economically knowledgeable cabinet member. Kalla is a businessman and Golongan Karya (Golkar, Functional Groups) party stalwart from South Sulawesi. As in the Haz case, neither PDI-P nor Golkar were informed before Sukardi and Kalla were dismissed. Both men were also accused of corruption, but once again the charges were not pursued.

Sukardi was replaced by Rozy Munir, a chairman of the traditionalist Muslim organization Nahdlatul Ulama (NU, the Awakening of the Religious Scholars). NU is Indonesia's, perhaps the world's, largest Muslim social and educational organization, with a claimed membership of 35 million. Gus Dur was the head of NU from 1984 until he became president of Indonesia; he was also the founder of PKB. Though not identical with NU, PKB is essentially its political instrument. The appointment of Munir indicated to many

observers that Gus Dur belatedly had realized the political importance of controlling the financially lucrative state industries. At the very least, concluded the respected Jakarta newsweekly *Tempo*, “The case displays a different image of someone whom we have known as a champion of democracy and anti-sectarianism.”¹

The firing of Sukardi and Kalla on grounds of corruption, in the context of several other controversial presidential actions, sparked a firestorm of protest from party and legislative leaders. A large DPR majority (332 out of 500) voted to demand a direct explanation from the president. Their demand carried weight because, according to the Constitution, the DPR may call a special session of the MPR to require the president to account for his actions. Two former presidents, Sukarno in 1967 and Habibie in 1999, had been toppled by the MPR after failing to give acceptable accounts. On July 21, Gus Dur appeared before the DPR but refused to answer the members’ questions, stating that he would provide the DPR leadership with a confidential explanation and that he had no further responsibilities to the legislature.

The MPR’s annual session, at which the president was required to deliver a progress report, was held from August 7–18. MPR members raised concerns about the Sukardi and Kalla firings and also about several alleged financial improprieties including the diversion of US\$4 million from the state agricultural procurement agency Badan Urusan Logistik (Bulog, Logistical Affairs Board) and a possibly illegal US\$2 million gift to Gus Dur from the sultan of Brunei. Before the session, however, major party leaders had already decided not to push for the president’s dismissal, which they feared might provoke mass unrest. Instead, they proposed to give Megawati a major new policy-making role and to two new coordinating ministers, for economic and security affairs, substantial responsibility for implementation in these critical policy areas.

Gus Dur initially appeared to acquiesce in this diminution of his power, although he later said that he had only agreed to devolve administrative duties, not decision-making authority, to his vice-president. Within days, moreover, he announced a major restructuring of the cabinet—labeled a “palace coup” by Jakarta observers—with very little party representation. Among the large parties, Golkar and PPP received one position each, and PDI-P and Partai Amanat Nasional (PAN, National Message Party) were shut out entirely. “This cabinet,” said *Tempo*, “is a pure Abdurrahman Wahid cabinet.”² Gus Dur had won the round, but at the cost of further alienating the leaders whose support he needs to govern effectively. DPR members, at the direc-

1. “Di Balik Pencopotan Itu” [Behind those dismissals], *Tempo*, May 1–7, 2000, p. 21.

2. “All the Wahid’s Men,” National section, *Tempo*, August 28–September 3, 2000, on the World Wide Web at <<http://www.tempo.co.id/index.uk.asp>>.

tion of major party leaders, spent the rest of the year digging more deeply into the Bulog, Brunei, and other financial scandals.

The Military

Establishing civilian supremacy over the military is a top priority for any democratizing regime. It is especially important in the Indonesian case, because President Suharto ruled through the armed forces for more than three decades. Early in the year, the dismissal of General (ret.) Wiranto was widely hailed as a successful test of Gus Dur's political strength and resolve toward the military, but the reality may have been more complex.

Wiranto was Suharto's last armed forces commander, a post he continued to hold under President Habibie. In October 1999, Gus Dur sought his advice on cabinet appointments, then named him coordinating minister for politics and security, which required him to retire from the military. In January 2000 an official commission identified Wiranto, together with 31 other officers, civilians, and militia leaders, as a possible violator of human rights in East Timor. Under considerable domestic and foreign pressure, Gus Dur wavered for several weeks but finally removed Wiranto from his position as coordinating minister in late February.

In retrospect, Gus Dur's action does not seem to have helped much to establish civilian supremacy. Retired officers, even officers as recently retired as Wiranto, rarely have been able to maintain significant influence within the armed forces. The pre-removal public statements of active duty officers, including that of the armed forces' official spokesperson, indicated that they viewed Wiranto as a civilian who could be appointed and dismissed by the president like any other cabinet member. Moreover, there has been no pro-Wiranto armed forces backlash after the fact.

Equally important, it now seems likely that Gus Dur was taking advantage of an opportunity to rid himself of a potential political rival. In this respect, Wiranto was more like Hamzah Haz, Laksamana Sukardi, and Jusuf Kalla than he was the head or symbol of an armed forces institution that the president wanted to put in its place. In 1999, Wiranto twice made himself available as a vice-presidential candidate. He had been close to Suharto for many years and remains to this day suspect as an instigator on Suharto's behalf of several attempts at destabilizing the political reform process, for example the killing by masked gunmen of NU-affiliated religious leaders in east Java in 1998. Wiranto is still reputed both to be politically ambitious and to have accumulated enough wealth and connections in his years as commander to be a serious player in the future.

Beyond the dismissal of Wiranto, little progress was made in reforming the armed forces in 2000. Gus Dur intervened several times in internal military promotion and appointment processes but, ironically, earned only the hostil-

ity of officers who want to keep political considerations out of armed forces affairs. In an interview, he admitted that he was having great difficulty finding genuine reformers who would help him establish the foundations of civilian supremacy.³

His principal candidate, Lieutenant General Agus Wirahadikusumah, managed to alienate virtually the entire senior officers' corps by publicly threatening to expose their corrupt financial practices.⁴ In early October, after a meeting in Bogor, West Java, a group of 45 army generals delivered a petition to Vice-President Megawati calling for disciplinary action against General Agus. Gus Dur was said to be angry, but took no action against the generals. Nor did he carry out his apparent intention to appoint Agus army chief of staff.

Finally, perhaps the most tell-tale sign of lack of progress in establishing civilian supremacy in democratic Indonesia was the decision by the MPR at the end of its August session to allow the armed forces to be represented in the MPR until at the latest 2009, that is, for one more five-year term after the projected 2004 legislative election. There are currently 38 armed forces representatives in the mostly elected 695 member body, a hangover from the corporatist and militarist New Order of Suharto.

The most persuasive interpretation of this decision is not, as some Jakarta commentators initially concluded, pressure from the armed forces. Military leaders have largely reacted to events since the assault on President Suharto began in earnest in early 1998. Nearly three years later, they show no sign of having developed a political strategy of their own. The more likely cause is a calculation by party leaders in a multiparty system without a majority party that they may need armed forces support, within or outside the MPR, at some future point. This interpretation was offered by several MPR members, themselves mostly party leaders, in a series of interviews conducted in Jakarta in September. It is strengthened by the growing rapport at year's end between Megawati's PDI-P and army leaders and by Gus Dur's own reluctance to impose his preferences on a resistant armed forces hierarchy when the latest round of promotions and appointments took place in October and November. Given these developments, it is possible that the military's eventual return to center stage will be not by force but by invitation.

3. Interview, President Abdurrahman Wahid, Jakarta, July 21, 2000.

4. While he is apparently committed to ending corruption and to other important reforms such as abolishing the army's "territorial" structure that spies on civilians, General Agus's personal style is highly authoritarian. In an interview, he said that if the president appointed him armed forces commander or army chief of staff, he would tell the president to take a nap and let him, Agus, do what needed to be done. Lt. Gen. Agus Wirahadikusumah, author interview, Jakarta, July 26, 2000.

The Regions

Center-region relations are a perennial problem in Indonesia. The world's largest archipelagic nation is home to hundreds of distinct ethnic groups, each with its own language, culture, and sometimes political history. Religious minorities tend to live in clusters, with large groups of Christians in parts of Sumatra and eastern Indonesia, the Hindu Balinese on Bali, and so on. Some regions are mono-ethnic or mono-religious. Others are mixed, usually as a side-effect of economic opportunity, so that the most economically developed regions tend also to be the most culturally mixed. In the past 30 years, the twin processes of development and migration have accelerated, bringing new prosperity but also new social strains to many parts of the country.

In the early to mid-1950s, when Indonesia was newly independent and briefly democratic, the regions demanded and were given considerable autonomy to govern their own affairs. President Sukarno, in alliance with national armed forces leaders, reversed this trend after quelling rebellions in several regions in the late 1950s and early 1960s. Central control intensified during the New Order, a regime run by army generals who had fought regionalists.

President Suharto offered carrots, in the form of larger-than-ever-before budgetary subsidies to local governments and development projects whose impact was felt down to the villages and throughout the country. But he also wielded sticks through imposing top-down decision making and uniformity—for example, in a national law restructuring villages to conform to the Javanese model—in a way that was widely resented. Open opposition to his policies was crushed, when necessary by armed force, which deepened resentment and exacerbated hostility to all forms of central authority.

Today's democratic government faces three major challenges in the regions: overcoming separatist movements, working out a new balance in the distribution of governmental authority, and maintaining order and the rule of law. Separatists in Aceh and Irian Jaya (also called Papua or West Papua) are the most pressing threat. Gerakan Aceh Merdeka (GAM, Free Aceh Movement), active since 1976 but brutally suppressed by Suharto's army until 1998, is now believed to control as many as half the villages in the province, located at the extreme western end of the archipelago. A broad alliance of pro-independence Acehnese—including university students, NGOs, and religious leaders, as well as GAM—mobilized more than half a million people for a rally in Banda Aceh, the provincial capital, in November 1999. This year's repeat performance drew a smaller crowd, but there were reports of police intimidation and harassment that may have prevented many people from attending.

Gus Dur's initial response to these events, while sometimes contradictory or inconsistent in its particulars, was to work toward a political rather than a Suharto-style military solution. The president counseled patience and began

discussions with a wide range of Acehnese, looking for possible allies against the hardline pro-independence activists. In May, representatives of the government and GAM agreed upon a three-month "humanitarian pause," which was subsequently extended until January. The pause appears to have had little effect, however: a domestic human rights organization reported more than 800 killings in Aceh between January and early December.

The situation in Irian Jaya, located at the far eastern end of the archipelago, is perhaps less serious but more grave than in Aceh. Less serious, because the Organisasi Papua Merdeka (OPM, Free Papua Organization) is much more poorly organized, trained, equipped, and led than GAM and can not yet mount a substantial military campaign; more grave, because most Irianese have never felt a part of Indonesia. The Acehnese were full participants in the 1945–49 revolution for Indonesian independence, while the Irianese were forcibly incorporated into the Republic in 1963, after belated Dutch efforts to help them become independent had been thwarted by the U.S.

Gus Dur's Irian policy has been similar to his Aceh policy, favoring a political over a military solution. The president visited Irian on January 1, 2000, offered to rename the province Papua (but not West Papua, the name used by movement leaders), and accepted the independence movement's demand to fly its own flag (as long as it was below the Indonesian flag). The MPR, however, rejected the new name and Gus Dur himself subsequently ordered that the nationalist flags be taken down, precipitating sporadic violence. A government-funded Papuan People's Congress, held in Jayapura in June, proclaimed that "West Papua" had been independent since 1961. At year's end, sentiment appeared to be growing in Jakarta for the government to take a firmer stand, including possibly the dispatch of troops, in both provinces.

The second challenge is to work out a new distribution of authority between the center and the regions. Gus Dur's government is committed to implementing a program of comprehensive decentralization of fiscal and decision-making authority to approximately 350 districts and municipalities, the governmental level below the province. The enabling legislation, first formulated under Suharto, was hastily pushed through the DPR by the Habibie government in an attempt to win voter support before the June 1999 general election. This legislation is not responsive to the most important regional demands for autonomy, which come from the provinces, not the districts and municipalities. It also makes heavy, perhaps impossible, demands on administratively weak local governments. It is, however, the only decentralization program currently on offer.

In October 1999, Gus Dur appointed Ryaas Rasyid, one of the country's most capable and experienced officials in the area of local government, to the new position of state minister for regional autonomy. Ryaas was set to be-

come minister of home affairs in the August 2000 cabinet restructuring, in time to oversee the implementation of the decentralization program scheduled to begin in January 2001. At the last minute, however, Gus Dur decided to retain the incumbent minister of home affairs, abolish the position of state minister for regional autonomy, and shift Ryaas to a department unrelated to decentralization. The president's motives were unclear, even to Ryaas,⁵ but the impact was almost certainly a greatly reduced likelihood that genuine decentralization will begin next year.

The government's third challenge in the regions is to maintain order and the rule of law, no easy task in a country that has still not overcome the effects of the severe economic and political crises that began in 1997. In 2000, serious Christian-Muslim disturbances erupted in the northern Moluccas, Ambon, and the central Sulawesi coastal town of Poso. There were also anti-Chinese riots in Jakarta in May.

The northern Moluccas incident was made worse by the intervention in mid-year of the Laskar Jihad (Holy War Army), a pick-up group of Muslim militants trained in West Java and allegedly funded by members of the Jakarta military and civilian political elite. Gus Dur ordered that Laskar Jihad members be prevented from leaving Java, but his order was disregarded by local authorities, providing further evidence of his growing ineffectiveness. In Ambon, where the police have been accused of siding with the Christians and the army's strategic troops with the Muslims, a state of "civil emergency" was declared in July after several weeks of renewed violence. The Poso conflict, though the first in that region, was typical of many others that have occurred in recent years. It began with a drunken brawl, then escalated as local religio-political entrepreneurs mobilized first Muslims against Christians, then Christians against Muslims in retaliation. The police were unable or unwilling to stop the violence, in which more than 100 people were killed.⁶

The Suharto Family on Trial

Two members of the Suharto family, former President Suharto and his son Hutomo Mandala Putra (called Tommy), were tried for corruption in 2000. The charges against the father were dropped on the ground that he was "permanently ill" and therefore can not stand trial, but Attorney General Marzuki

5. In an interview, Ryaas mentioned the close personal relationship between Gus Dur and the incumbent minister, and also the difference between his own religious and ethnic background as an Islamic modernist from South Sulawesi and Gus Dur's more mystical Javanese form of Islamic traditionalism. Ryaas Rasyid, State Minister for Civil Service Utilization, author interview, Jakarta, September 21, 2000.

6. John McBeth and Oren Murphy, "Bloodbath," *Far Eastern Economic Review (FEER)*, July 6, 2000, pp. 20–22.

Darusman planned to appeal. Tommy Suharto was accused by Gus Dur of planting a bomb in the Jakarta Stock Exchange, but the police refused to arrest him without evidence. Tommy was, however, later sentenced to 18 months in prison in a case involving the sale of land to a government agency. He subsequently disappeared and at year's end had not begun to serve his sentence.

The Economy

Two contradictory trends dominated the economic news in 2000. First, little progress was made toward banking reform or corporate restructuring, generally considered key obstacles to returning the Indonesian economy to the steady growth path of the years before the 1997 crisis. Without a functioning banking system, capital is not available for potential investors. Without corporate restructuring, the large businesses—especially the Sino-Indonesian conglomerates that dominated the domestic economy for decades—remain non-players, their assets held by the Indonesian Bank Restructuring Agency (IBRA), a government body. They are unable to pay their huge foreign debts, incurred before 1997 when the rupiah was nearly five times stronger than it is now, and unable to borrow for new projects as well.

For much of the year, Gus Dur showed little interest in the economy, and was even reported regularly to fall asleep during cabinet meetings on the subject. His first economic team, headed by the PDI-P's Kwik Kian Gie, was generally given poor marks for its inability to coordinate the policies of its own officials and for its lack of steadfast commitment to agreements with the International Monetary Fund (IMF). In part this reflected the administrative limitations and policy perspectives of Kwik and other cabinet members, but it was also due to Gus Dur's own vaguely populist inclinations. These views led him periodically to make statements critical of the IMF, World Bank, and more broadly international capitalism, in sharp contrast to his predecessor, former President Suharto (at least prior to the 1997 crisis that brought him down).

In August, Gus Dur replaced Kwik with Rizal Ramli, an economic nationalist who had been the principal public critic of both Suharto's and Habibie's economic policies. Rizal immediately proposed a 10-point policy program with nationalist and populist overtones that was praised by the general public but questioned or even ridiculed by economists. Nonetheless, in his first months in office he seemed more skillful than Kwik had been in reassuring the IMF and foreign governments as to Indonesia's good intentions.

Unfortunately, in late June Gus Dur had himself raised new concerns about the integrity of his government's economic policy by telling a cabinet meeting that four of the largest and most heavily indebted New Order-era conglomerates could not be allowed to disappear. These were the Texmaco

group, a textile and engineering company owned by Sinivasan Marimutu; timber magnate Prajogo Pangestu's Barito Pacific; Sjamsul Nursalim's Gajah Tunggal group, which raises shrimp and manufactures tires; and the most notorious conglomerate of all, Liem Sioe Liong's Salim Group, which dominates the food processing industry. The business interests of Liem had been inseparable from the business and political interests of Suharto since the late 1950s.

Gus Dur's statement and the policy decisions that followed it had both narrowly economic and broadly political implications that worried many observers. Economically, it was feared that the long-awaited restructuring of these four conglomerates, which represent 40% of the assets now held by IBRA, would end in a financial sleight-of-hand whereby the old owners were allowed to maintain control of their firms with much of their debt wiped out. "Effective restructuring," wrote Michael Vatikiotis in the *Far Eastern Economic Review (FEER)*, "involves seeking out strategic investors, offering them the opportunity to scrutinize companies, allowing time for due diligence and a full audit, and then preparing the companies for sale." None of these steps had been taken in the case of these or most of the other companies whose assets are held by IBRA, "threatening to smother Indonesia's tentative economic recovery with debt, tighten liquidity and weaken the currency."⁷

Politically, Gus Dur's embrace of the four tycoons seemed of a piece with several previously described actions, like the appointment of personal loyalists and party activists to financially lucrative positions in government, the alleged Brunei and Bulog subventions, and even the firing of General Wiranto. Still another revealing incident was Gus Dur's attempt to fire the governor of the central bank, Syahril Sabirin. By law, the governor is independent of the government, but the president was reported first to have offered Sabirin an ambassadorship and then to have applied heavy pressure by accusing him of corruption. Sabirin was arrested but subsequently released and returned to his duties at the bank. Gus Dur's real motive may have been displeasure that the bank refused to approve his choice, a personal loyalist, for head of another state bank.⁸ The real purposes of Gus Dur's embrace of the tycoons, it is plausible to argue, were to fill the PKB treasury in preparation for the 2004 legislative election and strengthen the president's ability to ward off further attempts at forcing him out of office and then to win reelection by the MPR in 2004. The actual impact, however, might be to increase the already too high level of cynicism toward Gus Dur as president and, more

7. Michael Vatikiotis, "Going Backward," *FEER*, October 19, 2000, p. 77.

8. See Ross H. McLeod, "Survey of Recent Developments," *Bulletin of Indonesian Economic Studies* 36:2 (August 2000), p. 8.

dangerously, to simultaneously slow economic recovery and to delegitimize Indonesia's still fledgling democratic institutions.

The second trend dominating the economic news in 2000 was, surprisingly, an economic growth rate for the year estimated at 4.5%–5%. This is nearly twice the figure predicted at the beginning of the year by most observers, and an amazing improvement on the 14% contraction of 1998 and the zero growth of 1999. The 2000 growth was moreover evenly spread over all four quarters. To be sure, not all the economic news was good. Inflation was nearly 10% and the rupiah continued to depreciate, dropping steadily from just over Rp. 7,000 to nearly Rp. 10,000 per U.S. dollar.

How does one account for the strong growth record, despite government inaction, confusion, and poorly chosen, perhaps politically motivated, policies? At first, economists argued that it was partly consumption-driven and partly due to the high international price of oil, once again (after a relative decline in the 1990s because of the rapid growth of non-oil exports) Indonesia's principal export. Later figures, however, indicated that investment grew by 13% in 2000 relative to 1999 and non-oil exports were up by a record 25%. A favorable international climate for Indonesian exports was also cited.

These explanations prompted further speculation. M. Sadli, a respected independent economist, suggested that there had been perhaps a decoupling between politics and economics. "It's as though economic actors no longer care about the weakness and the confusion of the government and politics."⁹ Another prominent private analyst, Hadi Susastro of the Center for Strategic and International Studies, divided the economy into sick and healthy segments. The banks, especially the state banks, and the conglomerates under IBRA's care are sick, while the small and medium enterprises, the export sector, and the "new economy"—businesses recently started by energetic and market-smart young entrepreneurs, indigenous and Sino-Indonesian—are thriving. His admittedly optimistic prediction is that the old conglomerates are dying, while the new economy is slowly but surely filling its place as the engine of growth.¹⁰ More pessimistic observers countered that the high growth was due to the mobilization of underutilized capacity and thus not likely to continue in 2001 absent genuine banking reform and corporate restructuring.

9. M. Sadli, "Prospek Tahun 2001: Pesimis atau Optimis?" [The prospects for 2001: Pessimistic or optimistic?], *Business News* (Jakarta), December 18, 2000.

10. M. Sadli, "Yang Sehat dan Yang Sakit" [The healthy and the sick], *ibid.*, December 1, 2000.

International Relations

East Timor, for 24 years a domestic problem, was in 2000 the cause of Indonesia's most serious international crisis. The inhabitants of this tiny former Portuguese colony, invaded by Suharto's army in 1975 and occupied ever since, voted overwhelmingly to leave Indonesia in an August 1999 referendum. They are now in transition to independence under U.N. auspices, with elections scheduled for next year.

Unfortunately, the break with Indonesia has not been clean. About 2,000 pro-Indonesian Timorese militia, initially trained and equipped by the Indonesian armed forces, now control about 120,000 refugees who fled or were driven into Indonesian West Timor immediately after the referendum. According to *FEER*, U.N. officials estimate that about half of these refugees would like to return home but are being held hostage by the militia.¹¹ Some militia members regularly attempt to cross the border and are believed to be responsible for the deaths in 2000 of two U.N. soldiers. Their most prominent leader, Eurico Guterres, has joined the PDI-P, apparently with the blessing of party head Vice-President Megawati. U.N. officers on the ground believe that the militia still receive support from the Indonesian military and Jakarta politicians, a charge that is denied by the government and the armed forces.

On September 6, one day after the killing by unknown persons of a militia leader in Betun, West Timor, militia forces attacked the U.N. High Commissioner for Refugees compound in Atambua, a small north coast West Timor town near the border with East Timor, killing three foreign aid workers. Remaining U. N. personnel were immediately evacuated and the high commissioner stated that they would not return without firm assurances of protection. The Security Council issued a strongly worded resolution demanding that the Indonesian government try the killers and disband the militia.

Gus Dur, at U.N. headquarters in New York at the time, was criticized directly by U.N. Secretary General Kofi Annan, U.S. President Bill Clinton, and U.S. Secretary of State Madeleine Albright. U. S. Secretary of Defense William Cohen, visiting Jakarta soon afterward, threatened to withhold economic aid if the militia were not disarmed. Gus Dur reacted defensively, claiming that the killings were an attempt by his political enemies to embarrass him but also ordered the coordinating minister for security and the police chief to disarm the militia. A few weeks later, Vice-President Megawati was shown symbolically receiving weapons in Atambua, but a *Tempo* story revealed that the surrendered arms were fake, hastily assembled for the cere-

11. John McBeth and Michael Vatikiotis, "Jakarta's Shame," *FEER*, September 21, 2000, pp. 16-21.

mony.¹² Despite this charade of compliance, Indonesia's international creditors agreed at a meeting in Tokyo on October 17 to lend the government the full US\$4.8 billion it had requested.

Conclusions

The high hopes of many Indonesians and others for the Gus Dur presidency, which began in October 1999, were largely disappointed in 2000. Even his well-wishers believe that he has not mastered the politics of translating into reality the vision of democracy, religious tolerance, and egalitarian development that, as a leading Jakarta intellectual and NGO activist, he expounded for a quarter century.

Gus Dur's first two decisions as president, to offer the vice-presidency to the PDI-P's Megawati and put together a broadly based cabinet of national unity, augured well for inclusiveness if not necessarily for reform. After that, it has been almost all downhill. Throughout the year, the president seemed both distracted from important matters of national concern, as indicated by his several policy missteps and frequent foreign jaunts, and narrowly, perhaps even corruptly, focused on building his personal power base and that of his party, the PKB.

The one bright spot in the Indonesian picture in 2000 is economic growth, which appears finally to have returned on its own—that is without help from Gus Dur's officials or policies—from the depths to which it had plummeted in 1998. If it continues, the recovery may help the president politically by making it harder for his opponents to overthrow him at next year's MPR session. He is also a skillful political infighter, like the *kancil* or mouse deer of Indonesian legend, capable of outwitting his antagonists even when it seems that all is lost. Unfortunately, Gus Dur's short-term political survival may not be the best guarantor of progress toward long-term democratic stability.

12. "Membayar Petualangan Para Jenderal" [Paying for the adventure of the generals], *Tempo*, October 1, 2000, p. 32.