



Left: Jokowi confronts the COVID-19 virus spreading over the Indonesian flag. Source: Hapelinium on Shutterstock.com, all rights reserved.

Below: Cover of *Indonésie: l'envol mouvementé du Garuda* by Jean-Luc Maurer.



Indonesia in '3D': development, dictatorship and democracy

Jean-Luc Maurer

Ambitious objective

In the introduction, some methodological clarifications are followed by a short presentation of Indonesia's favourable situation at the beginning of 2020. After a first chapter to set the geographical and the pre-colonial scene, followed by a second on the heavy heritage of 350 years of Dutch colonial domination, it focuses on the post independence period with a different chapter devoted to each of the five major phases one can distinguish since 1950: the troubled Sukarno years of political instability and economic decline (1950-1966); the New Order authoritarian era of economic development and political repression under Suharto's dictatorship (1966-1998); the chaotic but decisive transition to democracy known as *Reformasi* (1998-2004); the decade of economic stability and democratic stagnation during which Soesilo Bambang Yudhoyono was president (2004-2014); and the six years that have elapsed since Joko Widodo was elected in 2014 and re-elected in 2019 to the presidency, where clear signs of democratic regression have started to accumulate amidst a positive economic situation until early 2020. The book ends with an epilogue showing how this favourable situation has turned to a deep economic and social crisis due to the irruption of the COVID-19 pandemic, which was managed inefficiently, as well as the consequences it had on the acceleration of democratic regression. However, it is preceded by a conclusion drawing the lessons from the Indonesian development process and stressing the possible links one can establish with the phases of dictatorship or democracy the country has known, including a brief comparison with the four other co-founding ASEAN members, Thailand, Malaysia, Singapore and the Philippines.

On 17 August 2020, while the COVID-19 pandemic was raging, Indonesia celebrated less joyfully than planned the 75th anniversary of its independence. With more than 270 million people, it is the fourth most populated country in the world. It is also at the crossroads of the Indo-Pacific region where it occupies a uniquely strategic position. On the political front, it is the third largest democracy on earth and one of the few in the Muslim world to which it belongs, also counting the highest number of believers. At the economic level, well endowed with natural resources, it is one of the major emerging countries, with a rather good development record since the early 1970s, a member of the G20, and will possibly be the fourth or fifth biggest economy in the world by 2045, at which time it will be celebrating its centenary. In spite of all that, Indonesia remains certainly the most unknown and ignored among major nations. This article is a summary of a French-language book whose title can translate as "Indonesia: Garuda's turbulent take-off".¹ It aims to fill part of a knowledge gap about this country, particularly marked in the French literature. Its main objective is to retrace the history of the archipelago's economic, social and political development.

However, the book also has a second, wider and more ambitious objective: to allow the reader, through what is considered as the emblematic case of Indonesia, to better understand the dynamics of development, this global process of change resulting in a nation's economic, social, political and cultural transformation. The emblematic nature of the case study is not only linked to the fact that Indonesia started from a very low level of development and has reached a certain degree of success in this domain, but also to the complex and ambiguous relation that this process has entertained with dictatorship and democracy, the two political regimes between which the country has wavered since independence. As a matter of fact, this analysis of the relation in '3D' between development, dictatorship and democracy constitutes the connecting thread of the book, with the ambition to clarify the following haunting question: which of the two political regimes has been more efficient in terms of economic and social development?

Sukarno: polarisation and recession

After independence, proclaimed in 1945, and the four following years of a devastating national liberation war against the colonial power, Indonesia went through two very different political experiences under the presidency of Sukarno from 1950 to 1966: the first was rather democratic and the second clearly more authoritarian. Neither of these two experiences put the country on the path of sustained economic and social development. Until 1959, in spite of the huge difficulties met from the start – resulting from the burden of colonial heritage, the iniquitous conditions for decolonisation imposed by the Dutch and the very poor state of the economy – the country seemed able to engage in a promising developmental process. However, the political instability inherent in the commendable but probably premature attempt to establish a regime of western-inspired parliamentary liberal democracy,

ill-adapted to traditional Indonesian political culture, proved to be a major obstacle. Moreover, the difficulty to forge national unity and the various regional rebellions during the 1950's in different parts of the archipelago monopolised all the energy and derailed this developmental process. In the end, parliamentary democracy resulted in a serious development failure.

Thereafter, in 1959 Sukarno imposed his system of Guided Democracy, a presidential regime that was increasingly authoritarian and incompetent, giving priority to foreign policy objectives of national sovereignty claims and struggle against neo-colonialism and imperialism, but neglecting economic fundamentals. The economy became a victim of economic nationalism, nonsensical planning and inept strategic choices guided by ideology and ignorance and reflecting the lack of concern by the president for such issues. This policy drove the country towards economic recession and resulted in a serious deterioration of living conditions for the population. To sum

up, the first fifteen years of independence ended up in a severe developmental fiasco. In 1965, economic growth was close to zero, inflation was over 600%, around 70% of the population lived in poverty and hunger was common, with a rice deficit of 1 million tons. The degradation of the economic and social situation was accompanied by the rise of political antagonism between the Indonesian Communist Party, who supported Sukarno's policy, and the majority of the army's US-trained higher officers, allied to Islamic conservative circles, who were opposed to it. This growing polarisation blew up at the end of September 1965 when Indonesia was precipitated into a terrible episode of violence that resulted in the slaughter of at least half a million people, one of the worst and still unexplained and unpunished mass killings of the second half of the 20th Century.

Spectacular progress. At what cost?

After this awful holocaust, in March 1966 Indonesia fell for 32 years under the domination of a harsh authoritarian regime established by General Suharto and baptised New Order. Starting as a pure military dictatorship, it used and abused coercive measures during these three decades. But it also initiated an undisputable process of economic and social development that Indonesia had been waiting for since independence. Even if one must consider statistics with a critical eye, the main development indicators show that economic growth remained high under the New Order, varying between 5 and 10% a year, and was accompanied by spectacular progress on the social front. Thus, between 1966 and 1996, GDP per capita was multiplied by more than twenty (from around 50 US\$ to more than 1000), life expectancy gained almost 15 years (from 50 to 65) and absolute poverty was quartered (from some 60% to 15%). Education and health indicators substantially improved too. It is certainly exaggerated and inappropriate to depict this as a shining developmental success when one considers the cost of this experience in terms of violence, contempt for the rule of law and deprivation of political and individual rights, without mentioning the assault on the environment. But it is difficult to contest the fact that this authoritarian regime succeeded in pulling Indonesia out of its chronic underdevelopment. It even lifted it into the group of HPAEs (High Performing Asian Economies), participating in the so-called 'East Asian Miracle' praised by the famous World Bank report of 1993.

Thus, the political authoritarianism of the New Order regime seems to have been relatively favourable to Indonesia's economic and social development. It is consistent with the classical modernisation theory, some of its most radical advocates having even supported the idea that the army can constitute a key accelerator in a developmental process. However, quantitative figures do not say much about the quality of this process and even less about the real life of Indonesian citizens, deprived of the elementary but fundamental freedom they could have enjoyed under a democratic regime. The elections organised every five years and skilfully manipulated to obtain a large victory for the governmental party cannot be considered as a true democratic expression of trust. On the other hand, one can also observe that different forms of popular protest against the regime gained force over time. They culminated at the end of the New Order, when it became unable to 'deliver' economic and social progress. But it is the initial success of this developmental process that finally made it possible for these dissenting voices to express themselves, grow in importance and make change possible. To a certain extent, the New Order was a victim of its own success. It was the improvement of the living standards of the population (nutrition, clothing, housing, transport, education, health, communication, information, etc.), alongside the spectacular decline of absolute poverty, that allowed the emergence of a middle class longing for more freedom, as well as a student movement and a working class ready to take risks and fight for a better life.

A demand for democratic reform

This is precisely what happened in 1998. The Asian Financial Crisis (AFC), which started in Thailand in mid-1997 and reached Indonesia at the end of the year, served as a catalyst for this movement of revolt and opened the era of reforms, leading to a rapid and genuine democratisation of the country. The collapse of the economy, dragged into a 13% contraction in 1998, bringing the bankruptcy of thousands of enterprises and the explosion of social problems, with millions of people losing their jobs and a poverty rate jumping to over 20%, resulted in a deep political crisis. It is when the 'miracle' turned into a 'debacle'. The New Order's only political legitimacy lay in its capacity to continue ensuring economic and social development. This being gone, it collapsed in the face of social unrest and the demands of the population for freedom and democracy. General Suharto resigned pitifully in May 1998. Starting from the experience of Indonesia (and other Asian countries like Thailand and South Korea at the same moment), one can conclude that economic and social development gives birth to democracy more easily when it turns into a crisis, when the process of global change that was operating is suddenly interrupted.

It is more difficult to draw clear conclusions on the relation in '3D' for the troubled period of democratic transition between 1998 and 2004. In fact, it comes down to two questions: how can a transition between dictatorship and democracy take place and what are the conditions for economic and social development in a time of crisis?

To answer the first question, let us say that these six years of *Reformasi* were certainly the most difficult and dangerous for the young Indonesian democracy. In reality, Indonesia almost blew up due to violent regional and religious conflicts. The process of democratisation could have been interrupted at any moment, bringing the country back to authoritarianism. However, thanks to the actions of the three political figures successively appointed to the presidency – B.J. Habibie (1998-99), Abdurrahman Wahid (1999-2001) and Megawati Sukarnoputri (2001-2004) – arduous progress has been achieved towards democracy. However, the simple fact that Indonesia had three presidents in just six years, while it had only had two in more than half a century of independence, gives an idea of the difficulties that were faced. Indeed, these very different characters, who came to power unexpectedly and exercised it for a short time, contributed to this laborious consolidation of democracy. All the institutional reforms they signed (political and press freedom, rights of association, decentralisation laws, independence of East-Timor, reduction of army role, adoption of direct elections at all levels, etc.) made it possible for the country to progress in the right direction. One can even say that the most difficult part was achieved under their leadership and that their successor inherited a situation that was as favourable as possible.

Recovery with inequalities

As for the second question, it is obvious that reform frenzy, political instability, the threat of national disintegration and the beginning of a deadly wave of Islamic terrorism during this period, did not facilitate the return to favourable conditions for economic and social development. However, considering the true cataclysm that the AFC had been for Indonesia in 1997-98, one can imagine that things could have turned much worse. It was miraculous that six years later the country could retrieve a respectable 5% economic growth and a whole set of social indicators rapidly catching up with pre-crisis levels. Maybe it is due to the fact that this critical period facilitated a better mobilisation of efforts and stimulation of imagination, allowing the emergence of a multitude of

new actors coming from civil society and freeing talents that were dormant until that time? Sometimes, a crisis can be beneficial to put back on track a country that was close to derailing. In any case, here too the successor of the unlikely trio inherited in 2004 a largely improved situation that made it possible to see the future with optimism.

During the decade (2004 to 2014) when president Soesilo Bambang Yudhoyono (SBY) was in place, one first saw a deepening process of democratisation take place, before registering the disturbing beginning of democratic stagnation during the second half of his appointment. It had no real impact on economic growth, maintained at a yearly pace of 5-6% and accompanied by a return to poverty decline, but also by a significant increase of income inequality.

If one examines in more detail the evolution of the situation during this decade, what are the main lessons to be drawn with regard to the '3D' relation at the heart of our concern? It appears first that democratisation was favourable to the economic and social development, allowing a return to stability, a respectable growth rate and a substantial improvement of living standards for the majority of the population. But being inscribed in a more general context of globalisation and accelerated liberalisation, the same democratisation process has also entailed the rise of social inequalities and the widening of the gap between a minority of privileged people becoming infinitely richer, and the majority of a population remaining just slightly less poor.

Liberalism, conservatism, and populism

Moreover, democratisation, and the liberalisation of the society it has allowed with the reinforcement of people's political and civil rights, has also triggered the rise of a growing hostility among the more conservative sections of the population, for the most part linked to Islamic circles. They are opposed to this change and cultivate the nostalgia of authoritarianism, a period of time when law and order was the rule and when things were clearer, even if it often degenerated in serious excesses. In fact, as it has appeared since then even more obviously, a rapid democratisation process of the type that has characterised Indonesia during the time of *Reformasi* generates its own natural poison. This political process of change is threatened by the resurgence of intolerance and populism as well as by the emergence of repressive 'illiberal' practices. It becomes truly serious when several political leaders belonging to this trend support the idea that democracy would constitute an obstacle to economic and social development. In their view, the pace of development could be much quicker, and its results better, under an authoritarian regime, as it was during the New Order. Thus, by the end of SBY's second term, Indonesia was confronted with the dilemma of development being torn between the necessity to reinforce democracy and the temptation of a return to authoritarianism.

The phenomenon of democratic stagnation, which started under SBY, has been confirmed since the arrival to the presidency in 2014 of the unexpected Joko Widodo (Jokowi) and his re-election in 2019. The young Indonesian democracy has even started to show signs of regression in some domains, like the respect for the rule of law or the struggle against corruption. What some scholars consider to be an 'illiberal drift' did not have any notable effect on economic growth. It has remained resolutely fixed at the usual yearly 5% rate, in spite of the reforms undertaken by the president to boost development, among other things through the improvement of infrastructure. In addition, poverty has continued to decrease and inequality has ceased to increase, even showing signs of a slight decline. However,

having announced at the start of his second mandate that development would be his first priority and that he was aiming for a yearly growth rate of 7-8% by 2024, Jokowi has instilled the pernicious idea that a deepening of democracy constituted an obstacle to reaching his development goals.

This presidential position is worrying. Some ministers are even defending the idea that democracy and its major conquests – direct elections, including for the presidency, respect for the rule of law, as well as individual and collective human rights, and above all the struggle against corruption – are impediments to development and security. Indeed, the government gives a disproportionate priority to the preservation of internal security and to the respect for national sovereignty on the international front. This has naturally resulted in the return of the army in politics, the growing influence of conservative Islamic political parties or organisations, and the rise of religious radicalism and intolerance, leading to an increasing degree of illiberalism. It corresponds to a certain weariness of the population in front of the unfulfilled promises of democracy and the resurgence of a true nostalgia for the 'good old days' when everything was clearer, easier and better. Yet, one talks about Suharto's dictatorial New Order whose exactions seem to have been forgotten by a population that is mostly too young to have suffered through it.

Closing the loop on democracy

One comes therefore to a paradoxical reversal of history where, after it has been the fruit of a rapid and successful economic and social development conducted by a dictatorial regime that tried hard to avoid its advent, democracy comes to be considered, after a mere twenty years of existence, as an obstacle to the acceleration of the developmental process. In such a simplistic vision, too much democracy would kill development! Then, the question remains to know whether the Indonesian democracy will continue to weaken and eventually fade away, in the name of a faster development. Can one imagine that the quest for a higher level of development results in the end of democracy and the return to authoritarianism and possibly to dictatorship? The loop would be sadly closed. Depending on the turn events will take until the end of Jokowi's second mandate, it is unfortunately quite possible.

The COVID-19 pandemic, which started to infect Indonesia in mid-March 2020, and had already passed the 30,000 deaths mark in early February 2021 has naturally turned the situation totally upside down, like everywhere else on earth. The economy has collapsed here too. Instead of the 6-7% growth rate hoped for by the president, the country will register a contraction of around 2% in 2020, the first since 1998 at the time of the AFC. Unemployment, poverty and inequality are on the rise again. The ambitious development objectives Jokowi had set have been postponed or even abandoned, to make place for a huge rescue financial plan at the cost of a deepening budget deficit. On the health front, the government has been inefficient in managing the crisis and Indonesia shows by far the worst performance among all ASEAN countries. At the same time, the coercive measures taken to try to control the spread of the virus have given a central role to the army and police, reinforcing the illiberal trend that was already at work. It is therefore most probable that the pandemic will further weaken democracy. The only hope is that Indonesia will manage to survive as a flawed democracy, but a democracy nevertheless, in a region increasingly dominated by authoritarian regimes.

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1 <https://books.openedition.org/ideid/7876>

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