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INDONESIA: THE LIMITS OF DEMOCRATIZATION AND DECENTRALIZATION, JANUARY 2000 - OCTOBER 2001

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1. Introduction

Two years have passed since Abdurrahman Wahid was elevated to the Indonesian presidency by the supra-parliamentary People's Consultative Assembly (Majelis Permusyawaratan Rakyat - MPR), and considerable political change unfolded in the intervening period. Most obviously, President Wahid was forcibly removed from the presidency in late July 2001 and replaced by former Vice-President Megawati Soekarnoputri. More generally, this transfer of power represented the culmination of a reaction by the Jakarta political elite to a set of trends which had been unfolding throughout the Indonesian archipelago over the previous few years.

Under the Wahid administration, Indonesian politics was characterized by an increasing diffusion of power. In Jakarta, the new President soon found himself at odds with an assertive and antagonistic parliament, the People's Deliberative Assembly (Dewan Perwakilan Rakyat - DPR) and his efforts to assert control over the Indonesian Armed Forces (Tentara Nasional Indonesia - TNI) ran aground in the face of opposition from a recalcitrant military leadership. Throughout the archipelago, moreover, laws on "regional autonomy" passed in 1999 set in motion a process of administrative and fiscal decentralization that considerably expanded the powers and prerogatives of regency and province level assemblies at the expense of Jakarta. Meanwhile, the Wahid administration appeared largely powerless - or passive - in the face of continuing religious conflict in Maluku, communal violence spreading from West to Central and South Kalimantan, and growing agitation for secession in Aceh and Irian Jaya.

By mid-2000, signs of a backlash were already in abundant evidence. In Jakarta, oppositional forces in parliament and the military leadership began to mobilize against the Wahid administration and initiated the campaign for his ouster that eventually led to his removal in July 2001. Throughout the archipelago, moreover, the process of decentralization began to slow down in the face of resistance from Jakarta to the devolution of administrative and fiscal powers to regency and province level assemblies. Finally, military intervention in Maluku, Aceh and Irian Jaya signalled the reassertion of national state - and army - power at the expense of separatist and communalist forces.

The elevation of Megawati Soekarnoputri to the presidency in late July 2001 represented the culmination of this backlash. As head of the single largest party in the DPR and MPR, the Indonesian Democratic Party of Struggle (Partai Demokrasi Indonesia-Perjuangan - PDI-P), the new president now enjoys far greater control over the fractious legislature than her predecessor. A politician long known for her close ties to active and retired army generals, moreover, Megawati has favoured the military in terms of key Cabinet positions and policy choices. In terms of decentralization, her administration clearly favours retrenchment and restrictions on the devolution of power to local assemblies. In Maluku, Aceh, and Irian Jaya, Megawati likewise backs military intervention instead of the more liberal - or laissezfaire - approach favoured by Abdurrahman Wahid. While still a far cry from the centralized authoritarianism of the Suharto era, Megawati's presidency represents a backlash against the diffusion and fragmentation of power seen in Indonesia since 1999.

This report chronicles the broad contours of these trends in Indonesia from the early days of the Wahid presidency in January 2000 through the first few months of the new administration (i.e. to the end of October 2001). The pages below trace the processes by which power grew increasingly fragmented and diffused under the Wahid administration, and the reaction that has unfolded over the past year and a half. The report pays close attention not only to key events in Jakarta, but also to trends throughout the archipelago, and to violent conflicts in such provinces as Maluku, Central Kalimantan, Aceh, and Irian Jaya.

In analysing these trends, the overriding concern is to contextualize past and current problems - and future possibilities - of social dislocations creating sizable pockets of internal displacement in Indonesia. As predicted in previous reports, Indonesia has not experienced the kinds of apocalyptic convulsions - anti-Chinese pogroms, nation-wide Muslim-Christian violence, break-up and disintegration of the nation-state - which alarmist commentators have feared and foretold. That said, the recent conflicts in Central Kalimantan, Maluku, Aceh, and Irian Jaya - and the remnants of earlier violence in East Timor - have led to dislocations of large numbers of people in various parts of the archipelago and created a number of serious displacement problems within the country. To understand these problems - and the possibilities for their resolution, amelioration, or exacerbation - a close analysis of national and subnational political change since January 2000 is necessary.

2. The National Political Arena: From Abdurrahman Wahid to Megawati Soekarnoputri

2.1. The Rise and Fall of Abdurrahman Wahid

At the national level, Indonesian politics in the year 2000 and the first half of 2001 was dominated by the persistent difficulties and premature demise of the Wahid administration. Abdurrahman Wahid's evident failures on various policy fronts - and his eventual fall from power in July 2001 - have often been attributed to his personal foibles, most notably an unfortunate combination of informality and arrogance in the exercise of power. Yet the problems with Wahid's administration can only be understood in the broader context of the circumstances of his election to the presidency in October 1999.

Wahid was in a weak position from the inception of his presidency. His National Awakening Party (Partai Kebangkitan Bangsa - PKB), after all, won only 12 per cent of the vote in the 1999 election, and he was only elected to the presidency - ahead of the much more popular PDI-P candidate Megawati Soekarnoputri - through coalitionbuilding among the various parties represented in the parliament (DPR) and the supraparliamentary MPR, which is tasked with electing the president. Indeed, his election as president was clearly contingent on the formation of a broadly inclusive Cabinet, one in which key positions were parcelled out among the major political parties. Megawati's PDI-P, for example, was originally awarded such influential posts as Coordinating Minister for Economic Affairs (Kwik Kian Gie), and Minister for State Enterprises (Laksamana Sukardi). Golkar (Golongan Karya, or Functional Groups), which received the second-largest number of parliamentary seats after PDI-P, won other key Cabinet seats such as that of Minister for Trade and Industry (Yusuf Kalla), while the National Mandate Party (Partai Amanat Nasional - PAN) saw its leader Amien Rais seated as Chairman of the MPR and a prominent party member installed as Minister of Finance (Bambang Sudibyo). This rainbow coalition allowed for a division of the spoils of power, in terms of patronage powers and privileged discretion over the implementation of bank restructuring, investigations into corruption cases from the Suharto and Habibie regimes, and other facets of economic reform.¹

This coalition began to unravel in early 2000, with Wahid's rather peremptory dismissal of two key Cabinet members, the PDI-P's Laksamana Sukardi, who lost his post as Minister for State Enterprises, and Golkar's Yusuf Kalla, who was dismissed from his position as Minister for Trade and Industry. While these dismissals were accompanied by allegations of corruption against the two ousted ministers, no formal charges were filed, and Wahid refused to elaborate on the reasons for his actions. Other Cabinet dismissals further narrowed Wahid's base in the parliament. Representatives of PDI-P and Golkar, by far the two largest parties in the DPR, began to attack President Wahid and to warn that they would use their right of "interpellation" in the annual session of the supra-parliamentary MPR in August 2000. Behind the scenes, key members of PDI-P and Golkar also initiated negotiations for a coalition against Wahid, with PDI-P leader Megawati Soekarnoputri as his proposed replacement and Golkar chair and DPR Speaker Akbar Tanjung as a possible vice-president.

Against this backdrop, the spring and summer of 2000 saw increasing parliamentary attacks on President Wahid, with the MPR members' right of "interpellation" raising the possibility of a forced ouster of Wahid or at least a Cabinet reshuffle dictated by Golkar, PDI-P, and other parties hostile to the incumbent president. Already in late June 2000 more than three hundred members of the DPR, which claims the lion's share of the seats in the MPR, voted in favour of exercising their right of "interpellation" in the MPR session in August of that year, with only 63 members, mostly representatives of Wahid's party PKB, opposed and the 35 military and police delegates abstaining. Given the harsh tone of key parliamentary figures' speeches and Wahid's subsequent public refusal to answer questions about his dismissal of Laksamana Sukardi and Yusuf Kalla, an open confrontation between the President and disloyal members of his "rainbow coalition" was clearly in the making.

In fact, Wahid's position was dangerously weak. His own party, the PKB, commanded a minority of seats, and there were no parties beyond Golkar and PDI-P that were strongly committed to his presidency. Two parties led by modernist Muslim leaders - PAN and PBB (Partai Bulan Bintang - Crescent and Star Party) - had long been at odds with Wahid, the head of a traditionalist Islamic association, and the PPP (Partai Persatuan Pembangunan - United Development Party), which competed with Wahid's PKB for the Muslim vote in many rural and urban poor areas in the May 1999 election, was likewise bitterly opposed to the President. Meanwhile, key members of the two largest parties, PDI-P and Golkar, were even more eager for a change in national leadership, given the sense of entitlement they felt after capturing so many votes in the election and the sense of resentment they carried against a

¹ On the formation of the Wahid administration and its early months in power, see: Van Dijk, K., *A Country in Despair: Indonesia Between 1997 and 2000*, Leiden: KITLV Press, 2001

minority president so, seemingly, insensitive to their demands. In particular, businessmen and former ministers with key posts and large followings in these parties were especially upset with the ways in which the Wahid administration's implementation of bank restructuring and investigation of corruption cases from the Suharto and Habibie regimes affected their fortunes, reputations, and future prospects.

In the face of this opposition, Wahid narrowly survived the August 2000 MPR session only through artful manoeuvres and compromises, most notably a Cabinet reshuffle and a promise to delegate special powers to his vice-president, Megawati Soekarnoputri. Luckily for Wahid, the promised inclusion in the new Cabinet of politicians from so many parties created internal party tensions that worked to his advantage, with incumbent and aspiring cabinet ministers able to rally their forces within PDI-P, Golkar, and other parties in favour of the President, to save his position as well as their own. Indeed, the powerful and much respected Attorney General, Marzuki Darusman, sided with Wahid against Golkar chairman Akbar Tanjung, even as key politicians in the PDI-P backed Wahid against the party's leading delegate in the parliament, Arifin Panigoro, a businessman with bitter grudges against the Wahid administration. Moreover, Wahid forged an unusual agreement to allow the then vicepresident, Megawati Soekarnoputri, to assume special powers, both in making key civilian and military appointments and in formulating and implementing policy. Through token displays of contrition, crafty coalition-building (or rather coalitiondividing), and conciliatory measures towards his greatest rival, Wahid thus held onto the presidency in the face of considerable parliamentary challenge in mid-2000.²

Meanwhile, a parallel process of antagonism and compromise unfolded in the President's relations with the military establishment. In February 2000, Wahid had dismissed General Wiranto, the former chief of the armed forces, as Coordinating Minister for Political and Security Affairs, in a bid to assert and strengthen his hand in civilian-military relations. Wiranto's removal - and that of his close allies in key command positions - suggested that the new President could and would exercise control over military appointments and security policies, without facing strong countervailing pressures from the leadership of the armed forces. Indeed, early 2000 saw the promotion of officers said to be close to Wahid, most notably Lieutenant General Agus Wirahadikusumah, who replaced Wiranto loyalist Lieutenant General Djadja Suparman as commander of the Army Strategic Reserve Command (Kostrad). Such officers reportedly shared a common "reformist" orientation and favoured a reduction of military involvement and influence in business and politics as well as non-military solutions to "security" problems like demands for independence or autonomy in provinces like Aceh and Irian Jaya.³

Yet reaction to Wahid's intrusion on military ground soon provoked resistance within the conservative armed forces leadership. Lieutenant General Agus Wirahadikusumah was removed from his key post as Kostrad commander in July 2000, and disciplinary proceedings were initiated against him for his alleged breaches of military "ethics".⁴

² Terserah Mas Dur Saja?, *Tempo*, 20 August 2000

³ On these trends, see: Changes in Civil-Military Relations Since the Fall of Suharto, *Indonesia*, No. 70, October 2000, pp. 125-38

⁴ Memenggal Para Algojo Dwifungsi, *Tempo*, 18 June 2000; Mutasi TNI: Rel Bengkok Gerbong Militer, *Tempo Online*, 19-26 June 2000; Pati Geni Jenderal Wirahadikusumah, *Tempo*, 6 August 2000

In subsequent months, moreover, Wahid's bid to reshuffle the top military ranks and install favoured officers in key leadership positions ran aground in the face of strong armed forces opposition. A meeting of high-ranking generals in October 2000 led to a rejection of Wahid's proposed reshuffle and the communication, through Vice-President Megawati Soekarnoputri, of demands for an alternative leadership slate.⁵ In the event, Wahid conceded defeat, with his executive powers effectively curbed by parliamentary, vice-presidential, and military constraints.⁶

Against this backdrop, subsequent months saw the Wahid administration unable to expand its political base or to assert leadership in the face of various challenges. Opposition in parliament to Wahid's presidency persisted and grew in tandem with dissatisfaction with the terms of his mid-2000 compromises. The Cabinet reshuffle after the August 2000 MPR session had left key posts in the hands of ministers known for loyalty to Wahid rather than affiliation to key parties such as PDI-P and Golkar, while the power-sharing deal with Vice-President Megawati Soekarnoputri was ignored in favour of presidential decision-making of a highly unilateral, rather than consultative, style.⁷ Opposition parliamentarians soon began to regroup and resume their campaign to oust Wahid, while the high ranks of the military took full advantage of the autonomy already won from Wahid.

Thus the early months of 2001 saw a repeat performance of the anti-Wahid manoeuvres of the previous year, but now with positive results for opposition forces. In January 2001, the DPR voted to censure the President for his alleged involvement in corruption scandals and initiated preparations to remove Wahid in the annual session of the MPR scheduled for July-August of this year. By the early summer, Wahid was increasingly isolated and embattled. Out of desperation, he threatened to disband parliament, rule through emergency powers, and hold new elections, but few observers believed him capable of implementing such a plan, especially given the unwillingness of the military and police leaderships to support him.⁸ In late July 2001, the MPR voted to remove Wahid from the presidency and forced him - and the thousands of his supporters who had rallied to his cause in Jakarta - to step down, paving the way for a new administration. Two years after the May 1999 elections, Wahid's presidency, not unlike that of his predecessors, had ended in disgrace and disarray.⁹

⁵ Presiden di Antara Dua Karang, *Tempo*, 15 October 2000

⁶ See: Current Data on the Indonesian Military Elite: January 1, 1999 - January 31, 2001, *Indonesia*, No. 71, April 2001, pp. 135-56

⁷ For a lucid and well-informed account of these trends, see: International Crisis Group, *Indonesia's Presidential Crisis*, Jakarta; Brussels, 21 February 2001

⁸ On the withdrawal of military support for Wahid in early-mid 2001, see: Posisi TNI di Tengah Konflik Politik (1): Ketika TNI 'Membangkang' pada Presiden, and, (2): Yang Netral Tapi Memihak, *Detik*, 18 May 2001

⁹ For early assessments of the campaign which led to Wahid's ouster, see: Van Klinken, G., The New Conservatives: Golkar and PDIP parliamentarians Join Forces to Pull Down Gus Dur, *Inside Indonesia*, April-June 2001, and, International Crisis Group, *Indonesia's Presidential Crisis*

2.2. Megawati Soekarnoputri: New Administration, New Deal?

Against this backdrop, the inauguration of the new president, Megawati Soekarnoputri, offered the basis for some hope of political consolidation and stability, as well as positive change. Megawati's party, PDI-P, after all, had won the single largest number of votes and parliamentary seats in the May 1999 elections, and an even greater electoral victory was anticipated for her and the PDI-P in 2004. Given her evident popularity and the social, religious, and geographic diversity of her support base, Megawati represented the possibility of a unifying national figure, in sharp contrast to the divisiveness provoked by her predecessor. With her considerable support in parliament and her close allies in the military leadership, moreover, the possibility of a less fractious national leadership was raised, one cemented by machine and money politics on the one hand, and a return to more conservative, centralist policies, on the other.

The possibilities and limitations of change soon became evident with the announcement of a new cabinet in early August 2001. This cabinet was labelled a "rainbow cabinet", as not only were five political parties and two major Islamic organizations represented therein, but it also contained seven bureaucrats, eight professionals or academics, and four retired army generals. In self-conscious imitation of her father Soekarno, Indonesia's first president, Megawati herself has called the newly appointed set of ministers a Gotong-Royong Cabinet or Cabinet of Cooperation. Yet unlike her populist and radical nationalist father, Megawati has shown herself to be very conservative in her inclinations, as can be seen in the membership of the new cabinet.

The Cabinet is dominated by a combination of PDI-P politicians and elements of the Jakarta business, bureaucratic, and military elites. Key economic portfolios are in the hands of prominent technocrats, businessmen, and bankers with little known political affiliations and loyalties, while control over state enterprises and oversight of the privatization of state assets is in the hands of trusted fellow members of the PDI-P. Other lucrative "cash cows" in PDI-P hands include manpower, transmigration, forestry, and tourism. The military establishment is amply well represented, with recently retired generals holding such key posts as Coordinating Minister for Social, Political, and Security Affairs and Minister of Home Affairs.

Meanwhile, Megawati strongly backed the election of United Development Party (PPP) leader Hamzah Haz to the vice-presidency, and members of his party have been awarded such patronage-rich posts as State Minister for Cooperatives and Small-Medium Enterprises and Minister of Social Affairs. A scholar affiliated with the "traditionalist" Islamic association Nahdlatul Ulama (NU) has been named as the new Minister of Religious Affairs, and thus the PPP may well be positioned to reclaim much of the NU vote from former president - and NU chairman - Wahid's PKB in the next elections. By contrast, Golkar and the modernist Islamic parties have fared less well in the new Cabinet. Golkar members only hold three seats, and none promising much in the way of patronage. PAN chairman and former Muhammadiyah leader Amien Rais failed to install his protégé as Finance Minister, and his party and association are only represented in the education and research and technology posts.¹⁰

¹⁰ For an early assessment of the new administration, see: International Crisis Group, *The Megawati Presidency*, Jakarta; Brussels, 10 September 2001

Thus Megawati's much stronger backing in parliament has allowed her to assert control over major sources of patronage for her own party, with some of the spoils also offered to the "traditional" Islamic camp in clear continuation of the long-standing alliance between secular nationalism and Islamic traditionalism against modernist Islam in Indonesia. Largely frozen out are Golkar and the "modernist" Islamic parties, who if not headed for open opposition to the administration, will increasingly resent PDI-P's accelerating encroachment on their turf.¹¹ Thus the new pattern is clear - macroeconomic policy in the hands of technocrats, national security run by the military, and patronage dominated by the party in power and its allies.

What this portends for the months and years ahead is not entirely clear, but some possible national-level political scenarios are easy to envisage. Given the secularnationalist orientation of the PDI-P and the party's popularity among "nominal" Muslims, Christians, and Balinese Hindus, modernist Muslim parties like the PBB and PAN, largely excluded from power, could go into open opposition to the incumbent administration. The 11 September attack on the World Trade Center in New York and the American bombing campaign in Afghanistan have also increased tensions between the administration and parties and organizations claiming to represent Islam in Indonesia.

In this context, Golkar may well be tempted to join forces against Megawati, given the minimal rewards it has reaped from supporting her rise to the presidency and its rivalry with PDI-P for votes in many parts of the country. Indeed, while Golkar and PDI-P are both broadly inclusive parties whose machineries incorporate Indonesian voters of diverse faiths across the archipelago, the past ten years have seen considerable radicalization of Golkar with the ascendancy of self-consciously Muslim politicians such as Golkar chairman Akbar Tanjung, former head of the influential Islamic Students' Association (Himpunan Mahasiswa Islam or HMI). Thus in months ahead and as the 2004 elections approach, parliamentary opposition to President Megawati Soekarnoputri could grow in intensity and assume a distinctly Islamic complexion. Given both international and domestic circumstances, competition and conflict between "secular nationalist" and "traditionalist" Muslim parties, on the one hand, against "modernist" Muslim parties, on the other, is likely to intensify.

Meanwhile, the new administration in Jakarta is likely to pursue policies in line with a broader reaction against the fragmentation and diffusion of power which characterized the Wahid presidency. The process of decentralization under way since 1999, for example, is meeting renewed resistance from the new government in Jakarta. In provinces where communal violence or separatist mobilization has taken root, moreover, military intervention and repression are being intensified. The context and consequences of this reaction are explored in the pages below.

¹¹ For recent hints of impending conflict between the new administration and Golkar, see: Bola Liar Dana Non Bujeter Bulog (1): Habibie Tersangkut, Akbar Dikorbankan?, and, (2): Akbar Diincar, Golkar Digoyang, *Detik*, 12 October 2001; Akbar: Siapa Yang Minta Saya Mundur?, *Republika*, 26 October 2001

3. The Provinces: Democratization and Decentralization

Beyond the realm of individual personalities and political parties, the past two years have seen an underlying sea change in the overall structure of Indonesian politics. At the national level, this shift became immediately apparent with the formation of a new cabinet in the autumn of 1999. While a handful of the new ministers were retired military officers, the vast majority of the remainder were affiliated with the new president and/or with major political parties ranging from PKB and PDI-P to Golkar, PPP, PBB, PAN, and PK. As seen in late 1999 and again when President Wahid reshuffled the cabinet on several occasions in the following two years, the political imperative in the making of ministerial appointments was clearly linked to the maintenance of support in the parliament. Indeed, when in August 2000 Wahid faced "censure" by the MPR, it was for his dismissal of two key Cabinet members affiliated with PDI-P and Golkar, and in July 2001 he was ousted for his recalcitrant stance vis-à-vis the parliament.

Today, under the new Megawati presidency, within the State Secretariat, in key government commissions and agencies, and down at least to the level of directorgenerals within the ministries, a new pattern of personnel appointment and policy implementation has crystallized. With the President's authority constrained and contingent on cooperation and support from the political parties represented in the DPR and the MPR, and with general elections scheduled for 2004, it could hardly be otherwise. From bank restructuring to forestry licences to state enterprises to oil price subsidies to agricultural pricing reform, key appointments, policy alternatives, and regulatory enforcement decisions are now weighed in the light of their implications for coalition-building in parliament and political party machine maintenance for the elections ahead.

Thus the two years since the inauguration of President Wahid and his first Cabinet in October 1999 have seen a dramatic shift in the pattern of influence exerted over personnel appointments and policy implementation. The levers of national state power have passed from a narrow circle of Jakarta-based insiders from the bureaucracy, the university environment, and the military establishment to a broader pool of powerbrokers including private businessmen and machine politicians, whose relative importance and influence depend ultimately on their role in mobilizing votes in previous and future elections. Private business interests now channel their lobbying efforts through political party leaders entrenched in the DPR and their fellow party members in key ministerial and other executive posts, with competition between the parties working to multiply the points of influence as well as the incentives for accession to particularistic demands. The weighing of policy options now takes place not only in the full glare of unfettered media attention and scrutiny, but also in the face of occasional protests, constant opinion polling, and anticipations of popular sympathies in elections to come.

Beyond the national capital, moreover, the opening of parliamentary seats, cabinet posts, and the presidency to multi-party competition has also shifted influence "downwards" from Jakarta to the provinces. If under the Suharto regime personnel appointments and policy decisions were determined in Jakarta by central state officials who took Golkar's victories in elections and quiescence in parliament largely

for granted, in the new era of competitive electoral politics centrifugal pressures are more strongly felt. The success of PDI-P, Golkar, and the other major parties, after all, depends on their capacity to mobilize votes around the country, and thus party machinery must be oiled and strengthened with an eye to contests ahead. Although membership of the parties' parliamentary slates is determined by party leaders in Jakarta, local party activists who can deliver blocs of votes on election day must be attended to, so as to shore up party bases in the provinces. Here again the logic of multi-party competition encourages party leaders in Jakarta to be especially attentive to the local elements of their party machinery.

The process of democratization since 1999 in Indonesia has given rise to charges and complaints of "money politics" (*politik uang*) and "political gangsterism" (*premanisme politik*) in various parts of the archipelago.¹² The pattern which has crystallized is one in which machine politicians affiliated with the various parties work together and typically in cross-party coalitions to share - and squabble over - the spoils of power in regency and province level assemblies (Dewan Perwakilan Rakyat Daerah or DPRD).¹³ Regional party branches and legislative assemblies are dominated by local powerbrokers - religious leaders (*kyai* or *ulama*), businessmen, and village headmen - or their proxies, who play critical roles in mobilizing votes, whether through clientelist, monetary, or other inducements. Overall, observers have noted a shift of influence within various political parties from prominent Jakarta intellectuals to the machine politicians, businessmen, and gangster-like figures so crucial for delivering the votes on election day.¹⁴

Meanwhile, legislation passed in May 1999 has set in motion a process of administrative and fiscal decentralization in Indonesia which has further empowered local politicians at the expense of Jakarta. The first piece of legislation, Law 22/1999 on regional government,¹⁵ shifted a broad range of powers and responsibilities from the national government to the *kabupaten* (regency) level. While the national government has retained control over foreign affairs, defence and security, monetary policy, and judicial and religious affairs, regional governments are now empowered to assume control over everything from the management of natural resources to public works, health, education, agriculture, trade and industry, labour, and cooperatives. Regional assemblies are now allowed not only to elect regional executives (*bupati* at the regency level, *walikota* at the municipal - *kotamadya* - level, and *gubernur* at the provincial level) without interference from the Ministry of Internal Affairs, but also to assign and otherwise oversee district officers (*camat*), and to appoint, transfer, dismiss, and otherwise supervise civil servants employed in their localities. With the devolution of responsibility for public works, natural resource management, health,

¹² See e.g. Simanjuntak, T., (ed.), Premanisme Politik, Jakarta: Institut Studi Arus Informasi, 2000

¹³ For an interesting and well-informed overview of trends in the election of regional executives, see: Malley, M., Democratization and Regional Political Elites, paper presented at the conference on Consolidating Indonesian Democracy, Mershon Center, Ohio State University, Columbus, Ohio, 11-12 May 2001

¹⁴ On this point, see: Hadiz, V. R., Reorganizing Power in Indonesia: National and Local Dynamics, paper presented at the conference on Consolidating Indonesian Democracy, Mershon Center, Ohio State University, Columbus, Ohio, 11-12 May 2001

¹⁵ Indonesia, Undang-Undang Republik Indonesia Nomor 22 Tahun 1999 Tentang Pemerintahan Daerah, Jakarta, 1999

education, and other realms of administration to the regional level, the legislation envisages the transfer of hundreds of thousands - if not literally millions - of civil servants to the regions and to the authority of elected local officials.

Beyond wide-ranging new powers of regulation and taxation awarded to regional assemblies under Law No. 22/1999, a second piece of legislation, Law No. 25/1999, on the fiscal balance between the central government and the regions,¹⁶ has also set in motion a process of fiscal decentralization in Indonesia. In contrast to the marked fiscal centralization of the New Order era, the new legislation envisages a division of revenues that leaves the regions with much more control over their own tax base. Regional governments, for example, receive the lion's share of revenues from property and building taxes (90 per cent) and levies on forestry, mining, and fishing (80 per cent), as well as significant portions of revenues deriving from oil (15 per cent) and gas (30 per cent) extraction. A full quarter of central government funds as determined in the annual state budget, moreover, is allocated to the regions, the vast bulk of which (90 per cent) goes to regency-level governments rather than their province-level counterparts (10 per cent).

This new legislation has set in motion a process of rapid transformation of the fundamental structures of governance in Indonesia, leading many observers to characterize the process of decentralization in highly pessimistic, if not alarmist, terms.¹⁷ Although the past two years have seen the enactment of numerous laws and regulations in support of the 1999 legislation,¹⁸ critics have pointed to countless ambiguities, loopholes, and unresolved contradictions in the new framework for administration in a decentralized Indonesia. After all, the new framework is one which strengthens the country's 300-plus regencies and cities at the expense of the provinces, but leaves open countless conflicts between regencies, between regencies and Jakarta over tax revenues, state enterprises, and natural resources.¹⁹ Meanwhile, the projected transfer of numerous government functions - and very large numbers of government personnel - from Jakarta to the regions has created all sorts of logistical problems.

In terms of the new allocation of government revenues, for example, central authorities in Jakarta have allegedly been slow to release funds to the regions,²⁰ while

¹⁸The full texts of these new laws, government regulations, and presidential decrees can be found on the joint web site of Indonesia, Departemen Dalam Negeri dan Otonomi Daerah [Department of Internal Affairs and Regional Autonomy] and the Deutsche Gesellschaft für Technische Zusammenarbeit [German Society for Technical Cooperation], *Support for Decentralization Measures* [Proyek Pendukung Pementapan Penataan Desentralisasi], http://www.gtzsfdm.or.id/laws n regulations.html

¹⁹ See, for example: Otonomi Daerah: Bencana, Solusi, Atau Berkah, Tempo, 8 April 2001

¹⁶ Indonesia, Undang-Undang Republik Indonesia Nomor 25 Tahun 1999 Tentang Perimbangan Keuangan Antara Pemerintah Pusat Dan Daerah, Pasal 6-7, Jakarta, 1999

¹⁷ See, for example: Most Regions Still Confused over Autonomy, *Jakarta Post*, 8 January 2001; Decentralisation Still a Hazy Prospect, *Straits Times*, 25 June 2001; CSIS, *Laporan Penelitian: Kemampuan Politik Lokal Untuk Pelaksanaan Otonomi Daerah*, Jakarta, 2001

²⁰ See, for example: Regions Finally to Receive Their Share of Natural Resources Revenues, *Decentralisation News* [Jakarta], 15 June 2001, p. 1

local government bodies have had difficulty in making budgetary projections based on varying interpretations of the new fiscal arrangements and insufficient information about the local tax base and incoming allotments from Jakarta.²¹ The new legislation, moreover, is said to be widening the gap between regions, as resource-rich provinces like Aceh, East Kalimantan, and Riau receive large windfalls from oil and gas exploitation, and industrializing regencies on Java enjoy large local tax bases, while resource-poor and remote hinterlands elsewhere in the archipelago have seen their budgets suddenly - and dramatically - shrink with fiscal decentralization.

Yet amidst the evident flux and confusion, the crystallization of new patterns in the exercise of state power can already be discerned. Most notable in this regard is the increasing assertiveness of provincial and regency-level politicians, especially members of local assemblies. In contrast with the Suharto era, local assemblymen now elect local executives (*gubernur* and *bupati*), oversee local government appointments, allocate funds from local budgets, and pass laws on local taxation and regulation of business.

Thus the past few years have seen the proliferation of new laws and regulations at the local level, as local governments try to assert themselves and to accumulate public revenues. In three regencies in North Sumatra, for example, researchers discovered that a variety of taxes had been imposed on rubber production, processing, and trade, as well as new levies on entertainment, advertising, parking, transportation, construction, and tourism. On top of these formal exactions, local businessmen also complained of "wild taxes" (pungutan liar or pungli) demanded by government officials.²² Elsewhere, mining and logging companies found themselves subjected to new forms of regulation and taxation by local governments, and traders likewise encountered new levies on their operations, leading some analysts to predict deleterious consequences for investment and commerce around the country.²³ Meanwhile, in regencies where Muslim parties dominate local electoral politics, local assemblies have passed new laws and regulations in support of "Islamic law", as seen in the case of Tasikmalaya, West Java, where gambling, prostitution, and the sale and consumption of alcoholic beverages are now heavily regulated if not effectively banned.²⁴ In short, the pressing tax needs of local governments, and the pecuniary interests and ideological proclivities of local politicians, have combined to promote increasing activism and interventionism on the part of local - especially regency-level - assemblies (DPRD).

Overall, the past few years have seen a dramatic shift in the organization of state power in Indonesia. From a polity in which control over state resources and regulatory powers was tightly centralized and insulated from societal pressures, Indonesia has seen the opening of state offices - and the formulation and implementation of state policies - to competition and contestation, and the devolution

²¹ See, for example: Social Monitoring and Early Response Unit, *Persiapan Desentralisasi dan Otonomi Daerah: Kasus: Kabupaten Sanggau, Kalimantan Barat, Jakarta, October 2000*

²² Usman, S., Saad, I., Febriany, V., *et al.*, *Otonomi Daerah dan Iklim Usaha*, Jakarta: Social Monitoring and Early Response Unit, 2001

²³ Decentralization of Fiscal Rules Threatens Domestic Trade, Jakarta Post, 4 April 2001

²⁴ For a celebratory account of these trends, see: Angin Segar dari Tasik: Manggusur Maksiat, Menegakkan Syariat, *Sabili*, 20 September 2000, pp. 18-23

of considerable authority to figures who are popularly elected and rooted in local interests and webs of association. To be sure, there is ample evidence of continuities, ranging from the enduring influence of Golkar at the national level to the adaptation of local elites - landowners, businessmen, gangsters, and religious leaders - to new conditions of political survival. But today Indonesia's President owes her office to her nation-wide popularity and electoral success, and considerable turnover has been observed in the elections for village headmen, members of local assemblies, and the national parliament as well. More significantly, the underlying basis for accession to and accumulation of state power has shifted from the innermost corridors of the bureaucracy - most notably the military establishment - to political parties vying for the votes of ordinary Indonesians around the archipelago. In addition, decentralization has seen the shift of a wide range of state resources and regulatory powers into the hands of local - and locally elected - officials.

As suggested above, most commentators have described this transformation in alarmist, if not apocalyptic, terms, seeing not only "disorder" and "deadlock" but "chaos" and "paralysis", and predicting a protracted economic downturn, endemic political instability and violence, as well as possible break-up of the Indonesian nation-state. Seen through this lens, the laws and regulations for decentralization are ill-designed and incoherent, local officials are insufficiently prepared and excessively predatory, and Indonesian society is inherently divided by parochial interests and prejudices, religious and ethnic conflicts, and deeply felt partisan political attachments. The result of democratization and decentralization is thus the multiplication of problems and of obstacles to their resolution.

Viewed somewhat less apocalyptically, the overarching framework for democratization and the new laws and regulations in support of decentralization have left ample room for manoeuvre, manipulation, and (mis)interpretation by various individuals and interests in Indonesian society, prefiguring conflicts between the President and parliament, between different levels of government, between rival political parties, and between local communities and the politicians who claim to represent them. Today there is no hard and fixed point of reference in the Indonesian polity, as there was for so long in the highly centralized and authoritarian Suharto era.

Against this backdrop, it is perhaps unsurprising that there has been something of a backlash in Jakarta against the diffusion and fragmentation of power. Already in 2000 there was some evidence of resistance and retrenchment in the implementation of the 1999 legislation on decentralization. Alongside foot-dragging on various administrative and fiscal fronts, perhaps most notable in this regard was the enactment in May 2000 of PP No. 25/2000 on "Government Authority and the Provincial Authority as an Autonomous Region" viewed by many observers as in contradiction with the spirit and letter of the 1999 legislation.²⁵

With the inauguration of the new administration under Megawati Soekarnoputri in July 2001, moreover, more serious movement in the direction of re-centralization has been discernible. This trend is understandable in the context of Megawati's long-

²⁵ See: Indonesia, *Government Regulation of the Republic of Indonesia, Number 25 of 2000, Concerning Government Authority and the Provincial Authority as an Autonomous Region,* 6 May 2000. An English translation of the full text can be found at http://www.gtzsfdm.or.id/laws_n_regulations.html

standing inclination in favour of a strong central state as well as her close alliance with elements of the Jakarta bureaucratic, business, and military elite. Thus the past few months have seen high-ranking ministers issue statements indicating their intention to curb or reverse the proliferation of new taxes and regulations legislated by local assemblies around the country.²⁶ In recent weeks, moreover, the administration has made clear its intention to revise and amend the 1999 legislation on regional autonomy.²⁷ In this context, the months and years ahead are likely to see attempts by Jakarta to reassert and reimpose its authority vis-à-vis the regency and province level politicians and assemblies who have become so vocal and active in recent years. This backlash is certain to run up against recalcitrant local politicians and assemblies, and to provoke new forms of resistance as well.

4. Trouble Spots: Communal Violence

While the aforementioned pattern of loose coalition-building among machine politicians from various parties has been observed in many localities throughout the archipelago, the processes of democratization and decentralization have provided the backdrop to communal conflict in certain areas of Indonesia. In a country where access to state office, power, and patronage has long been organized along religious (and, to a lesser extent, ethnic) lines, it could hardly be otherwise under conditions of expanding electoral competition and shifting boundaries and jurisdictions. In particular, the clashes between Christian and Muslim gangs in Ambon in early 1999 escalated into broader communal violence in subsequent months and spread to many parts of Maluku and the new province of Maluku Utara (North Maluku) in 2000 and 2001. Meanwhile, the past two years have also seen episodes of violence between Christians and Muslims in the regency of Poso, Central Sulawesi, and between Dayaks and Madurese in Central and South Kalimantan. In all cases, communal violence has led to considerable damage, loss of life, and population displacement crises in these troubled pockets of the Indonesian archipelago.

4.1. Maluku and Maluku Utara

As discussed in a previous report,²⁸ sporadic violence between groups of Christians and Muslims in Ambon and other islands of Maluku in 1999 claimed hundreds of lives and fuelled considerable fears of further religious conflict elsewhere in Indonesia. The background to this conflict was a society strictly segmented along religious lines into separate communities, and organized into rival Christian and Muslim networks of state patronage linking government officials, businessmen, gangsters, and local politicians from villages around Maluku to regency towns, the provincial capital, and Jakarta. Shifts in population and in state policy in the 1990s began to favour Muslim forces in Maluku at the expense of Christians, and anticipation of more open electoral competition in 1998-1999 prefigured mobilization

²⁶ See, for example: Memperindag Rini Suwandi: Pelaksanaan Otonomi Daerah Tingkatkan Ekonomi Biaya Tinggi, Kompas, 2 September 2001; Mendagri Janji Revisi Perda Bermasalah, Kompas, 7 September 2001

²⁷ See, for example: Plan to Revise Regional Autonomy Law Criticized, *Jakarta Post*, 18 October 2001; Regents Tell Government to Delay Revision of Autonomy Laws, *Jakarta Post*, 25 October 2001

²⁸ Sidel, J. T., *Indonesia Update: Trends Toward Consolidation, Threats of Disintegration (January-December 1999)*, WRITENET for UNHCR/CDR, December 1999 (UNHCR REFWORLD Databases)

along religious lines that spilled over from politics, business, and criminal rackets into broader communal violence, spreading from Ambon City to villages scattered around the Moluccan archipelago. Gang warfare in Ambon City in January 1999 spread to other parts of Ambon island in subsequent months, and to localities in other islands in Maluku.²⁹

As with the original conflict in Ambon City in January 1999, uncertainty and instability with regard to existing boundaries of power - administrative, business, and criminal - worked to encourage mobilization and violence along religious lines in many parts of Maluku. The establishment of new districts (*kecamatan*), regencies (*kabupaten*), and even a new province of Maluku Utara (North Maluku) created redrawn boundaries and thus new local Christian and Muslim minorities, who against the backdrop of the violence in Ambon felt endangered and impelled to defend themselves, even to the point of launching pre-emptive attacks against their perceived enemies. Thus 1999 and 2000 saw the spread of communal violence to remote island villages around the archipelago of Maluku, with Christian-Muslim violence encouraged by the efforts of local politicians competing for newly available positions of power, and partisan interventions by various police and military units among the 17 TNI battalions stationed in Maluku.³⁰

By early 2000, communal violence had created an extremely serious internal displacement crisis in Indonesia. In the face of the violence, almost 100,000 people fled from Maluku to Sulawesi Tenggara (Southeast Sulawesi), the vast majority of them reportedly Butonese immigrants to Maluku who returned to Buton Island. Meanwhile, by this time some 20,000 had fled Maluku Utara for the safety of nearby Sulawesi Utara (North Sulawesi). At the same time, the polarization and segregation accompanying and ensuing from the violence left even higher numbers internally displaced within Maluku and Maluku Utara, as Christians fled predominantly Muslim areas and Muslims abandoned their homes and properties in predominantly Christian areas, whether in the face of violence and intimidation or in anticipation of the same. Within Maluku, those displaced by this process reportedly numbered as many as 140,000 by early 2000, with another 100,000 internally displaced persons estimated in Maluku Utara.³¹ Estimates of the casualties from countless incidents of violence in Maluku and Maluku Utara ranged in the thousands. By any measure, the humanitarian crisis in these provinces had reached major proportions.³²

By early 2000, moreover, forces outside Maluku and Maluku Utara began to intervene directly in the conflict. In mosques and religious schools in Jakarta and

²⁹ See: Van Klinken, G., The Maluku Wars: Bringing Society Back In, *Indonesia*, No. 71, April 2001, pp. 1-26

³⁰ See: Tomagola, T. A., The Bleeding Halmahera of North Moluccas, in Törnquist, O., (ed.), *Political Violence: Indonesia and India in Comparative Perspective*, Oslo: University of Oslo Centre for Development and the Environment, 2000, pp. 21-33; Tomagola, T. A., Tragedi Maluku Utara, paper presented at the Percik Seminar on Dinamika Politik Lokal di Indonesia, Yogyakarta, 3 July 2000; S. Alhadar, The Forgotten War in North Maluku, *Inside Indonesia*, No. 63, July - September 2000

³¹ Indonesia, *The Maluku Crisis: Report of the Joint Assessment Mission [of the] Government of the Republic of Indonesia and International Agencies*, Jakarta, 6 February 2000, pp. 7-8

³² See, for example: Maluku Darurat, Maluku Kian Gawat, *Tempo*, 16 July 2000

elsewhere in Indonesia, some Islamic leaders called on Muslims to defend their coreligionists in Maluku. Indeed, early 2000 saw the emergence of a shadowy group known as Laskar Jihad, with training camps in West and Central Java and a force of fighters numbering several thousand militants, some of whom were reportedly sent into Maluku and Maluku Utara with military connivance by this time.³³ Meanwhile, a much less visible process of enlisting financial and logistical support was under way in the Christian community, involving Protestant gangsters, businessmen, active and retired military officers, and PDI-P politicians in Maluku and their Christian patrons among the business, political and military establishment in Jakarta.

Against this backdrop of continued conflict, the then President, Abdurrahman Wahid, declared a state of emergency in Maluku and Maluku Utara in late June 2000. While this proclamation transferred emergency powers to the two provincial governors, the move worked to expand military and police involvement in the two provinces, as seen in the imposition of curfews and restrictions on movement, and the importation of additional battalions of army troops. Yet neither military intervention nor civilian "conflict resolution" efforts succeeded in reversing the pattern of Christian-Muslim segregation or preventing the recurrence of scattered incidents of violence.³⁴

Indeed, while 2001 has not vet witnessed violence in Maluku or Maluku Utara on the scale observed in 1999 and 2000, segregation along Christian-Muslim lines and tension between the two communities remain the predominant pattern. Localities throughout the two provinces now feature local groups ready for armed mobilization and connected through an interlocking directorate with local politicians, bureaucrats, businessmen, criminal networks, and retired and active police and military personnel divided along religious lines. With the rise to the presidency of Megawati Soekarnoputri in Jakarta, the past few months have seen the apparent violent removal of Laskar Jihad elements from Maluku and Maluku Utara and the strengthening of protection for Christians in the two provinces, many of whom are affiliated with the now ruling PDI-P. But the numbers of internally displaced alone may run as high as 330,000, with tens of thousands more left in areas of North and Southeast Sulawesi.³⁵ Given the segregation of the population effected in 1999-2000, the large numbers of internally displaced, the ubiquitous availability of firearms and other weapons, and the reorganization of Christian and Muslim communities as camps prepared for future battles, it is most likely that incidents of violence will recur in the months and years ahead, especially with the approach of the 2004 elections.

4.2. Poso

While fears that warfare between Christians and Muslims would spread from Maluku to many parts of the Indonesian archipelago have proved to be largely mistaken, some other instances of inter-religious violence have occurred over the past two years. Most

³³ For preliminary research findings on Laskar Jihad, see: Hasan, N., Between Faith and Politics: The Rise of the Laskar Jihad in the Political Arena of Indonesia, paper presented at the Third Euroseas Conference, School of Oriental and African Studies, London, 6-8 September 2001

³⁴ For pessimistic assessments, see: International Crisis Group, *Indonesia: Overcoming Murder and haos in Maluku*, Jakarta; Brussels, 29 December 2000; Rekonsiliasi Langgur: Dari Satu Ikan dan Telur, *Tempo*, 25 March 2001

³⁵ See: Saleh Latuconsina: 'Kuncinya, Semua Pihak Harus Saling Memaafkan', *Tempo Interaktif*, 11 October 2001

notable in this regard is the case of Poso, in Central Sulawesi, where communal violence took place in April-June 2000 and on subsequent occasions in 2001 as well. As in Maluku and Maluku Utara, it is clear that local competition for influence in the town between rival business, criminal, and political groups is part of the story, against the backdrop of demographics leaving both Christian and Muslim communities feeling vulnerable in the face of considerable political change and uncertainty.³⁶

While incidents of violence between Christians and Muslims in Poso occurred as early as December 1998, it was only in April 2000 that a full-blown conflict began to unfold, with large numbers of casualties and refugees displaced by inter-religious fighting. Reports suggest that the violence began as a fight between rival youth gangs, which grew into Christian-Muslim rioting, leading to the destruction of many residences, houses of worship, and other buildings in Poso, as well as the flight of hundreds if not thousands of local residents. Additional incidents of violence occurred in subsequent weeks, with participants taking revenge for past indignities. Finally, on 28 May, a group of men armed with home-made guns and machetes attacked an Islamic boarding school in the town, Pondok Pesantren Wali Songo, and a mosque where local residents had taken shelter. Local authorities claim that 98 people were murdered in the attack, but residents and other observers argue that losses of dozens more victims' lives went unrecorded.³⁷

Alongside the one hundred-plus direct victims of the mass killings in Poso were hundreds, if not thousands, more residents who lost their homes and suffered various forms of hardship, indignity and trauma due to the violence. As many as 4,000 homes were burnt down in April, May, and June 2000, and by the end of June an estimated 30,000 individuals had become displaced through the violence and fears of its spread or recurrence. Continuing tension and recurring incidents of violence have prevented the resettlement of these forced migrants and others joining their numbers in their original homes, with estimates of internally displaced persons growing from 43,000 at the end of July 2000 to over 90,000, perhaps inflated by officials eager to attract and pocket relief funds but nonetheless indicative of a still very serious problem.³⁸

4.3. Central and South Kalimantan

Meanwhile, communal violence between groups of Dayaks and Madurese in the towns of Sampit and Palangkaraya, Central Kalimantan, in early 2001 demonstrated the possibility for conflict along ethnic, rather than religious, lines in Indonesia. As

³⁶ For background on inter-religious tensions and violence in Poso, see: Aragon, L.V., *Fields of the Lord: Animism, Christian Minorities, and State Development in Indonesia*, Honolulu: University of Hawaii Press, 2000; Schrauwers, A., *Colonial "Reformation" in the Highlands of Central Sulawesi, Indonesia, 1892-1995*, Toronto: University of Toronto Press, 2000

³⁷ For different accounts of the violence, see: Bloodbath, *Far Eastern Economic Review*, 6 July 2000; Alliance of Independent Journalists and Internews Indonesia, *Crisis in Poso: A Rapid Response Media Assessment in Central Sulawesi*, Jakarta, 28 July 2000; Tim Media ISNET, *Koleksi Artikel Poso*, 2000, www.media.isnet.org [accessed August 2000]

³⁸ See: Poso Riots Reignite, Jakarta Post, 6 April 2001; Army Arrest Gunmen in Poso, Jakarta Post, 28 June 2001; Violence Affects Projects in Indonesia, World Vision News [Singapore], 13 July 2001; 800 Keluarga Pengungsi Poso Transmigrasi ke Donggala, Kompas, 12 October 2001; United Nations, Office for the Coordination of Humanitarian Affairs, Central Sulawesi: General Situation, Indonesia - OCHA Consolidated Situation Report, No. 46, Jakarta, October 2001

noted in the previous report, clashes between groups of Dayaks and Madurese in West Kalimantan in January 1997 and March 1999 had left hundreds of casualties and led to a displacement crisis as entire Madurese communities fled the province. Commentators linked the violence to growing economic competition and rising political tensions between the local Dayak population and the immigrant Madurese minority, and suggested a root cause in the government's *transmigrasi* programme, which brought settlers from Java and Madura to many other Outer Island provinces as well. The Madurese who dominated the ranks of the victims of the violence and dislocations in West Kalimantan represented a small minority in the province, as elsewhere in Kalimantan, but had come to occupy a prominent position in the local economy, as small-scale traders, bus company operators, and labourers on logging concessions and plantations.³⁹

In the case of the violence in Central Kalimantan in February 2001, these combined elements were also in evidence. As in Maluku, Maluku Utara, and Poso, uncertainty and instability with regard to local boundaries of state and economic power also provided local politicians with a sense of increasing urgency. In particular, observers have claimed that an impending reshuffle in the ranks of the local government in Kotawaringin Timur led the head of a local forestry unit and his allies to mobilize supporters in Sampit, the capital of Kotawaringin Timur regency, the largest timber port in the forest-rich province and a town known for its large concentration of Madurese migrants.⁴⁰ Combined with rivalry between local gangs over illegal rackets in Kotawaringin Timur,⁴¹ this impending shift in the distribution of local power and patronage helped to precipitate a violent attack on the Madurese community in the town by Dayak gangs in late February. The attack led to the massacre of hundreds of Madurese residents and the burning of entire Madurese neighbourhoods.⁴² Attacks elsewhere in Central Kalimantan followed in short order, most notably in Palangkaraya, the provincial capital.

By the end of the month, hundreds of Madurese deaths had been recorded, and tens of thousands of Madurese had become victims of forced displacement.⁴³ Madurese communities as far away as Kualakapuas, in South Kalimantan, likewise fled their homes out of fear of impending Dayak attacks.⁴⁴ By April 2001, violence was reported as far away as the town of Pangkalanbun, home to many Madurese migrants, some 570 km from Kualakapuas.⁴⁵ The government in Jakarta sent in hundreds of army troops as well as ships to transport thousands of displaced Madurese to the capital of East Java, Surabaya, a short ferry ride from the island of Madura.⁴⁶ Overall,

³⁹ Petebang, E. and Sutrisno, E., *Konflik Etnik di Sambas*, Jakarta: Institut Studi Arus Informasi, 2000

⁴⁰ See, for example: Padam Sesaat, Membara Selamanya, *Tempo*, 11 March 2001

⁴¹ On an earlier incident of violence in a village of Kotawaringin Timur, see: Kereng Pangi Rusuh: Satu Tewas, Belasan Rumah Dibakar Massa, *Banjarmasin Post*, 17 December 2000

⁴² 200 Korban Dikubur Massal, *Banjarmasin Post*, 24 February 2001

⁴³ 20,000 Pengungsi Terkurung di Sampit, Kompas, 24 February 2001

⁴⁴ Kualakapuas: Bara di Kota Air, Tempo, 1 April 2001

⁴⁵ Pangkalanbun: Bawalah Dukun ke Perundingan, *Tempo*, 15 April 2001

⁴⁶ United Nations, Office for the Coordination of Humanitarian Affairs, OCHA Situation Report on Central Kalimantan, No. 3, Jakarta, 2 March 2001

tens of thousands of Madurese residents of Central and South Kalimantan were displaced by the violence and compelled to flee their homes, whether to more secure locations elsewhere in Kalimantan or as far as Madura.

As in Maluku, Maluku Utara, and Poso, the violence in Central and South Kalimantan demonstrated how the processes of democratization and decentralization could encourage violent mobilization along communal lines in Indonesia. In Sampit as elsewhere, real and anticipated shifts in the local distribution of state power and patronage clearly played a role in encouraging violence as a means for local politicians to assert authority and to intimidate and weaken rivals. In Central Kalimantan as elsewhere, observers noted the key role of prominent figures and groups in encouraging not just "unity" among members of a given ethnic or religious group, but also resentment against the perceived intrusions and injustices allegedly perpetrated by "outsiders" and "others". Thus the calls for Jihad in Maluku have had their counterparts in the Lembaga Musyawarah Masyarakat Dayak dan Daerah Kalimantan Tengah (LMMDDKT) which has worked to assert a shared identity among disparate "Dayak" communities divided by language, customs, and religious faith.⁴⁷

Thus the outlook for the months and years ahead remains uncertain with regard to the possibility of recurring communal violence in various parts of Indonesia. Alarmist predictions of widespread "primordial conflict" in the ethnically and religiously diverse archipelago have been disproved, and incidents of violence have largely been contained to the three cases cited above. Yet inter-religious and inter-ethnic violence has claimed thousands of lives in the past two years and created hundreds of thousands of internally displaced in the country. In localities where political uncertainties combine with precarious demographic balances between rival patronage networks divided along religious and/or ethnic lines, the outbreak - or recurrence - of collective violence along communal lines will thus remain a distinct possibility, especially as the 2004 elections approach.

5. Trouble Spots: Separatist Mobilization

Aside from such areas of communal violence as Maluku and Central Kalimantan, the past two years have witnessed a prolongation, if not exacerbation, of conflict between the TNI and forces demanding autonomy or independence in various parts of the archipelago. Indeed, the August 1999 referendum which led to independence for East Timor was viewed - with varying degrees of alarm and anticipation - as offering a possible model for "separatist" or "nationalist" ambitions elsewhere in Indonesia. Thus 1999 and 2000 saw unprecedented forms of mobilization in support of demands for autonomy or independence in such provinces as Aceh and Irian Jaya. Yet the same period also witnessed growing signs of a backlash from Jakarta, in the form of harsh military repression and counterinsurgency campaigns stepped up against both separatist movements in these provinces.

⁴⁷ On the role in the violence of the LMMDD-KT and its leader, Professor H.K.M.A. Usop, the failed PDI-P candidate for the governorship of Central Kalimantan in 2000, see: Mencari Biang Huru-hara, *Tempo*, 6 May 2001; International Crisis Group, *Communal Violence in Indonesia: Lessons From Kalimantan*, Jakarta; Brussels, 27 June 2001

5.1. Timor

The potential for such a backlash was already suggested by the pattern of Indonesian military resistance mounted against the United Nations-supervised referendum in August 1999 in East Timor. Indonesian military-backed militia groups not only waged a campaign of intimidation and violence in the months leading up to the referendum, but also escalated their activities into full-blown armed attacks on pro-independence forces in the wake of the overwhelming vote against continued inclusion in Indonesia. Resentment by the Indonesian Armed Forces leadership against the Habibie administration for initiating the process leading up to the referendum played a role in the withdrawal of military support for B. J. Habibie and Golkar in the 1999 elections, foreshadowing the possibility of significant civilian-military friction - and military subversion of civilian policies - in subsequent years.

Another legacy of the referendum in East Timor was the forcible relocation of more than 250,000 people, at least a quarter of East Timor's population, to West Timor in the immediate aftermath of the August 1999 referendum. Compelled to flee or forced onto convoys by pro-Indonesia militias and their Indonesian military mentors, entire villages were driven out of East Timor and resettled in militia-controlled camps in West Timor. These refugees were kept under conditions of tight control, surveillance, and intimidation in subsequent months. A voluntary repatriation programme was organized by the United Nations High Commission for Refugees (UNHCR), but this program was repeatedly disrupted by the militias, who harassed, threatened, and in fact violently attacked UNHCR staff as well as refugees in the camps who indicated their desire to be repatriated. This programme was suspended in September 2000 after three members of UNHCR staff were killed by militia members in Atambua, West Timor. The UNHCR and other international agencies withdrew their representatives from the camps at this juncture.⁴⁸

The past year has seen the return of some of the refugees to East Timor, as a result of negotiations between the emerging national leadership in East Timor and pro-Indonesia militia leaders and their sponsors in Indonesia. In April 2001, the Indonesian government agreed to complete the refugee repatriation programme and promised to disarm and disband the militias and to protect the refugees in the camps in West Timor. Yet the registration process initiated in June 2001 by the Indonesian Government produced claims by the Indonesian authorities that only two per cent of the refugees had requested repatriation to East Timor. International agencies rejected these claims as lacking in credibility, citing the prominent role of militia members in the registration and other constraints on free choice among the refugee population.

With the change of government in Jakarta in late July 2001 and the first national election in East Timor the following month, there was some movement on the issue of possible repatriation of refugees from West Timor. In October 2001, a prominent militia leader implicated in the 1999 violence in East Timor, Nemecio Lopes de Carvalho, returned to East Timor with a convoy of trucks filled with some 300 refugees, and Carvalho's brother plus 500 more refugees are expected to follow.⁴⁹ But

⁴⁸ Human Rights Watch, Unfinished Business: Justice for East Timor, New York, August 2000

⁴⁹ Associated Press, Senior Militia Commander Returns to East Timor to Face Justice, 17 October 2001

even those refugees allowed to return to East Timor faced harassment, intimidation, and extortion from militia members operating with Indonesian military and police connivance and support.⁵⁰ Moreover, humanitarian groups who have operated in West Timor have estimated that some 50,000 to 80,000 refugees remain in camps around Kupang, Betun, and Atambua. With the new government in Jakarta closely linked to the militias and embittered against the East Timorese national leadership and international agencies for the loss of the territory in 1999, it is to be expected that resistance and foot-dragging will continue to impede the repatriation of the tens of thousands of East Timorese refugees still confined in the camps in West Timor.⁵¹

5.2. Aceh

Meanwhile, as suggested in the previous report, trends in the direction of protracted conflict and violence in Aceh were in evidence from the inception of the Wahid administration in late 1999. In Aceh, popular demonstrations in support of a referendum on independence had drawn hundreds of thousands of protesters to the streets and roads of the province in late 1999, revealing that the desire for "Aceh Merdeka" went far beyond the small armed insurgency led by GAM (Gerakan Aceh Merdeka - Free Aceh Movement) since 1976. In Jakarta, President Wahid indicated his openness to compromise in general and to the possibility of a referendum in particular. But prominent military officers, both active and retired, voiced strong opposition to such a proposal, and recommendations by a special parliamentary committee on Aceh that military abuses in the province be investigated were likewise discarded in the face of strong resistance from the TNI.⁵²

Against this backdrop of political stalemate, the possibilities for a continuation and escalation of violence in Aceh were considerable. In mid-2000, negotiations brokered by the Geneva-based conflict resolution group, the Henry Dunant Centre for Humanitarian Dialogue, led to the declaration of a "humanitarian pause", which was subsequently renewed and extended. Yet the results were limited: although some observers noted a decline in violence in the summer of 2000, violations of the ceasefire by both sides gradually increased in subsequent months.⁵³

In March 2001, moreover, military officials in Jakarta announced the launching of a new campaign against GAM in Aceh.⁵⁴ This announcement was made against the backdrop of news that Exxon Mobil was closing three of its gas fields in North Aceh in response to attacks on its workers and demands for protection money by GAM. Citing the need to protect Exxon Mobil and facilitate the resumption of operations in Aceh, the TNI began to introduce thousands of new troops into the province. In April,

⁵⁰ Amnesty International, Urgent Action: East Timorese Refugees Attempting to Return from Indonesia, London: Amnesty International, 13 September 2001

⁵¹ See: Jesuit Relief Services, *West Timor Alert: Refugees Await Election Outcome*, JRS Alerts, 29 August 2001; TNI/Polri Awasi Aksi Demo Ribuan Pengungsi Timtim, *Republika*, 26 October 2001

⁵² See: International Crisis Group, *Aceh: Why Military Force Won't Bring Lasting Peace*, Jakarta; Brussels, 12 June 2001

⁵³ For local accounts of the situation in Aceh in 2000, see: Ishak, O. S., *Dari Maaf Ke Panik Aceh: Sebuah Setsa Sosiologi-Politik*, Jakarta: LSPP, 2000; Rahmany P., D., *Rumoh Geudong: Tanda Luka Orang Aceh*, Jakarta: LSPP, 2001

⁵⁴ Dengan Senjata Merebut Hati Aceh, *Tempo*, 1 April 2001

President Wahid, capitulating to strong military pressure, issued a presidential instruction in support of an "Operation for the Restoration of Security and Upholding the Law" (Operasi Pemulihan Keamanan dan Penegakan Hukum - OKPH).⁵⁵ The expansion of GAM presence and operations to new areas of Aceh in the preceding months was now fairly matched by a province-wide counterinsurgency campaign by the TNI. By early June, media and human rights reports indicated that violence had claimed the lives of hundreds of Acehnese civilians, with thousands more losing their homes in the process.⁵⁶

Abuses both by GAM and by the TNI have been convincingly documented, including torture, disappearances and extrajudicial executions by the military of suspected GAM supporters. While GAM abuses have included executions of suspected military informers (*cuak*) and forced expulsions of Javanese migrants from Aceh, Indonesian military retribution against GAM operations has included such atrocities as massacres and burnings of entire villages, leading to the displacement of thousands of local residents. As early as June 2001, humanitarian groups reported that those displaced within Aceh itself numbered almost 40,000, while the number of Acehnese refugees in North Sumatra had swelled to more than 10,000, mostly in the urban centres of Medan and Langkat.⁵⁷ Meanwhile, harsh military repression has taken its toll on civic groups engaged in non-violent forms of political mobilization in Aceh, with harassment, intimidation, and death threats driving many human rights and proreferendum activists underground or overseas.

The inauguration of Megawati Soekarnoputri as the new president in late July 2001 has apparently hardened Jakarta's resolve and solidified national civilian support for the military campaign in Aceh.⁵⁸ In August, the new president signed a law creating a Special Region of Nanggroe Aceh Darussalam, but the terms of the special autonomy granted to the province fell far short of popular demand in Aceh.⁵⁹ September 2001 saw a marked escalation of violence in the province, including killings of prominent civilians - a member of the regional assembly, the rector of a local university - and other cases of abductions, extrajudicial killings, and fighting between GAM and the TNI.⁶⁰ While Exxon Mobil has resumed operation of its gas fields in Aceh,⁶¹ there is no sign of the promised "restoration of security and upholding the law" in the

⁵⁵ Sebuah Inpres Yang Ragu-Ragu, Tempo, 22 April 2001

⁵⁶ Human Rights Watch, Indonesia: The War in Aceh, New York, August 2001

⁵⁷ McCulloch, L., Aceh Will Not Lie Down, Inside Indonesia, April-June 2001

⁵⁸ Aceh Terus Bergolak, Mega Bertindak (1): Bara Tak Kunung Reda, (2): Setitik Harapan di Tanah Rencong, and, Hasballah M Saad: Makin Dikerasi GAM Makin Subur, *Detik*, 23 August 2001

⁵⁹ See: Indonesia, Undang-Undang Republik Indonesia Nomor 18 Tahun 2001 Tentang Otonomi Khusus bagi Provinsi Daerah Istimewa Aceh Sebagai Provinsi Nanggroe Aceh Darussalam, Jakarta, 9 August 2001. See also: International Crisis Group, Aceh: Can Autonomy Stem The Conflict?, Jakarta; Brussels, 27 June 2001

⁶⁰ See: for example, Anggota DPRD Aceh Ditembak Mati, *Kompas*, 2 September 2001; Enam Kepala Desa Hilang di Aceh, *Kompas*, 6 September 2001; Rektor Universitas Syiah Kuala Ditembak Mati, *Kompas*, 7 September 2001; Kolakops Minta Rakyat Tak Terprovokasi, *Serambi*, 12 September 2001; Aktivitas Masyarakat di Aceh Tengah Mulai Normal, *Waspada*, 13 September 2001; Bom Meledak di DPRD Aceh Utara, *Kompas*, 18 September 2001

⁶¹ Tiga Batalyon Tentara Amankan ExxonMobil, Kompas, 26 September 2001

troubled province. The conflict has led to the deaths of hundreds, indeed thousands, of civilians in Aceh over the past two years, and thousands more displaced from their homes and their lives. In the first eight months of 2001 alone, more than five hundred civilian deaths have been recorded,⁶² and recent months have likewise seen a rising number of victims of forced migration inside and outside Aceh.⁶³ According to Oxfam, there were more than 10,000 internally displaced persons within Aceh as of late October 2001.⁶⁴ With escalating violence between GAM and the TNI and weak prospects of lasting political settlement on the horizon, conditions for the people of Aceh are unlikely to improve in the months ahead.

5.3. Papua

Meanwhile, the past two years have seen analogous trends unfold in Indonesia's easternmost province of Irian Jaya (now renamed Papua), where aspirations for an independent Papua have been in evidence since the controversial incorporation of the territory into Indonesia in the 1960s. Unlike Aceh, which played an active role in the *revolusi* leading to Indonesian independence at the end of 1949, the territory formerly known as West New Guinea remained in Dutch hands until 1963, when a combination of Indonesian military incursions and international pressures led to a transfer of control to Indonesia authority under United Nations auspices. The incorporation of the territory into Indonesia was only ratified by an "Act of Free Choice" in Jakarta in 1969 involving some 1,025 Indonesia-appointed delegates, with popular sentiment in what became Irian Jaya clearly far less supportive of this outcome.⁶⁵ Indeed, as in Aceh, an armed independence movement - Organisasi Papua Merdeka (OPM - Free Papua Organization) - emerged in the Suharto era and survived in the face of the Indonesian military's counterinsurgency operations, albeit with far less solidity, armed strength, and success than mustered by GAM.⁶⁶

Thus, as in Aceh, the inauguration of Abdurrahman Wahid as Indonesia's fourth president in October 1999 took place against the backdrop of rising demands for Papuan independence. As in Aceh, political liberalization during the Habibie interlude from mid-1998 through October 1999 had allowed for new forms of political expression in Irian Jaya, including public protests against military abuses and popular demands for independence for the territory. As in Aceh, moreover, unprecedented demonstrations for independence were held in Irian Jaya in the final months of 1999, with the new president, Abdurrahman Wahid, making conciliatory gestures that raised expectations of a change in national government policy, most notably his

⁶² Pemerintah Serius Selesaikan Masalah Aceh Dengan Dialog, Kompas, 23 August 2001

⁶³ See, for example: 350 KK Warga Aceh Timur Mengungsi, *Waspada*, 10 October 2001

⁶⁴ United Nations, Office for the Coordination of Humanitarian Affairs, *Aceh (Nanggroe Aceh Darussalam): IDPs*, Indonesia-OCHA Consolidated Situation Report, No. 47, Jakarta, October 2001

⁶⁵ For more on this historical backdrop, see: Saltford, J., Irian Jaya: United Nations Involvement with the Act of Self-Determination in West Irian (Indonesian West New Guinea) 1968 to 1969, *Indonesia*, No. 69, April 2000, pp. 71-92; and Markin, T.C., The West Irian Dispute: How the Kennedy Administration Resolved That 'Other' Southeast Asian Conflict, Ph.D. dissertation, Johns Hopkins University, 1996

⁶⁶ Osbourne, R., *Indonesia's Secret War: The Guerrilla Struggle in Irian Jaya*, Sydney: Allen and Unwin, 1985

announcement that the province would be renamed "West Papua" in accordance with popular sentiment and usage in the territory.⁶⁷

These trends culminated in the convening of a "great consultation" (*musyawarah besar*) in February 2000. The meeting was facilitated by the Wahid administration and attended by representatives from the entire province. A Papuan Council Presidium (Presidium Dewan Papua) was created and a Papuan congress was held in May-June of the same year, attracting delegates from around the province as well as representatives of Papuan communities in Papua New Guinea, Jakarta, and elsewhere. In the event, the congress endorsed a resolution proclaiming the illegitimacy of Irian Jaya's incorporation as a province of Indonesia and demanding recognition of an independent West Papua in its stead.

This outcome marked a point of clear divergence between the Wahid administration in Jakarta and pro-independence forces in Irian Jaya (as the province remained in name following the Indonesian parliament's refusal to endorse the proposed change to West Papua or Papua Barat). In towns and cities throughout Irian Jaya, proindependence groups formed militia forces called *satuan tugas Papua* (Papuan task forces), built *posko* or command posts, and raised the Morning Star flag long associated with demands for an independent West Papua.⁶⁸

Yet by October 2000, the authorities in Jakarta had mobilized a harsh backlash against these acts of defiance in Irian Jaya.⁶⁹ As in Aceh, the TNI leadership had introduced new troops into the territory, and by this time they were ready for action. In October, military and police forces began to attack posko, violently dispersing and in some cases detaining - local residents and destroying flags and other fixtures indicating support for Papuan independence. In some locations, the popular reaction to such actions led to large protests, most notably in the area of Wamena, which saw an attack on a non-Papuan migrant neighbourhood, where troops installed in houses were firing on the crowd of protesters. In subsequent weeks, thousands of non-Papuans fled the area, fearing popular violence against migrants, whose numbers in the preceding decades had grown to constitute an estimated 30 per cent of the population of the province, and had occupied key middleman roles in the local economy.⁷⁰ The violence in Wamena was followed by an incident in Abepura in December 2000, in which the security forces responded to an attack on a police post and the killing of two policemen by rounding up students and other local residents. Three students were killed and more than 100 suspects were detained and suffered beatings and torture at the hands of the police.⁷¹

⁶⁷ Human Rights Watch, *Human Rights and Pro-Independence Actions in Papua, 1999-2000*, New York, May 2000

⁶⁸ On these trends, see: Papua: skenario Timor Timur di Papua, *Tempo*, 18 June 2000; Papua Merdeka: Meredam Papua dengan Janji, *Tempo*, 16 July 2000

⁶⁹ For information on a Ministry of Internal Affairs policy document on Irian Jaya dated June 2000, see: Chauvel, R., The Backlash: Jakarta's Secret Strategy to Deal with Papuan Nationalism, *Inside Indonesia*, July - September 2001

⁷⁰ See: Suara Pengungsi Wamena: Biar Dibangun Seperti Surga, Kami Tetap Trauma, Kompas, 24 October 2000

⁷¹ These events are detailed in Human Rights Watch, *Violence and Political Impasse in Papua*, New York, July 2001

Subsequent months saw a broader crackdown on expressions of pro-independence sentiment in Irian Jaya. Security forces have conducted periodic attacks on community centres, *posko*, demonstrations, and flag-raising ceremonies. In July 2001, for example, following an armed attack that left five policemen dead, government security forces conducted "sweeping" operations in the villages of the Wasior subdistrict of Manokwari, which led to several casualties and forced some five thousand local residents to flee their homes.⁷² Aside from these internal dislocations, refugees also reportedly began flowing across the border into neighbouring Papua New Guinea (PNG) in the aftermath of the violence in Wamena in late 2000.⁷³

Thus the current situation suggests the possibility of continuing violence in Irian Jaya, with resulting hardships for the population of the province. Most notable in this regard are the human rights abuses, violence, and social dislocations caused by government "sweeping" operations and the intensifying conflicts between proindependence and pro-Indonesian forces as well as between indigenous Papuans and recent migrants from other parts of Indonesia. On the one hand, the national government in Jakarta appears to have indicated its willingness to increase the flow of state largesse to Irian Jaya, and to compromise on issues of fiscal and symbolic importance. Most recently, the DPR has passed a law providing special autonomy for the province, devolving considerable powers - and 70 per cent of revenues from natural resource extraction - to a special bicameral provincial assembly, and belatedly renaming the province as Papua.⁷⁴ On the other hand, the free hand granted to the security forces in the repression of pro-independence tendencies is certain to encourage abuses and consequent resentment on the part of Papuans, thus strengthening popular support for independence. With pro-independence leaders rejecting the special autonomy package and security forces continuing their "sweeping" operations in the province, there is therefore little evidence as yet that the end of the conflict in Papua is in sight.⁷⁵ While compared to the crises in Maluku and Aceh, for example, conditions in Papua do not appear acute, thousands of Papuans have been displaced by the conflict, whether internally or across the border in Papua New Guinea.⁷⁶

6. Conclusions

In short, the past two years have seen the crystallization of two countervailing trends in Indonesian politics. On the one hand, democratization and decentralization have

⁷² Lembaga Studi dan Advokasi Hak Asasi Manusia (ELSHAM), Urgent Action for Wasior: Impact of Sweepings and Clampdown in Wasior, Manokwari, West Papua, Jayapura, 16 July 2001. See also: Villagers Flee Wave of Beatings and Arrests, Sydney Morning Herald, 20 July 2001

⁷³ See: International Crisis Group, *Indonesia: Ending Repression in Irian Jaya*, Jakarta; Brussels, 20 September 2001, p. 8

⁷⁴ On the autonomy package and its acceptability to various parties, see: Jalan Tengah yang Terengah, *Tempo*, 13 May 2001; RUU Otonomi Khusus Papua Disahkan, *Kompas*, 15 September 2001; Papua Bill Endorsed in Flurry Before Recess, *Jakarta Post*, 23 October 2001

⁷⁵ For an account of recent police behavior in the province, see: Lembaga Studi dan Advokasi Hak Asasi Manusia (ELSHAM), Polisi Larang ELS-HAM Kunjungi Korban Insiden Sarmi, 3 September 2001

⁷⁶ Irianese Refugees Told to Return Home, *Jakarta Post*, 18 October 2001

led to the fragmentation and diffusion of power in a polity long characterized by centralized authoritarian rule. On the other hand, a backlash in Jakarta has emerged in response to this process, with the civilian and military leadership under the new president, Megawati Soekarnoputri, aiming to reconsolidate power both in Jakarta and throughout the archipelago.

In most of the Indonesian archipelago, the processes of democratization and decentralization have unfolded without the forms of violence, hardship, and dislocation seen in trouble spots like Maluku, Central Kalimantan, Aceh, and Irian Jaya/Papua. In many areas of the country, regency and province level assemblies have emerged as new centres of power, thanks to the devolution of considerable administrative and fiscal powers to this level of government. For the most part, the resulting pattern has been one in which machine politicians and other local powerbrokers work in loose coalition across political party divides. Some commentators, especially those representing political and business interests in Jakarta, have complained that the proliferation of local taxes and regulations passed by regional assemblies has impeded economic recovery and encouraged new forms of corruption and influence peddling. Yet the problems identified in most localities are problems found in other democracies - scarce resources, ineffective government services, corruption - rather than fundamental threats to the integrity of state and society.

As discussed in the previous pages, however, certain areas of the country have continued to suffer from violent conflicts, whether "communal" or "separatist" in nature. From Maluku to North Maluku and from West Kalimantan to Central Kalimantan, the past two years have seen the spread of violent conflicts between religious and ethnic groups in Indonesian society. In both cases, observers have noted the role played by local politicians in mobilizing armed groups along communal lines, with an eye towards preserving - or enhancing - their positions as local powerbrokers in the midst of rapid change in the direction of democratization and decentralization. Moreover, in both cases, the security forces have been drawn into the conflicts, leaving little confidence in the neutrality of the national government. Finally, in both cases, violence has led to countless deaths, untold loss of life and property, profound social and psychological trauma, and considerable social dislocation, including creating thousands of internally displaced.

As the year 2001 draws to a close, it is difficult to predict when, where, or if such forms of violence might recur in Indonesia in the years ahead. Observers of democratization and decentralization in other settings have suggested that violent conflict along communal lines may occur as a side effect of the "shake-out" of democratization and decentralization processes, especially in societies where access to state power and patronage is organized along ethnic and/or religious lines. Yet in the Indonesian case, the past few years have seen only isolated cases of such communal violence, in local settings in which existing boundaries - of administrative units, criminal franchises, political machine domains, and ethnic/religious identities - have been in dangerous flux, and in which a narrow balance of forces across a communal divide could be tipped through the use of violence and intimidation to induce flight in the face of "ethnic cleansing". Aside from the major cases in Maluku and Kalimantan, the past two years have witnessed only isolated instances of religious

violence in troubled regencies such as Poso, with no evidence of a broader pattern or possibility of contagion.

To be sure, much depends on the national-level political constellation in Jakarta, now reconfigured in the direction of reconsolidation under the newly inaugurated administration of President Megawati Soekarnoputri. Since mid-2000, civilian and military forces in Jakarta have been working to reclaim and re-concentrate the powers which had slipped away from the national state apparatus in the aftermath of the demise of the long serving President Suharto in mid-1998. Emboldened by her popularity and the strength of the PDI-P in the parliament, Megawati has formed a Cabinet that concentrates power in the hands of her fellow party members and allies among the Jakarta business, bureaucratic, and military elite. Armed with new legislation, regulatory powers, and, since October 2001, political strength and will, the central government has begun to effect a retrenchment in terms of the devolution of real fiscal and administrative powers to regency and province level assemblies.

In the troubled provinces of Maluku, Central Kalimantan, Aceh, and Irian Jaya, moreover, the hand of the national government in Jakarta is increasingly felt as a mailed fist. In Maluku, where Megawati's PDI-P claims a slim majority thanks to solid Protestant support, and in West and Central Kalimantan, where Davak support for the party has grown, government intervention, it is feared, will offer protection and patronage along partisan - and thus, locally, religious/ethnic - lines, thus promoting continued violence and hardening the lines of conflict in local society. Meanwhile, in Aceh and Irian Jaya, "special autonomy" packages have been coupled with harsh military repression of pro-independence activities and organizations, in a pattern which has left many veteran observers of these two provinces pessimistic about the longer-term prospects for the resolution of grievances against the central government and demands for independence. Indeed, the inauguration of the Megawati presidency, the resumption of US military assistance and training to the TNI under the Bush administration, and the onset of the American bombing campaign in Afghanistan have weakened both domestic and international constraints on human rights abuses by Indonesian security forces. If the past is any indication, the unrestrained use of military and police power in Aceh and West Papua will only fuel popular resentment against Jakarta and popular demands for independence for these provinces. Continued "sweeping" operations and other forms two of "counterinsurgency" will thus lead in the short run to more violence, hardship, and social dislocation, and in the long run to a continued cycle of separatist mobilization and military repression in these provinces.

Thus as the year 2001 draws to a close, the greatest hope for Indonesia lies in its democratic institutions. The popularity of Megawati Soekarnoputri and her PDI-P is likely to allow for greater cooperation and coordination between president and parliament, and the redistribution of power and patronage to local politicians in regency and province level assemblies should help to oil the political machinery so as to re-integrate localities throughout the archipelago into the nation-state through electoral, rather than bureaucratic, circuitries. In provinces which have experienced religious or ethnic conflicts in recent years, moreover, the strength of the country's two most broadly inclusive parties - PDI-P and Golkar - suggests that communal violence can be contained and re-channelled within existing electoral arrangements. Even in Aceh and West Papua, where pro-independence sentiments remain strong,

"special autonomy" packages promise to co-opt some local elites and to claim much larger shares of natural resource revenues for local governments.

What is most worrying about the years ahead is not the fractious quality of Indonesian democracy in the context of great social diversity and institutional complexity, but rather the remaining obstacles in the path of further democratization. Even if the conflicts in the Middle East strain Jakarta's relations with the US Government and exacerbate religious tensions in the archipelago, Indonesia can handle - indeed, has handled - political competition between Islamic and other forces within an electoral framework. With Megawati Soekarnoputri in the presidency, however, the critical process of demilitarization, which unfolded with surprising speed and success (despite considerable resistance from elements in the TNI) under the brief Habibie and Wahid administrations, has slowed considerably if not ground to a halt. Clearly, for ethnically or religiously divided localities to avoid communal conflict, faith in the neutrality of the security forces and belief in the futility of armed violence will be essential. Likewise, for the people of Aceh and West Papua to accept their inclusion within Indonesia, the accessibility and accountability of government officials including police and military officers - to locally elected politicians will be critical. With this in mind, it is only to be hoped that as the inadequacies of the Wahid administration fade from memory and as anticipation of the 2004 elections grows in intensity, the tendency towards backlash in Jakarta will give way to the dynamics and demands of democracy as it is consolidated, deepened, and strengthened throughout Indonesia.

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