



## Parties and elections in Indonesia 2009: the consolidation of democracy

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### Executive summary

- Indonesia is holding its third democratic elections since the fall of Suharto. Parliamentary elections took place on 9 April. First round presidential elections will occur on 8 July, with a run-off on 8 September if no candidate wins a majority. Elections in Indonesia are now fairly routine and the country has become the most robust democracy in Southeast Asia.
- In the parliamentary election on 9 April, 38 parties contested but only 9 won seats. Parties in Indonesia are generally classified as being secular (“nationalist”) parties or Islamic parties. The Islamic parties appeal to either the “traditionalist” stream of Islam, which has incorporated elements of pre-Islamic and Hindu practice and tends to be more tolerant in outlook, or to the stricter more Middle Eastern-influenced “modernist” Islam.
  - Democrat Party, led by incumbent Susilo Bambang Yudhyono (widely known as SBY) emerged as the largest party, with 21 per cent of the vote. Democrat was formed by SBY to be his vehicle for election to the presidency in the elections of 2004. While generally regarded as a secular party, Democrat’s philosophy is very vague and attempts to be “all things to all people”. Its main strength is the figure of SBY himself.
  - Golkar was the official party of the Suharto regime, but has remade itself in the democratic environment and has benefited from its inherited organisational network. Golkar is a secular party, but has strong Islamic factions, including that of the current Vice President Jusuf Kalla. Golkar’s vote declined in the last two elections and it lost a large number of secular voters to SBY’s Democrat Party. It won 14.5 per cent of the vote in 2009.
  - Indonesian Democratic Party—Struggle (PDIP) is led by former President Megawati Sukarnoputri. The party sees itself as the inheritor of the legacy of Indonesia’s first president Sukarno (Megawati’s father) and defender of the underprivileged and ethnic minorities. The party achieved a very good result in the first post-Suharto democratic elections in 1999, but Megawati’s poor performance as President and her refusal to relinquish leadership cost the party badly at the polls. It received 14 per cent, less than half its 1999 vote.

- Justice and Prosperity Party (PKS) is a “modernist” Islamic party that rose to prominence in the 2004 election. It is well-organised and led by former Islamic student leaders and espouses a strict and puritanical version of Islam. Despite efforts to win support outside the “modernist” constituency, it failed to convince voters that it did not have a “hidden agenda” of an Islamic state. It received the same vote as in 2004 (just under 8 per cent), but this was a disappointment to a party that expected to maintain growth.
- National Mandate Party (PAN) is an Islamic party founded by Amien Rais, the leader of the “modernist” Islamic organisation, Muhammadiyah. Rais had a high profile in the 1998 pro-democracy movement, but largely failed to broaden his appeal to secular voters. The party lost its initial momentum from 1998 and its vote has fallen to 6 per cent.
- United Development Party (PPP) was the sole officially sanctioned Islamic party under the Suharto regime and it has struggled to maintain relevance in the democratic era. Under a divided and lacklustre leadership, it won only 5.3 per cent.
- National Awakening Party (PKB) was formed by former President Abdurrahman Wahid, leader of the mass Islamic “traditionalist” organisation, Nahdlatul Ulama (NU). An Islamic party whose tolerant approach has allowed it to often work with secular organisations, PKB had a strong voter base in East and Central Java. But internal factional splits have torn the party apart since 2001 and its vote collapsed to 5 per cent.
- Greater Indonesia Movement (Gerindra) was formed in 2008 by ex-General Prabowo, former head of the special forces unit, to enable him to contest the presidential election. Despite spending huge amounts of money on advertising, Gerindra won only 4.5 per cent, partly because of Prabowo’s association with human rights abuses under Suharto.
- People’s Conscience Party (Hanura) was established by ex-General Wiranto for his 2009 presidential bid. With less money behind him and the same reputation for Suharto-era excesses, Wiranto’s party was able to win just 3.8 per cent.
- Democrat’s win was a personal triumph for SBY, a strong endorsement of his presidency and reinforced the probability of his presidential victory. Democrat gains for particularly costly for the other two main secular parties, Golkar and PDIP.
- The Islamic parties suffered big losses, with the combined Islamic vote falling to its lowest ever level. The losses are partly attributable to each of the parties’ internal problems, but there is a clear trend of declining support for Islamic parties. Although Islamic observance is more popular than ever, most voters do not seem to want an overt political role for Islam.
- The poor showing of the generals’ parties showed that the popular appeal that military figures used to enjoy is rapidly disappearing.
- Although Democrat is the largest party in parliament, it is well short of a majority. But this does not necessarily mean that a new SBY administration will have major problems having its legislation passed, because the parliament does not operate by simple majority vote but through a complex and opaque system of “consensus” decision-making.
- SBY will probably be returned to office in the presidential election on 8 July. There will be three pairs of candidates contesting.

- SBY—Boediono. SBY was being able to pick his own vice-presidential candidate because Democrat was the only party that crossed the threshold of the 20 per cent parliamentary vote necessary to stand a candidate. SBY opted for an independent technocrat, Boediono, because it gives him a freer political hand, including when naming his cabinet. Boediono is a well-respected economist and former cabinet minister in both the Megawati and SBY administration, with a reputation for honesty and effectiveness. He has become the target of criticism for his “neo-liberal” views and for the fact that his partnership with SBY does not represent the usual balance of Javanese/non-Javanese and secular/Islamic figures such as was seen in the SBY – Kalla partnership.
- Megawati – Prabowo. PDIP has pursued a strategy of being an “opposition” party, but it has not succeeded in undermining SBY’s popular standing. Unwilling to form a joint ticket with Golkar, and with the four Islamic parties loosely backing SBY, PDIP’s only option was to join with one of the ex-general’s parties. Megawati negotiated a partnership with Prabowo that will bring his financial resources behind her campaign.
- Kalla – Wiranto. This partnership was also the result of Golkar being left with few options. Kalla had overplayed his hand in negotiations with SBY and Golkar’s poor showing in the parliamentary elections left Kalla isolated. His only option was to join with the less well-resourced ex-general Wiranto.
- SBY will probably win a second term in office because:
  - He has the advantage of incumbency and a record of effective if unspectacular governance. SBY has a reputation for slow decision-making, but responded well to the tsunami crisis in December 2004 and reached a resolution of the long-running conflict in Aceh.
  - The fall in world oil prices was a piece of good fortune for SBY. His approval rating had been falling as a result of the need to reduce subsidies on the price of domestic oil, a move that brought increases in the cost of basic commodities. The fall in world prices enabled the government to partially restore the subsidy and reduce domestic fuel costs.
  - The SBY administration also introduced a policy of cash hand-outs to low income earners to compensate for the effect of the oil subsidy increase. This policy was very popular and appeared to restore SBY’s electoral support, but will perhaps create a trend towards populist policies that divert resources away from development spending.
  - SBY’s commitment to fight corruption and his support of the work of the Anti-Corruption Commission has contributed to his public standing, although this is an issue that is more important for foreign investors than for the electorate.
  - SBY does not have a credible opponent in the upcoming election. Megawati is encumbered by the image of being a failed president and an aloof figure. Kalla seemed competent as part of SBY’s first administration, but he has little personal following. The ex-generals are sullied by their association with the abuses of the Suharto regime.

- The probable re-election of the SBY administration is an invitation to Australia to rethink its tendency to see Indonesia as a foreign policy “problem”. The smooth transition from one government to another is a signal that Indonesia democracy is healthy and that the policies that helped stabilise the relationship during the last five years will continue.
- Boediono as SBY’s running mate is a signal that the policies of gradual restructuring of the Indonesian economy that have provided new opportunities for Australian trade and investment will continue and possibly accelerate.
- The parliamentary election results reduced SBY’s dependence on the support of other parties and will provide his administration with greater freedom of movement if he decides to take it. The return of a more confident SBY administration will be conducive to the strengthening of Indonesia—Australia relations.
- But a democratically elected Indonesian government is also subject to pressures from a populist media that sometimes voices anti-Australian sentiment. A particular challenge will come from the politically fragmented parliament where criticisms of Australia are occasionally expressed, especially in the influential foreign affairs committee.

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## Introduction

Indonesia is in the midst of a year of electioneering. Not only were there elections for the national parliament (known as the People's Representative Council or DPR) on 9 April, on the same day there were also elections for the second chamber (the Regional Representative Council or DPD) and for legislatures in the provinces and districts. On 8 July the first round of the presidential election will be held and if no candidate receives a majority of votes there will be a second round run-off election on 8 September.<sup>1</sup>

These are now the third democratic elections since the fall of the Suharto regime in 1998. During the previous two elections, in 1999 and 2004, international observers tended to focus on questions of democratic principle such as: would the elections be free and fair and conducted without violence?; what would be the attitude of the military?; would the losers accept the decision of the electorate? There were also questions about whether election administrators could deal with the logistical problems of a huge and geographically dispersed country like Indonesia.

These questions have now largely been answered in a positive way. Despite widespread criticism that the current elections have been poorly run in administrative terms, Indonesia now has a functioning and tested system of electing and changing governments by popular choice. Ten years ago Indonesia was run by an entrenched military dictatorship, but today it stands out as a successful example of democratic transformation in Southeast Asia. Unlike neighbouring Thailand for example, Indonesia has not been affected by the "democratic rollback" that has struck some newly democratising countries.<sup>2</sup> On the contrary, it has consolidated democratic institutions and practices.

This paper provides an introduction to the way the Indonesian elections of 2009 are being run, the main parties and leaders, the results so far and the implications for developments in Indonesia and in Australia-Indonesia relations. It outlines the following:

- Details of the electoral cycle, including the national and regional legislative elections and presidential elections
- The nine major parties, their origins and political outlook and their major leaders

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1. In addition to the material cited, this paper is based on several months of research conducted by the author in Indonesia in the lead up to the elections. More detail about the parties and the election system, particularly recent changes in regulations that have had a major political effect, can be read in Stephen Sherlock, *Indonesia's 2009 Elections: The New Electoral System and the Competing Parties*, Centre for Democratic Institutions Policy Papers on Political Governance, no. 1, 2009, ANU, Canberra. [www.cdi.anu.edu.au](http://www.cdi.anu.edu.au)
  2. Y. Chu, L. Diamond, A. Nathan & D. Shin, *Asia's Challenged Democracies*, Washington Quarterly, vol. 32, no.1, 2009, pp.143–157. L. Diamond, "The Democratic Rollback: The Resurgence of the Predatory State", *Foreign Affairs*, March/April 2008, pp. 36–48.

- Results of the national parliamentary election and what they mean for current and future trends in politics, particularly relations between the parliament and the presidency
- The rise to parliamentary dominance of the party of incumbent President Susilo Bambang Yudhoyono (or SBY, as he is known) and the decline of Islamic parties
- The candidates for the presidential election in July and the strong prospects for a return of the SBY administration
- Implications for Australia-Indonesia relations of a returned SBY government.

## The Electoral Cycle—Parliament and President

Since 2004 there have been separate elections for the parliament and president, providing the clear separation of powers between the legislature and executive government typical of a presidential system.<sup>3</sup> Elections for four different legislative institutions took place on 9 April. These were the 560-seat national parliament (House of People's Representatives (DPR)) and for the 128-seat second national chamber (House of Regional Representatives (DPD)), as well as for provincial parliaments and district parliaments. Thus voters had to mark four separate ballot papers in the elections of 9 April.

On 8 July there will be the first round of presidential elections. Candidates must stand on a joint Presidential-Vice Presidential ticket and receive more than fifty per cent of the votes, as well as more than twenty per cent of the votes in more than half the provinces. If no candidate meets this requirement there must be a second round election. If necessary, that election will take place on 8 September.

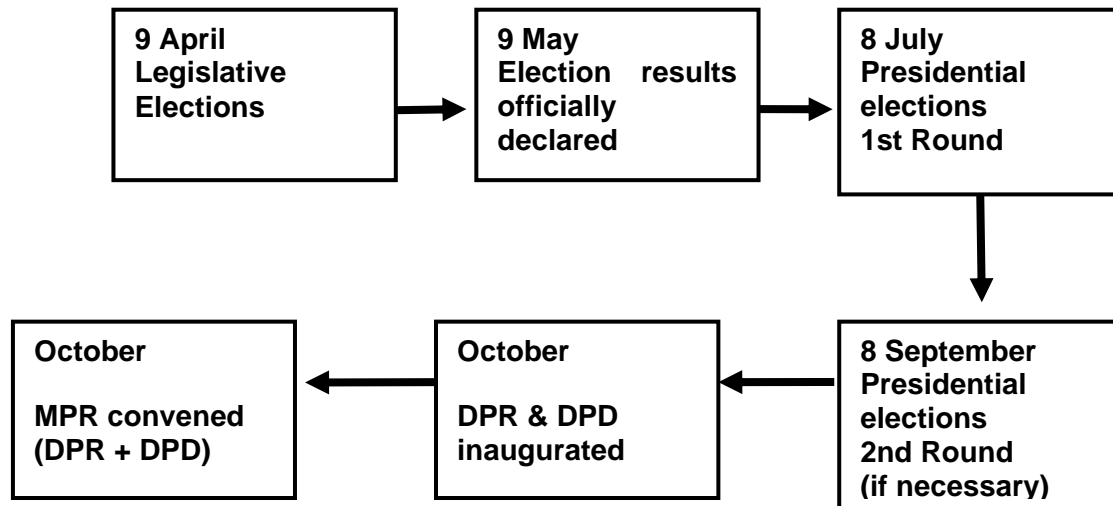
The new DPR, DPD and the legislatures in each province and district, will be sworn in during October. The Members of the DPR and DPD then meet together to form the People's Consultative Council (MPR), whose function is to swear in the new President.<sup>4</sup> Thus the existing legislative assemblies and President continue to operate during the election cycle

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3. Before the 2004 election the President was elected by the legislature. This blurred the distinction between the two arms of government and created a hybrid presidential-parliamentary system that was inherently unstable. The first President elected under this system, Abdurrahman Wahid, was elected with only 15 per cent of the seats in parliament and was deposed by the parliament after only 18 months in power. The experience of the instability of the first years of post-Suharto government led to the introduction of direct popular election for the President in 2004. The 2009 vote is thus the second direct presidential election.
  4. The MPR used to be a very powerful body, at least in theory, under the Suharto regime. It elected the President and set the guidelines for government policy. After a series of constitutional reforms from 1999 to 2003 the powers of the MPR were largely eliminated. It now meets only to swear in the President and can also be convened to consider and pass amendments to the constitution and to consider impeachment motions against the President.



and are not replaced until October. The elections take place over a fixed five-year cycle, so that the next election year will be 2014.

Figure 1: 2009—2014 electoral cycle



## Nine major parties

There were 38 parties registered to compete in the DPR elections, but only nine warrant further attention. The parties have been able to build allegiances amongst the various religious, class and regional groupings in Indonesian society, but they have done very little to develop policies related to the interests of the groups that support them. Thus it is not possible to describe a range of party policies because, for the most part, the parties do not have them.

Nevertheless, the parties can be identified as standing in one of a number of political traditions that have characterised Indonesian politics over the last century. Conventionally, Indonesian parties are viewed as attracting support from various *aliran* or “streams” of political and religious thinking. There are differing opinions about how meaningful these distinctions have become in recent years, especially with increasing urbanisation.<sup>5</sup> But

5. Some recent work has argued that *aliran* allegiances remain central to explaining voter behaviour in Indonesia (Dwight King *Half-hearted Reform: Electoral Institutions and the Struggle for Democracy in Indonesia*, Praeger, Westport, 2003), while other authors have argued that leadership and personality politics are now the dominating influence (William Liddle & Saiful Mujani “Leadership, Party and Religion: Explaining Voter Behavior in Indonesia”, *Comparative Political Studies*, Vol. 40, No. 7, 2007, pp. 832–857). Other literature sees a mixture of both elements at work (Andreas Ufen *Political Parties in Post-Suharto Indonesia: Between politik aliran and 'Philippinisation'* German Institute of Global and Area Studies, Working Paper No 37, 2006).

Indonesian parties are usually classified as being either secular nationalist, Islamic or Christian. Within the Islamic tradition there is also an historically strong division between “traditionalism” (which retains influences from Hindu and Buddhist practices) and the stricter Middle Eastern-influenced “modernism”.

## Democrat Party

The Democrat Party (PD) is a new type of party in Indonesian politics. It was formed in 2001 by current President Susilo Bambang Yudhoyono (SBY) as a vehicle for his election as President. According to the electoral rules, it is necessary to have party sponsorship to stand for President and, rather than be beholden to one of the existing parties, SBY established his own. A former military officer, SBY was closely associated with reformist elements in the army and supported ending the military’s involvement in politics. He was first Minister for Mines and Energy and then Coordinating Minister for Politics and Security in the Abdurrahman Wahid administration (1999–2001).

SBY has always been identified as a secular nationalist, in both his military and political careers, and the Democrat Party is generally seen as a non-religious party. But its ideological outlook is probably the vaguest of all Indonesia’s parties and it makes a great effort to be “all things to all people”: hence its official label as a “national-religious” party. Notwithstanding SBY’s Javanese background and style, the party’s electoral support is spread across most provinces. Many of the original leaders and activists in PD were from a Golkar background. With SBY as President, the party has attracted a range of young and ambitious politicians since 2004 and, as discussed below, it has emerged as a leading electoral force.

## Golkar

Golkar was the political machine of the Suharto regime,<sup>6</sup> a channel of communication and control between the government and the population, as well as an instrument for distributing patronage and developmental resources. It was the largest of the three parties allowed to contest in the stage-managed elections that took place every five years under Suharto. The end of the Suharto regime in 1998 created a crisis of existence for Golkar. Many leading figures deserted the party and in the 1999 elections it retained barely a third of the votes it had received in Suharto-era elections. But the party managed to survive and prosper because it had a country-wide organisational network and a reputation for delivering concrete benefits.

Golkar is a secular party in the sense that it does not base itself on a particular religion. But it has a number of Islamist elements and many of its factional divisions relate to differences in

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6. Golkar was an abbreviation of “golongan karya”, meaning simply “functional groups”, a term which was meant to suggest that Golkar was not a political party but a body representing the various elements of Indonesian society. By inference, the other two legal parties, the Islamic United Development Party (PPP) and the secular Indonesian Democratic Party (PDI), were presented as being the voice of sectional minorities.

interpretation of the role of Islam in politics. Some Golkar leaders with a military background retain a suspicion of Islamic politics and the party emphasises its support for religious tolerance and inclusiveness. It could be said that Golkar's core ideological position is *pembangunan* or development, emphasising its past success in bringing economic and social progress. Golkar is a nation-wide party, but its greatest concentrations of support are in the islands outside Java, especially in the east. Its most prominent leaders are the incumbent Vice President, Jusuf Kalla, and the DPR Speaker, Agung Laksono, although neither figure has a strong popular profile.

### **Indonesian Democratic Party—Struggle (PDIP)**

The Indonesian Democratic Party—Struggle (PDIP) has perhaps the longest pedigree in Indonesian politics, dating back to the Indonesian Nationalist Party (PNI) formed by the leader of the independence struggle and Indonesia's first President, Sukarno. During the Suharto regime, from the 1970s to 1990s, the party operated under close government scrutiny as one of the three legal parties. But by the mid-1990s Suharto became concerned that, under the leadership of Sukarno's daughter, Megawati Sukarnoputri, the party was becoming a rallying point for resistance to the regime and, in 1996, Megawati was forced out of the leadership.

Following the fall of Suharto in 1998, Megawati's supporters formed PDIP and in the 1999 elections it emerged as the largest party. The poor showing of Megawati as President from 2001 to 2004, however, combined with internal factionalism and allegations of corruption, caused the party to suffer a catastrophic loss in support in the 2004 elections, falling from 34 per cent in 1999 to 19 per cent in 2004.

PDIP portrays itself as the true upholder of Sukarno's legacy and the leading advocate of secular nationalism. PDIP's ideological outlook emphasises three main points: defence of the unity and integrity of Indonesia against internal and foreign threats; religious tolerance and cultural inclusiveness; and fighting for the interests of the common people. These are not expressed in clear policy terms, but can be seen in its response to sensitive issues that emerge from time to time. One example was a controversial anti-pornography law, passed in 2008, which was attacked by PDIP as an attempt to enforce a particular Islamist view of morality of the rest of the community.<sup>7</sup>

PDIP receives support in most provinces, but is especially popular in Java and Bali. Its most prominent leader continues to be Megawati, who is both a strength and a liability for the party. After SBY, Megawati is probably the most well-known figure in Indonesian politics, but the memory of her time in office and her reputation for lack of ideas and intelligence hampers the party's growth and the emergence of a new generation of party leaders. Any

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7. Stephen Sherlock, "Parties and Decision-making in the Indonesian Parliament: A Case Study of the Pornography Bill", *Australian Journal of Asian Law*, vol. 10, no. 2, 2009, forthcoming.

attempt to remove her would cause huge internal division and expose its dearth of alternative leadership, but the party is unlikely to recover its losses while Megawati remains in charge.

### **Justice and Prosperity Party (PKS)**

The Justice and Prosperity Party (PKS) is an Islamic party that has attracted a lot of attention because of its rapid rise from a new party winning just 1.7 per cent in the 1999 election to 7.3 per cent in 2004. The party is led by a highly motivated and well-educated cadre of former leaders of Islamic student organisations and successfully used organisational and campaigning techniques introduced from Western democracies. And indeed worries about being overtaken by PKS pushed many parties into re-examining their traditional methods of operation. Many predictions were made about its potential emergence as a leading political force.

Despite the “newness” of PKS, the party sees itself as standing in the tradition of Islamic parties that existed before the Suharto regime. But PKS has also made great efforts to downplay its Islamic image. Much of its success in 2004 derived from a campaign to win educated urban voters concerned about issues such as corruption and clean and effective government. PKS has often been attacked by its opponents as having a “hidden agenda” of imposing Islamic sharia while posing as a tolerant and inclusive party.<sup>8</sup> The challenge it faces is to maintain the support of its core constituency amongst more ideologically-driven Islamic voters while expanding its support to the wider community. Surveys have consistently shown that although the vast majority of voters are Muslims, few are attracted to a party because of its religious credentials but are primarily concerned about issues such as jobs and the cost of living.

PKS leaders are not well-known amongst the electorate, as the party has concentrated on building a network of activists rather than promoting media-friendly national figures. Its most prominent leader is Hidayat Nur Wahid, who holds the mostly powerless position of Speaker of the Peoples Consultative Assembly (the body that inaugurates the President, mentioned above).

### **National Mandate Party (PAN)**

The National Mandate Party (PAN) was formed in 1998 by Amien Rais, the leader of the mass Islamic modernist organisation, Muhammadiyah. As well as his Islamic credentials, Amien was one of the promoters of the pro-democracy movement in 1998 and had ambitions to attract a broader constituency, especially amongst the more liberal and secular-minded urban middle class. Despite early hopes, the party’s electoral performance was mediocre, as

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8. For a sustained attack on the politics of PKS from former President Abdurrahman Wahid, a Islamic leader from the moderate “traditionalist” stream of Islamic thought see: Abdurrahman Wahid, ed., *The Illusion of an Islamic State: The Expansion of Transnational Islamist Movements to Indonesia*, LibForAll Foundation, 2009.

was Amien's personal vote in the 2004 presidential election. Amien wavered uncertainly between appealing strongly to Islamic voters and trying to build a wider electoral base. The party was caught within the same limited constituency as PKS, but was less successful in wooing that electoral base. The party is now led by the businessman, Soetrisno Bachir. Under Soetrisno's leadership PAN has tried strategies such as fielding celebrities as candidates, but it has failed to regain the vigour and sense of direction that characterised the party in its early years.

### **National Awakening Party (PKB)**

The National Awakening Party (PKB) was founded by former President Abdurrahman Wahid (generally known as Gus Dur) in 1998. Although created after the fall of Suharto, it is generally regarded as the inheritor of the traditions of the Islamic traditionalist organisation, Nahdlatul Ulama (NU), which used to directly participate in politics in the pre-Suharto era. Supporters of NU, especially in East and Central Java, continue to be the party's main support base. Despite its Islamic base, the party has always strongly emphasised the importance of respect for religious and cultural diversity and it has comfortably worked alongside secular parties and organisations.

Although PKB had a firm electoral base in populous Java that delivered good results in 1999, the party has slowly torn itself apart in a series of bitter factional disputes that began in 2001 and have continued till today. The disputes have not been ideological, but have revolved around personalities and struggles for control of leading party positions. The splits even divided the party's leading family, with Gus Dur losing control of the party to a faction led by his nephew, Muhaimin Iskander, a Deputy Speaker of parliament. The inevitable consequence has been the loss of many of its most attractive candidates and a rapid decline in electoral performance.

### **United Development Party (PPP)**

The United Development Party (PPP) was formed in 1973 as a forced amalgam of Islamic parties created by the Suharto regime and one of the three legal parties during the New Order. Some of its leaders came from an Islamic traditionalist NU background and others were from the Islamic modernist organisation Muhammadiyah. In the post-Suharto era, many members left to join newly formed parties, but others stayed on to campaign under the old party banner. PPP has maintained a strongly Islamic image, with its party symbol being the *Kab'ah* shrine in Mecca. The party fared relatively well in the 1999 election and its leader, Hamza Haz, became Vice President in the Megawati administration. But the lacklustre performance of that administration and of Hamza himself (including comments in 1999 that a woman should not become President in an Islamic country) could not overcome the reality that the party lacked unity and direction in post-Suharto politics. The current leader of the party is Suryadarma Ali, the current Minister for Small Business and Cooperatives.

## Greater Indonesia Movement (Gerindra)

The Greater Indonesia Movement (Gerindra) was formed in 2008 by former Lt General Subianto Prabowo as a vehicle for his presidential campaign, just as SBY formed Democrat to back his bid for the presidency in 2004. A very powerful figure before 1998, Prabowo was Suharto's son-in-law and he rose quickly through the ranks to become the youngest Lt General and chief of the special forces, *Koppasus*. Tainted with a reputation for human rights abuses under Suharto, he lived abroad for a number of years after 1998, but has now re-established his position in the country as a businessman. Prabowo's campaign is also backed by his very wealthy brother. With this financial support, Gerindra launched a major series of very effective media advertisements that established a profile for Prabowo and his party.

## People's Conscience Party (Hanura)

The People's Conscience Party (Hanura) is another party formed by an ex-general aiming for the presidency: General Wiranto, former chief of the military and Minister for Defence under both Suharto and Abdurrahman Wahid. Wiranto was a bitter rival of Prabowo in the final years of the Suharto regime and he is also under the shadow of accusations of human rights abuses. Wiranto does not have the same financial backing as Prabowo, but he has an extensive network of connections amongst retired and serving officers and with civilian organisations and business people. Hanura attempted to stand candidates with some local profile rather than spending vast sums on media advertisements.

## Parliamentary election on 9 April: results and prospects

The final results of the DPR election were announced on 9 May. The table below shows the percentage of votes and number of seats won by each of the parties that have gained DPR representation. The figures for the 2004 election show the dramatic change in the fortune of many parties since the last election.

Table 1: DPR election results (per cent vote & seats for 2009 & 2004 elections)

	2009		2004	
	Votes	Seats	Votes	Seats
Democrat	20.8	148	7.5	57
Golkar	14.5	108	21.6	128
PDIP	14.0	93	18.5	109
PKS	7.9	59	7.3	45
PAN	6.0	42	6.4	52
PPP	5.3	39	8.2	58
PKB	5.0	26	10.6	52
Gerindra	4.5	30	–	–
Hanura	3.8	15	–	–

Source: Indonesian Elections Commission (KPU)

## **Democrat win is a triumph for SBY**

The most obvious feature of the results was the huge gains made by the Democrat Party of President Yudhyono (SBY). The party almost tripled its votes from 7.5 per cent in 2004 to 20.8 per cent in 2009, with a proportionate increase of from 57 to 148 seats in the national parliament. Democrat has gone from being a relatively small player in the DPR to being the leading party, although still well short of a majority. This was a personal triumph for SBY because the party has little or no identity beyond the figure of the President. The result represented a strong popular endorsement of the SBY administration and further reinforced the probability of his victory in the July presidential election.

## **Democrat gains at the expense of established parties**

Voters moved to Democrat from across the spectrum of the established parties. Almost all suffered a loss of support to Democrat or did not increase their vote as they expected.

Two of the biggest losers were Golkar and Megawati's PDIP, parties that had, until recently, dominated the political scene. In the first free post-Suharto election in 1999, these two parties together held nearly 60 per cent of DPR seats. PDIP, with a strong base amongst rural smallholders and urban labourers and with the legacy of Sukarno's nationalism behind it, appeared set to be the dominant party in an emerging democratic Indonesia. Golkar's strong organisational roots in the villages were also seen as a reliable long-term source of support. Both parties lost support in the 2004 election, but they were still the biggest parties in the DPR and together held by far the largest bloc of seats.

But in this election the two parties have gone into a major decline. Golkar's vote fell by 7 per cent to 14.5, while PDIP lost 4.5 per cent to 14 per cent. Since most of their erstwhile supporters came from a secular constituency, it was a fairly easy for them to move to the non-religious based Democrat Party.

## **Islamic parties suffered big losses**

An interesting feature of the results was the major decline in vote for the Islamic parties, which fell from a total of 32 per cent in 2004 to 24 per cent this time. This is the lowest vote ever cast for Islamic parties in a free election. There is some disagreement about whether this represents a general disillusionment with Islamic politics or can be better explained in terms of the internal problems suffered by most Islamic parties.<sup>9</sup>

- PKB, the party previously led by former President Abdurrahman Wahid, has proved incapable of resolving internal differences and has been punished by voters as a result

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9. Marcus Mietzner, *Indonesia's 2009 Elections: Populism, Dynasties and the Consolidation of the Party System*, Lowy Institute, Sydney, 2009, pp. 12–15.

- PAN, the party of Amien Rais, is also riven by factionalism and was only saved from greater losses by the appeal of a number of celebrity candidates it fielded
- PPP, the old Suharto-era Islamic party, is becoming increasingly marginalised because of its lacklustre leadership and lack of direction
- PKS, the more hardline activist Islamic party, managed to retain its support and appears to contradict the idea of a general move away from Islamic politics. But with its record of previous growth and much vaunted organisational and campaigning skills, the party was expected to continue its upward trajectory. Indeed it had set ambitious targets for this election and the result represents a significant disappointment.

While it is true that the particular circumstances of each Islamic party exacerbated their recent losses, there is a clear historic trend of a declining Islamic vote. This vote was much higher in the one free pre-Suharto election in 1955 and it has fallen in every election since the fall of Suharto. There are expectations that the Islamic vote will recover somewhat in 2014 (when SBY cannot stand because of a two-term limit), but a long-term drift away from Islamic politics is unmistakable.

A remarkable aspect of Indonesian society is that while Islamic observance is more popular than ever, people are generally not interested in imposing an overt role for Islam in politics. Symbolic gestures such as beginning a political speech with pious words are an everyday occurrence, but there are no signs of a movement towards models such as Iran or Saudi Arabia, or even towards influences closer to home in Malaysia or Brunei. The relative failure of PKS shows that the constituency attracted to puritanical brands of politicised Islam is quite limited. PKS efforts to broaden its appeal were unconvincing to the wider community.

### **Ex-generals' aspirations crushed**

The poor performance of the two ex-generals was a further indication of the end of the military's role in Indonesian politics. Wiranto's People's Conscience Party (Hanura) and Prabowo's, Greater Indonesia Movement (Gerindra) received just 3.8 per cent and 4.5 per cent respectively. This gave them enough votes to cross the 2.5 per cent threshold required for parliamentary representation under the proportional representation system, but consigned them to a status of only minor parties in the DPR.

The formal role of the military in politics and government administration is a thing of the past, but many former officers who were powerful under the Suharto regime still see themselves as having the right to positions of prominence. Their small vote is a sign that the popular appeal that military figures used to enjoy is disappearing. Moreover, the example of Prabowo shows that it is not possible to win elections solely by spending money. The two ex-generals have now turned their attention to the presidential election, which was in fact the major reason for their contesting the parliamentary poll in the first place (discussed below).



## No majority party in parliament

Although Democrat emerged as the largest party in the DPR, its 26 per cent of seats puts it a long way short of a majority. In the outgoing chamber (which will still meet until October), Democrat and Golkar have a working relationship, stemming from the party affiliations of the president and the vice-president respectively. But with the end of the SBY–Yusuf Kalla partnership, this arrangement will no longer apply. The new chamber will be fragmented, with seats distributed across three major parties and six smaller ones.

Under Indonesia's presidential system, executive government is of course not formed in the legislature, but the President still needs support in the parliament to have his legislation passed. For this reason, SBY (if elected) will almost certainly form a cabinet with representatives from one or more parties in the DPR besides Democrat. The existing cabinet contains representatives from all major parties except PDIP.

But Indonesia's parliament is not run by sheer numbers in the way that most external observers would expect. Decisions in the DPR are not made by voting but by a system of "consensus" (*mufakat*) where unanimous decisions are considered to be reached when no party expresses dissent. This can be a slow and cumbersome process and is criticised for being non-transparent and open to corruption,<sup>10</sup> but it does mean that an incumbent President does not always need a numerical majority in order to pass bills. Decisions on the passage are made in committees (not in the largely ceremonial plenary sessions) and the decision to pass or amend a bill is arrived at after complex negotiations between the committee and executive government. Thus the lack of a Democrat parliamentary majority will not necessarily hamper the work of an SBY administration.

## Presidential election on 8 July: SBY set to be returned

It seems almost certain that SBY will be returned to the presidential palace in the election for president on 8 July. Until recently, the main questions were who would be SBY's running mate and who would form tickets to run against him. With the announcement of three presidential-vice presidential pairs of candidates in mid May, the main outstanding issue is whether SBY will gain an absolute majority in the first round or whether it will be necessary to go to the second round run-off between the two highest scoring candidates.

## Three presidential—vice presidential tickets

### SBY—Boediono

Under the electoral law, all presidential candidates must be supported by a party or group of parties with at least 20 per cent of the seats in parliament or 25 per cent of the votes. No

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10. Stephen Sherlock, *Struggling to Change: The Indonesian Parliament in an Era of Reformasi*, Centre for Democratic Institutions, Canberra, 2003.

independent candidates are allowed. Democrat was the only party that crossed that threshold, so SBY was in the unique position of being able to stand without the support of another party, while all other prospective candidates had to seek an alliance with one or more other parties.

Presented with the luxury of being able to take his pick, SBY had two main alternatives: a party-based candidate or an independent technocrat. A party figure would bring financial backing for the campaign and the promise of parliamentary support after the election. But the disadvantage was having to meet the demands of the party and losing some freedom to choose the members of his cabinet. A technocrat, on the other hand, would not bring any financial or political resources but he/she would have the advantage of not bringing any political baggage to the partnership.

SBY opted to choose Boediono, a well-respected economist who developed a reputation for clean and effective administration during his time in leading economic ministries in both the Megawati and SBY administrations and in his position as Governor of the central bank, Bank Indonesia. He completed undergraduate and postgraduate studies at the University of West Australia and received his doctorate in the US. Such a choice strengthened SBY's credentials amongst the domestic and international business and financial community, without the problems of having to deal with a politically ambitious figure such as his previous Vice President, Jusuf Kalla.

SBY's choice is generally being seen as an expression of his increasing self-confidence and independence from the power-brokers that have dominated politics for so long. One of the main criticisms of SBY as President has been that he has displayed a certain diffidence and unwillingness to take decisions. He tends to preside over meetings rather than lead them.<sup>11</sup> But his selection of Boediono suggests that he may take a more assertive leadership role in his second term.

There are some risks for SBY in a joint ticket with Boediono.<sup>12</sup> In fact, his running mate has become the only major target for SBY's opponents.

- Boediono has been attacked by some Islamic figures, particularly Amien Rais, as well as by some NGO activists, as being the arch-representative of "neo-liberalism", whose policies were welcomed by foreign business but which ignored the interests of the Indonesian poor. In fact his appointment triggered a debate in the media and policy-making circles about "neo-liberalism" in Indonesian economic policy<sup>13</sup>

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11. Marcus Mietzner, *Indonesia's 2009 Elections*, op. cit., p. 4.

12. "A One-round Affair?: Yudhyono's Prospects in the Coming Presidential Election", *Indonesia Election Watch 2009*, 21 May 2009, S. Rajaratnam School of International Studies, NTU, Singapore.

13. Aditya Suharmoko, "Everyone has a neo-liberal streak, say analysts", *Jakarta Post*, 27 May 2009. Megawati Wijaya, "Neo-liberalism a dirty Indonesian word", *Asia Times*, 11 June 2009.

- The partnership has been seen as unbalanced for having two Javanese and no representative from non-Java areas. With Jusuf Kalla from South Sulawesi as Vice-President, there was a perception that the interests of the whole country were better represented
- The ticket breaks the conventional view that there should be a secular figure and an Islamic figure in such a team, as was the case with SBY-Kalla. This criticism can partially be met by the fact that the four major Islamic parties have expressed support for SBY as President, even though they clearly resented his failure to choose one of their number for Vice-President.

But the fact that the criticisms are all aimed at Boediono shows how unassailable SBY's position appears to be. The best that the opposing parties can realistically hope for is to force SBY to a second round. That might put them in a better position to bargain for cabinet positions after the election.

### **Megawati—Prabowo**

PDIP under Megawati needed a vice-presidential running mate from another party in order to meet the parliamentary threshold for presidential candidacy. Despite pressures on Megawati to step aside and allow for a new leadership of her party to come forward, she continues to cherish the idea that she can and should be President. Her influential husband, Taufik Kiemas, has been instrumental in ensuring that her interests are pushed inside the party. PDIP has been the only major party without a minister in the SBY cabinet. The party has pursued a strategy of being the "opposition" party, even though this concept is largely foreign to Indonesian political culture and does not fit comfortably within a presidential system. The strategy has not been followed with any success: Megawati for example initially opposed SBY's program of cash assistance to the poor to compensate for increased fuel prices in 2008, but had to retreat from that position in the face of the obvious popularity of the policy amongst a key PDIP constituency (see more detail on the fuel price issue below).

Because the Islamic parties had decided to get behind the most attractive candidate, SBY, PDIP was left with the option of putting together a ticket with either Golkar or with the generals' parties. But since neither Megawati nor Yusuf Kalla of Golkar would agree to the other being Vice-President, the only available choice was one or both of the generals. And since egos are the prime motivators for the generals, there was little chance that either would support Megawati without being given the number two position, thus forcing a choice between them. Both Prabowo and Wiranto were bitter enemies of Megawati during the Suharto era, but the closed and collusive nature of the Indonesian political elite means that even such old foes are driven by the politics of immediate mutual advantage. Megawati's decision in favour of Prabowo was the result of closed-door bargaining with little rationale in policy or platform. Both support a secular approach to politics, but Prabowo's most attractive feature for Megawati is clearly the financial backing he brings.

## **Kalla—Wiranto**

The creation of the partnership between Yusuf Kalla of Golkar and Wiranto of Hanura was also largely the result of Golkar being left with few options. Kalla had previously overplayed his hand with SBY and did not come to a firm agreement before the election on whether he would stand again with SBY. He was apparently banking on Golkar improving its vote in the DPR election and thus putting him in a strong bargaining position with SBY or some other candidate. In the event, Golkar lost badly in the poll and SBY felt no need to team up again with a losing and troublesome party candidate. When Golkar approached SBY regarding a joint ticket, SBY responded by asking the party to put forward three names – a clear slight to Kalla.

Golkar was therefore, like PDIP, in the position of having to negotiate an alliance with one of the two ex-generals. As the weaker and less wealthy of the two figures, Wiranto was apparently not able to convince Megawati to accept him as a running mate and was left with the aspiring president whose personal popularity was even lower than Megawati's.

## **Why will SBY probably win?**

The probability of an SBY victory was strengthened by the good showing of his party in the parliamentary election and has been reinforced in recent polls that have put him well ahead of his opponents. The factors behind his popularity with the electorate seem fairly clear.

### **Good record and advantage of incumbency**

Presidential systems generally tend to give an advantage to incumbents. This is partly why Indonesia decided to follow common practice and introduce a two-term limit. But, of course, it only helps a president to be well-known if he/she is perceived to have a good record. In the case of SBY, he is generally regarded to have been successful in office. He has not been wildly popular nor has he attracted any kind of cult following, but he is seen as having put Indonesia onto the road to economic recovery and democratic consolidation. The economy has achieved steady if unspectacular growth and there is a general feeling that progress is being made.

In particular, his record stands in favourable contrast to the two previous administrations. The Abdurrahman Wahid government was marked by administrative and political chaos, including a damaging standoff between the presidency and the parliament that led to his removal from office by the parliament. The Megawati administration seemed incapable of dealing with the country's problems, particularly those of the poor and unemployed and Megawati herself was seen as aloof and barely engaged by the duties of her office.

As mentioned above, SBY's biggest liability is that he has been seen as slow and indecisive. His government has taken few major policy initiatives and SBY has been seen to be seeking consensus amongst the leading parties in cabinet and the parliament when he should be taking the lead. On the other hand, his government responded quickly and effectively to the

humanitarian crisis created by the 2004 tsunami and this action was important for leading to what was probably SBY's greatest policy success, the resolution of the conflict in Aceh. As mentioned, his choice of Boediono has contributed to an impression that he is now acting more confidently as a leader.

### **Good luck with falling oil prices**

One piece of very good luck for the SBY administration was the fall in the international price of oil since mid-2008. All post-Suharto governments have been saddled with the inheritance of a policy of subsidised domestic oil prices that were introduced when Indonesia was a net oil exporter. With the steady fall in Indonesia's oil production and the rising price of imported oil, the subsidy was placing a huge burden on the state budget. At one stage, almost one-third of government expenditure was allocated to the subsidy.

Cheap oil benefited the owners of luxury cars as much as it did the poor who relied on buses for commuting and for low-priced kerosene for cooking and it diverted resources from education, health and infrastructure. But SBY's policy of gradual reductions in the subsidy was hugely unpopular and was used by forces in the parliament to attack the government, even including parties with seats in cabinet.<sup>14</sup> With world oil prices reaching unprecedented levels in 2007 and 2008, the government had little option but to continue reducing the subsidy in order to protect the fiscal situation. The resulting rise in the cost of living damaged SBY's popularity and his ratings in opinion polls fell precipitously, while that of the leading opponent of the policy, Megawati, underwent a rapid increase.

From August 2008, however, world oil prices began falling again and the massive pressure on the Indonesian state budget eased as a result. The SBY government was therefore able to reverse some of the reduction in the subsidy, a move which brought about an immediate fall in the price of fuel at the pump and the price of kerosene for cooking, with the reduction flowing through to the price of public transport and to other commodities. The popularity of the government as measured in opinion polls recovered throughout 2008. Thus the biggest single challenge to the popularity of the SBY government was eliminated by a fortuitous change of the global economic environment.

### **Populist policies and hand-outs to the poor**

In addition to the luck of having world oil prices fall, the recovery in the popular standing of the SBY administration can also be attributed to the success of certain populist policies to cushion the effects of the rising cost of fuel on low income-earners. The government distributed close to \$A2 billion in direct cash hand-outs to the poor, together with a range of small-scale credit schemes and funding assistance to schools that reduced the need for parents to pay fees.

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14. The policy of a staged reduction of the subsidy began under the Megawati government. Despite the fact that SBY was only continuing a policy that had been developed by the Megawati government, Megawati and her party, PDIP, were at the forefront of the criticism of SBY.

These measures, especially the cash grants, were predictably popular with the electorate and were a major contributor to the improvement in support for the president and his party. The policy was criticised for having no long term effect on poverty, while reducing the resources available for development spending, but its political effectiveness can hardly be questioned. Some observers have seen this policy as a possible precursor for the “Philippinisation” or “Thaksinisation” of Indonesian politics, where incumbent governments buy political support through populist measures.<sup>15</sup>

### Opposition to corruption

The SBY administration has won support for having made progress in the fight against the corruption and nepotism that pervades all arms of government in Indonesia, including the civil service, state-owned corporations, police, military, judiciary and parliament. SBY came to power on an anti-corruption platform, produced an action plan to eradicate corruption and appointed individuals with a reputation for integrity to key positions such as Attorney General and chief of police. The Anti-Corruption Commission, although established in 2002 before SBY came to power, has been given his support and has prosecuted a range of high profile figures, including seven members of parliament. SBY gained respect when he did not intervene to protect a close member of his family by marriage who was charged with corruption.

Surveys indicate that most voters do not rate corruption as a major factor in their choice of party and candidate compared to basic economic issues such as jobs and the cost of living.<sup>16</sup> International observers tend to over-emphasise the importance of corruption as an issue because it strongly affects the prospects for foreign investors. Nevertheless, resentment about corrupt office-holders, extortion by traffic police and the payments that must be made to obtain government services is palpable amongst the ordinary Indonesian community. The apparent progress made in fighting corruption, together with SBY’s standing as a leader who personally eschews corrupt practices, will be a factor in his likely return to office.

### Weak opposition

The final factor that will contribute to SBY’s probable victory is the simple fact that he has no credible opponent.

- Megawati was a failure during her time in office and was soundly defeated by SBY in the 2004 election. Her continuing leadership of PDIP is seen as a symbol of the party’s

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15. Mietzner, *Indonesia’s 2009 Elections*, pp.5–6; Andreas Ufen *Political Parties in Post-Suharto Indonesia: Between politik aliran and ‘Philippinisation’*, German Institute of Global and Area Studies, Working Paper No 37, 2006.

16. A series of surveys conducted over five years by the International Foundation for Electoral Systems (IFES) consistently found that Indonesians rated basic economic issues far above any others as the most pressing issues facing the country. See for example: *Public Opinion in Indonesia*, IFES, 2005.

inability to develop new policies and a new leadership. As the near-certainty of her defeat looms, her daughter, Puan Maharani, and her brother, Guntur Sukarnoputra, have become involved in public sparring about their inheritance of the leadership of the party

- Jusuf Kalla was seen as a competent Vice President under SBY, but he has very little independent profile and has achieved dismal ratings as a potential presidential candidate in opinion polls over the last five years
- Both candidates are paired with running mates who have little popular respect and who are tarred with a record of human rights abuses and the darker aspects of the old discredited regime.

The SBY administration has been unspectacular, but it has not made any major stumbles, has avoided scandals and has guided the country onto a path of stability and tranquillity after a dangerous and uncertain time of transition. When the figures who oppose him have so little to offer beyond what SBY continues to promise, the great majority of Indonesian voters seem loath to make a change.

### **Implications for Australia: a “normal” and developing relationship**

The consolidation of democracy in Indonesia and the smooth transition from one democratically elected parliament and government to another is a further invitation to Australians to re-examine their long-held views of the country. As MacIntyre and Ramage expressed it in a recent major review of the relationship:

Australia needs to update the way it thinks about Indonesia. We need to start thinking of it as a normal country, grappling with many of the same challenges as other large, stable middle-income developing democracies—such as India, Mexico or Brazil.

Indonesia today is a stable, competitive democracy, playing a constructive role in world affairs. It is no longer in a state of profound flux and turmoil. Indeed, we now know what Indonesia is probably going to look like over the next decade. ...Indonesia will be a middle-income developing country making slow headway in lifting living standards and consolidating democratic governance.<sup>17</sup>

Ever since the foreign policy adventurism of Sukarno in the early 1960s, through to the events in East Timor in the late 1990s, Indonesia has been popularly regarded as some kind of vaguely defined threat to Australia. At the policy-making level, thinking has often been coloured by a presumption that relations with Indonesia were a “problem” to be controlled rather than as an opportunity to be explored.<sup>18</sup>

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17. Andrew Macintyre & Douglas Ramage, *Seeing Indonesia as a Normal Country: Implications for Australia*, Australian Strategic Policy Institute, Canberra, 2008, p. 3.

18. Jamie Mackie, *Australian and Indonesia: Current Problems, Future Prospects*, Lowy Institute, Sydney, 2007.

Following the turmoil of the 1997 Asian financial crisis, the downfall of Suharto in 1998, the 1999 East Timor referendum and uncertain meanderings of the Wahid and Megawati administrations from 1999 to 2004, the stable and tranquil leadership of the SBY administration has been a welcome opportunity to place the Indonesia-Australia relationship on a firmer footing.<sup>19</sup> For this reason alone, the probable re-election of SBY as president is good news for Australia. It is a further signal that Indonesia democracy is healthy and that the policies that helped stabilise the relationship during the last five years will continue.

In more specific terms, the naming of Boediono as SBY's running mate is a signal that the policies of gradual restructuring of the Indonesian economy that have provided new opportunities for Australian trade and investment will continue and possibly accelerate. Indonesian economic policy since the mid-1960s has been a long drawn out contest between supporters of economic nationalism and those advocating greater internationalisation of the economy. Supporters of a controlled and protected economy have included "crony capitalists" and Suharto family members dependent on the state for their viability, but foreign corporations also have a long history of taking advantage of special relationships with well-placed special interests.

This continuing contention about the direction of economic policy has been reflected in the composition of successive cabinets and the mixture of technocratic and party political figures in the current SBY cabinet is no exception. The movement of Boediono to the potentially powerful position of Vice President, if it is accompanied by the retention of reformers such as the Finance Minister, Sri Mulyani and Trade Minister Mari Pangestu, will be a clear signal that the SBY administration is committed to change. Apart from the issue of opening the economy, the reformers in cabinet are committed to the (probably more important) agenda of reforming the structure of government to eliminate the networks of patronage and corruption that have dominated policy-making and the wider political culture.

The election result, which enabled SBY to contest the presidency without depending on other parties, will provide his administration with greater freedom of movement if he decides to take it. An issue to watch after the formation of the new government will be the extent to which SBY allows Boediono to take independent initiative. The vice-presidential office was little more than a figurehead under Suharto, but SBY gave Kalla considerable latitude during his time in office and might be expected to follow this pattern with Boediono. The policies that would follow from such an arrangement are very likely to be welcomed in Australia because they would help facilitate greater economic and political interchange.

But it also should not be forgotten that the leaders of democratic Indonesia are also answerable to the range of pressures from both popular and elite opinion that were muffled under the during the Suharto autocracy. The readiness of populist media in both countries to

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19. For a discussion of the improvement of relations under the first SBY administration see: Michael Wesley, *The Howard Paradox: Australian Diplomacy in Asia 1996–2006*. ABC Books, 2007.



pander to mutual misunderstanding and stereotypes will continue to have the potential to cause upsets over passing matters such as the imprisonment of Australian nationals in Indonesia, unrest in Papua or the arrival of asylum-seekers from or through Indonesia.<sup>20</sup> Nevertheless, a more confident SBY administration, less encumbered with the need to placate allies, will probably be better placed to handle the upsets that inevitably accompany Indonesia – Australia relations.

In particular, the failure of the election to produce a clear parliamentary majority will give rise to a legislature containing forces who will compete to take the opportunity to attack Australia if they see it as in their immediate political interests. The parliament, particularly the powerful foreign affairs committee, has for a number of years been used as a forum for voicing anti-Australian sentiments. The fact that this criticism is often ill-informed does not change the reality that it reflects the underlying problem of a degree of mutual incomprehension between the people of the two countries at both a popular and elite level. The need to broaden the relationship beyond commercial and security matters which has been understood for some time will continue to be a major challenge under a new SBY administration.

## Conclusion

The parliamentary and presidential elections of 2009 represent a consolidation of democratic institutions and democratic political culture in Indonesia. The country is now well past the dangerous period of transition and is firmly established as the world's third largest democracy. As well as having the formal institutional framework for democracy, with a system of genuine checks and balances amongst the arms of government, the 2009 elections show that the country also has a functioning party system. For all their weakness in terms of policy development and internal decision-making, Indonesian parties give expression to traditions of political thinking and social attitudes that are rooted in the country's history. Unlike some newly democratic countries, where political parties are ephemeral labels for the personal ambitions of single individuals, most Indonesian parties can trace a history back to the beginning of independence in the 1940s and even before.

The parliamentary elections saw considerable movement in voter support amongst the different parties, but there were no dramatic upsets that indicated that voters were angry or alienated from the existing choices. There was no sign at all of any popular attraction to extremism and the clear lesson for parties inclined to Islamic politics was that voters were looking for solutions to the basic material issues of life, such as prices, employment and social services, not towards the imposition of moral and religious values by the state.

The overall impression of continuity has been particularly evident in the selection of tickets for the presidential election. The incumbent President dominates the spectrum of choice for

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20. Rodd McGibbon, *Pitfalls of Papua: Understanding the Conflict and Its Place in Australia-Indonesia Relations*, Lowy Institute Paper 13, 2006, Sydney.

voters and all the indications are that he will be returned handsomely. Furthermore, SBY has achieved this status while maintaining a cautious political approach that, while often slow or even indecisive, has provided a background of stability for a country that had had a number of years of upheaval.

In his second term, however, with his party's success in the parliamentary election and his probable strong win in the presidential election, SBY now has the opportunity to act more independently. There is a huge agenda of developmental issues that need to be tackled, especially to make up for lost time from the five years of economic stagnation following the 1997–98 crisis. Low growth rates have seen mounting youth unemployment, while social and physical infrastructure in areas such as health, education, transport, power, resource development and environmental protection have been neglected. Moreover the tasks of reforming the structures of government and the elimination of corruption are still only half completed. From the point of view of the Indonesian people, particularly those millions still in poverty, as well for the international community and regional neighbours, the pressure will now be on a new SBY administration to take bolder policy initiatives and even to take some risks.

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