

Indonesia Briefing

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INDONESIA'S PRESIDENTIAL CRISIS: THE SECOND ROUND

I. INTRODUCTION

President Abdurrahman Wahid's chances of retaining office suffered another setback when the parliament [DPR] took the next step in the dismissal process by adopting a "second memorandum" on 30 April 2001.¹ The process began on 1 February when the DPR adopted its "first memorandum" accusing the president of violating his presidential oath and failing to take vigorous measures to suppress corruption. The second memorandum declared simply that the president had failed to heed the first memorandum and, in accordance with the constitutional process, gave him a further month to respond. If the president fails to satisfy the DPR within one month, the DPR has the authority to call a special session of the People's Consultative Assembly [MPR] to consider his dismissal. Both memoranda received support from all the major parties except the president's own National Awakening Party [PKB]. In the second vote, however, the 38 non-elected members of the Military/Police group opted to abstain in contrast to their support for the first memorandum.

The adoption of the second memorandum means that the president must reach some kind of compromise agreement with the main political parties before 30 May if he is to avert a call by the DPR to hold a special session of the MPR. However, even if the DPR decides to call for an MPR session, he will still have another two months to win over support because the MPR's own procedures require its working committee to spend two months preparing for the special session. The MPR consists of the 500 members of the DPR plus 200 representatives of the regions and special groups in society.

If the slow-moving process is followed to the end, therefore, the special session of the MPR to consider the president's dismissal could only be held at the beginning of August. Meanwhile the government seems paralysed as a result of the presidential crisis. Amidst fear of violent clashes between supporters and opponents of the president, the rupiah has fallen further and the government has not yet been able to revise its budget in order to meet IMF conditions for the disbursement of already agreed financial aid.

II. THE PRESIDENT'S ATTITUDE

Gus Dur, as the president is usually known, adopted a combative attitude towards the DPR - in which his own party holds only ten per cent of the seats - from the very beginning of his presidency. It was this combative approach that increasingly alienated the other 90 per cent during his first year in office. The growing

¹ This briefing paper follows *Indonesia's Presidential Crisis*, ICG Briefing Indonesia, 21 February 2001.

alienation of the DPR culminated in the issuing of the first memorandum followed by the second memorandum.

The president's combative style was again evident in his response to the first memorandum, which he presented to the DPR at the end of March, a month in advance of the required date. As expected, he denied personal involvement in the two financial issues that had been the focus of the first memorandum and argued that its content failed to meet the criteria set out in MPR Decree III of 1978, which regulates the dismissal of the president. This decree provides for dismissal if the MPR finds that the president has "truly violated the National Will".² MPR Decree II of 1999 added violation of the constitution as an additional ground for dismissal.

In responding to the charge relating to his alleged involvement in the Bulog case, he pointed to the wording of the DPR's memorandum which concluded that it was "reasonable to suspect" that the president had played a role in the affair. This, he argued, was hardly sufficient to demonstrate that he had "truly violated the National Will" or the constitution. On the second charge of making inconsistent statements about the money received from the Sultan of Brunei, he restated his conviction that the Sultan had made a private gift and claimed that he had not personally handled the money. For this reason, he admitted, some of his statements about the money may have seemed inconsistent but the main point was that no one had suffered losses because the money was not public money in any case. He declared that he would have no objection to being dismissed as president "provided that the criteria and all the constitutional procedures were fulfilled, that is if I had truly violated the National Will and was clearly at fault, and not just because it is 'reasonable to suspect'." The president therefore concluded that the memorandum had no constitutional basis and "was driven by the desire to overthrow the president"³.

In his defence, Wahid continued to assert on many occasions that Indonesia's constitution is presidential in character, not parliamentary, and therefore that the president could not be dismissed by a parliamentary vote of no-confidence. Over and over again, he repeated that the constitution provided for a presidential term of five years which, in his case, would end only in 2004. At the end of that term the MPR would, according to the constitution, evaluate the government's performance. Before then, the MPR could only dismiss the president for violation of the National Will or the constitution but it had no constitutional right to depose him on other grounds, such as poor performance. Referring to the prospect of a second memorandum, he reiterated that "It should not, in any way, touch on the performance of the President because this will be accounted for after five years, at the end of my term of office".⁴

Gus Dur reinforced his constitutional argument with warnings of the dire political consequences that the nation would suffer if an attempt to depose him were made. On one occasion, he told a group of MPR members that "if I step down, a

² "National Will" is a free translation of "Haluan Negara" which more literally could be translated as "National Direction". At each of its sessions the MPR adopts a "Broad Outline of the National Will".

³ The president's full response to the DPR is in Kompas, 29 March 2001.

⁴ *Jakarta Post*, 27 April 2001.

civil war will break out".⁵ While opening a conference attended by foreign businesspeople, he claimed that "there will be a nationwide rebellion against the way the legislature is currently doing its work" and said that 400,000 people were ready to come to Jakarta to defend him when the DPR considered the second memorandum.⁶ On several occasions he claimed that not only Aceh and Irian Jaya would declare their independence if he were deposed, but also Riau, Maluku and Madura.⁷ Later he added an unidentified sixth region to the list.

Having lost the support of the DPR, the president increasingly turned to "the people," whom he was convinced would continue to support him. As student and Muslim demonstrations in Jakarta demanded that he resign, he seemed to be encouraging his supporters, especially from his party's stronghold in East Java, to come to Jakarta to show their support. In February, immediately after the DPR's adoption of the first memorandum, the president's supporters in the rural-based "traditionalist" Muslim organisation, Nahdlatul Ulama [NU], had disrupted traffic along major highways in East Java, burnt down the Golkar office in the provincial capital and attacked Golkar offices elsewhere. Attacks were also launched on buildings associated with the rival "modernist" Islamic organisation, the Muhammadiyah. While the president did not explicitly endorse this behaviour, he did not publicly condemn it. As the DPR session to consider the second memorandum approached, his supporters in East Java formed a "Front to Defend the Truth" which registered thousands of men to join what they called the "Ready-to-Die Force" [Pasukan Berani Mati]. During the next few weeks the new recruits underwent "training" which included not only military drills but also spiritual exercises intended to acquire invulnerability.

The NU itself organised a mass prayer rally [istigotsah] in Jakarta on Sunday 29 April, the day before the DPR session to discuss the second memorandum. The istigotsah was initially expected to attract several hundred thousand supporters of the president whose presence in Jakarta could have led to a clash with students and Muslim groups demanding the president's dismissal. As the danger of a clash loomed large, thousands of police and army personnel were mobilised, and both NU leaders and the president himself urged participants in the rally to return to their homes immediately after the istigotsah. The NU chairman, Hasyim Murzadi, also ordered the dissolution of the "Ready-to-Die Force". In the end, only about 100,000 people attended the prayer rally. Although several hundred participants remained in Jakarta and paraded through the central part of Jakarta while the DPR debated the second memorandum, they eventually boarded buses and trains to return to their home regions. The much-feared clash between pro- and anti-Gus Dur forces was thus averted this time but the risk of violence in the streets in the future continued to be a major consideration in the political calculations of all parties.

III. THE SECOND MEMORANDUM

The second memorandum, adopted by the DPR on 30 April, concluded that "President Abdurrahman Wahid, over the past three months, failed to heed the first memorandum" and therefore called on him to heed the second

⁵ *Tempo*, 15 April 2001.

⁶ *Jakarta Post*, 20 April 2001.

⁷ *Jakarta Post*, 8 March 2001, *Tempo*, 15 April 2001, p.32.

memorandum within one month. Of the 457 members of the DPR in attendance, 363 voted for the memorandum, 52 opposed it and 42 abstained. Those who voted against the memorandum were from the president's PKB and the tiny Democratic Love-the-Nation Party. The Military/Police faction, which had supported the first memorandum, opted to abstain on the somewhat contrived grounds that they did not want to take sides in a political conflict.⁸ Apart from one PDI-P member who abstained, all the major parties and the Military/Police group voted as united blocs.⁹

Even before the debate in the DPR, leaders of the main parties had already rejected the president's response presented on 28 March because of its failure to rebut the core allegation against him. As the Golkar leader in the DPR said, "the President's response did not address his alleged involvement in the disbursement of the Rp 35 billion in Bulog foundation funds".¹⁰ In the DPR debate on the second memorandum, much of the criticism of the president moved beyond the particular issues raised in the first memorandum and focussed on the policy failures of the government and Gus Dur's ineffective leadership. The president was therefore convinced that the DPR majority was no longer concerned with his alleged violations of the national will and constitution but was determined, like a parliament in a parliamentary system, to vote him out of office.

The approaches of the parties that had supported the memorandum, however, are by no means uniform. The Muslim parties loosely grouped in the Central Axis [Poros Tengah] under the leadership of the Speaker of the MPR, Amien Rais, simply want to remove Gus Dur from the presidency. While Amien Rais said that it would be more "elegant" if Gus Dur were to resign, these parties are ready to dismiss him at a special session of the MPR if he does not resign. But the Central Axis parties make up less than a quarter of the votes in the DPR and only around one fifth in the MPR. The two largest parties, the Indonesian Democratic Party of Struggle [PDI-P] and Golkar, which together make up 54 per cent of the DPR and 53 per cent of the MPR, are more inclined to seek a deal with the president and thus avoid the risk of the violence that has been threatened by some of Gus Dur's most deeply committed supporters. But, ultimately, both the PDI-P and Golkar leaders know that Gus Dur is unlikely to co-operate unless he believes that they too, are prepared to dismiss him at a special session of the MPR if he fails to compromise.

The vice president, Megawati Soekarnoputri, who would automatically replace the president if he resigned or were dismissed, maintains her habitual public silence while senior members of her party, the PDI-P, drop public hints about her thinking. Megawati continues to treat Gus Dur as a friend and regularly invites him to breakfast at her house with other leaders, despite the insulting remarks he has often made about her in private meetings with others.¹¹ Her reluctance to

⁸ *Jakarta Post*, 1 May 2001.

⁹ *Kompas* 1 May 2001.

¹⁰ *Jakarta Post*, 29 March 2001.

¹¹ The atmosphere of the breakfast meetings was revealingly described by the defence minister, Mohammad Mahfud, in an article entitled "sarapan Pagi Mbak Mega dan Mas Dur" [Sister Mega and Brother Dur's Breakfast], *Kompas*, 11 April 2001. The article begins as follows: "What would you like to eat, brother? There is *pecel*/Pacitan [a vegetable salad from Pacitan], fried rice and *gudeg* [cooked jackfruit from Yogyakarta], the lady asked. "Just *pecel*, sister. It's a long time since I have eaten *pecel*," answered the man who was asked." And so on.

engage in public debate with the president, however, is not without calculation. Her approach is aimed at easing him out of power without provoking his supporters to violence, especially in the populous province of East Java where the PKB and PDI-P are the leading parties. Ideally, from her point of view, Gus Dur should resign but, more realistically, she hopes that he will agree to transfer his executive powers. Megawati is also conscious that her party, like the PKB, does not control a majority of seats and that she, too, as president, might be vulnerable to efforts to remove her from office in the future. Her position would, therefore, be more secure if Gus Dur were neutralised as a figurehead president while his party, satisfied that he had not been humiliated by dismissal, joined her government.

Akbar Tanjung's statements on behalf of Golkar are also designed to offer the president a way out short of dismissal. Impeachment would not necessarily follow "if he [the president] gives a positive reply to the memorandum and offers a political compromise to help resolve the problems of the nation".¹² Like Megawati, the Golkar chairman is also worried by the prospect of violence, especially following the attacks on Golkar buildings in East Java immediately after the first memorandum. But, referring to the president's unyielding position, Akbar warned that "A special session will be inevitable if the President continues to take such a stand."¹³ After reviewing the alternatives Akbar also favoured the delegation of presidential power to the vice president without actually deposing the president.¹⁴

Presidential responsibilities have been delegated by the president to the vice president once before. At the annual session of the MPR in August 2000, a cross-party group of dissidents was already demanding that the president be impeached but the majority was willing to accept Gus Dur's offer "to entrust the Vice President with day-to-day technical administration of the government, to prepare the Cabinet's working agenda and determine the focus and priorities of the government, for which the implementation would be the responsibility of the president."¹⁵ The MPR required that this offer be formalised in a Presidential Decision, which was eventually issued on 23 August 2000, and remain valid until the end of Gus Dur's term in 2004. The Presidential Decision laid out in some detail the vice president's functions and fields of authority.¹⁶ However, the president soon made it clear that it was only technical administration that was being transferred and not authority.¹⁷ Later in the month the president appointed a new cabinet which included no senior PDI-P leaders and no Golkar members at all. Megawati indicated the extent of her involvement in the selection of the cabinet by failing to attend its installation.¹⁸

Once bitten twice shy, PDI-P and Golkar are not willing to do another transfer-of-power deal with Gus Dur in the form of a mere Presidential Decision which the president could withdraw, or even ignore, at will. This time any agreement that

¹² *Jakarta Post*, 1 May 2001.

¹³ *Jakarta Post*, 4 May 2001.

¹⁴ *Jakarta Post*, 5 May 2001.

¹⁵ *Kompas*, 10 August 2000.

¹⁶ Decision of the President of the Republic of Indonesia No 121, 2000.

¹⁷ *Kompas*, 12 August 2000.

¹⁸ This was the famous occasion when Gus Dur explained his vice president's absence by saying that she had gone home for a bath.

leaves the president in office while transferring presidential power to the vice president will have to be "set in concrete" in the form of an MPR Decree.

As pressure mounted on the president after the second memorandum, he indicated that he was willing to seek a compromise but insisted that he retain his constitutional prerogatives to define policy guidelines and appoint cabinet ministers and other senior officials. "People can propose any candidate, but I will have the final say," he said. "The rest", he added, "would be under the authority of the Vice President, including the day-to-day running of the government".¹⁹ Such a deal would allow the president to appoint his own loyalists and was therefore unacceptable to the big parties, PDI-P and Golkar, which were still smarting from their effective removal from the cabinet the previous August.

The president appointed a team of seven ministers, headed by the Coordinating Minister for Social, Political and Security Affairs, Susilo Bambang Yudhoyono, to formulate a possible basis for compromise. In essence they proposed the delegation of executive power to the vice president while the president handled "macro-strategic matters concerned with the development of good international relations, national ideology, humanitarianism, and religion" and would be able to "discuss" the protection of the foreign exchange reserves with the vice president.²⁰ The president, however, has not accepted this proposal.

As his options narrowed, on 5 May the president again floated an old proposal to declare an emergency and disband the parliament and MPR to be followed by a new election.²¹ He seemed to be inspired by President Sukarno's decree of 1959 which replaced the parliamentary constitution of 1950 with the presidential 1945 constitution but, unlike Gus Dur, Sukarno had the full support of the military for this measure.²² In response the Chief of Staff of the Army, General Endriartono Sutarto, revealed to the press that he had advised the president 'not to plan, or even consider, declaring a state of emergency, which is only used for the dissolution of the House'.²³ When the president reportedly claimed that 'it was only their top generals who were against the idea',²⁴ rumours spread that he was planning to dismiss Endriartono. Other senior officers responded by publicly warning against making military appointments on political rather than professional grounds.²⁵

Gus Dur was envisaging that a new general election would follow the dissolution of the parliament. In the past he had talked of changing the electoral system to enable the direct election of the president rather than through the MPR as provided by the current 1945 constitution. However, the holding of a direct election requires a constitutional amendment that can only be adopted by the

¹⁹ *Jakarta Post*, 5 May 2001.

²⁰ The leaked document was published in *Tempo*, 20 May 2001.

²¹ He had previously suggested this in late January shortly before the DPR adopted the first memorandum.

²² The 1945 constitution is the original constitution introduced when Sukarno and Hatta proclaimed Indonesian independence at the beginning of the national revolution in 1945. It has continued in effect since its reintroduction by Sukarno in 1959.

²³ *Jakarta Post*, 15 May 2001.

²⁴ *Jakarta Post*, 14 May 2001.

²⁵ *Kompas*, 18 May 2001.

MPR. Similarly, it is only the MPR that has the constitutional authority to bring forward the date of the election. In current circumstances, it could hardly be imagined that the MPR would go along with the president's scheme.

By the third week of May, the positions of the president, the vice president and the majority of the DPR appeared to be hardening. The president's public statements provided little indication that he was ready to hand over virtually all his powers as demanded by his critics while the critics showed no sign of accepting anything less than the full transfer of executive power to the vice president. Unless a compromise is achieved, it seems inevitable that the DPR will meet on 30 May and call for a special session of the MPR in August.

IV. CONSEQUENCES OF THE IMPASSE

The current impasse in the relations between the president and the parliament has potentially serious implications for Indonesia's future. As attention is largely focused on the presidential crisis, the government shows signs of being immobilised. The longer the impasse lasts, the more serious its consequences will be.

First, although the economy grew by 4.8 per cent in 2000, it remains in a critical condition. The public debt is currently around 100 per cent of gross domestic product, the banking system has yet to recover from the crisis of 1997, and many major enterprises remain on the verge of bankruptcy.²⁶ In these circumstances political uncertainties and perceived potential instability make it almost impossible to attract new investments, both domestic and foreign. Meanwhile the value of the rupiah has steadily declined from slightly under Rp 7,000 to the U.S. dollar in January 2000 to Rp 9,300 at the end of the year and Rp 10,400 at the end of March 2001. During April rising political tension forced it down further. The president's public speculation on 19 April that 400,000 of his supporters would come to Jakarta pushed the rupiah below Rp 11,000 on the following day, and on 26 April, just before the DPR issued its second memorandum, it broke the Rp 12,000 barrier. The collapse of the rupiah made untenable the budget that had been adopted less than five months earlier on an assumed exchange rate of Rp 7,800 but the continuing political crisis prevented the government from revising it. Meanwhile, in the absence of an agreed budget, the next tranche of IMF aid was postponed yet again, and business confidence declined further.

Second, the prospect of political violence in the capital and elsewhere remains. Although clashes between the supporters and opponents of the president were averted at the end of April, many fear that the danger has just been postponed. The next step in the dismissal process - the meeting of the DPR to decide whether to call a special session of the MPR - will probably be accompanied by similar tensions to those witnessed in the latter part of April. All the major parties have militia-type organisations whose members, clad in military-style fatigues, perform security duties at party rallies but can also be mobilised to defend other party interests. These organisations provide many of the participants in political demonstrations. In addition, radical Muslim organisations have also threatened to mobilise their members to confront Gus Dur's supporters if they come to Jakarta.

²⁶ See *Bad Debt: The Politics of Financial Reform in Indonesia*, ICG Asia Report No.15, Jakarta/Brussels, 13 March 2001.

The rhetoric surrounding this mobilisation during the last four or five months has contained a large amount of bluff but the danger of physical conflict cannot be dismissed. Even if these tensions are successfully managed on 30 May, the danger will only have been postponed until the MPR session opens in August. Perhaps even more worrying than the outbreak of clashes between demonstrators are the opportunities this would provide for the urban underclass to repeat the massive rioting and looting that occurred in May 1998 immediately before the fall of President Suharto.²⁷

Third, the unresolved political crisis is endangering the future of the democratic transition. A recent survey found that a majority of respondents in eight major cities believed that the government was not capable of restoring security and order.²⁸ The view that democracy has only brought disorder and chaos is growing stronger while the number looking back with favour on the enforced order of the Suharto era seems to be growing - although many just want to return to the order without the repressive political system that maintained it.²⁹ Public discussion seems to be overshadowed by fear that the nation is on the path to disintegration – not just the possible secession of several provinces but, more seriously, widespread social disintegration marked by the breakdown of law-and-order in the midst of ethnic and religious conflict.

The military has shown no sign of being ready to intervene in the present crisis. On the contrary the military leadership has emphasized that it would not take sides in the current political struggle – although it is well known that most military officers, like most civilians, have lost confidence in President Wahid. Thus the military group in the DPR abstained in the vote on the second memorandum and the army chief of staff made clear his unwillingness to support the declaration of an emergency. Military officers seem to believe that they will have more influence in a Megawati government but have no expectation – at least in the short term - of returning to the dominant position they held under Soeharto.

A quick resolution of the current political crisis would not solve all these issues but without a resolution, it seems unlikely that other aspects of the Indonesian crisis will even be tackled.

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²⁷ In response to the IMF's demand that the budget deficit be reduced, the government will be cutting subsidies on oil products on 1 June, two days after the DPR meeting. The fuel price increases could also provoke violent public protest.

²⁸ *Jakarta Post*, 11 May 2001. The survey, however, did not provide a true measure of public opinion as one quarter of the 600 respondents were university graduates.

²⁹ In this respect, memories are often short. In fact the latter part of the Suharto period was marked by regular outbreaks of rioting, and it should be remembered that the biggest riot of all - in May 1998 - took place while Suharto was still in office.

Party Representation in the DPR and MPR

Number of seats and percentages and percentage of votes in 1999 election

	DPR		MPR		General Election
	Seats	per cent	Seats	per cent	per cent of votes
PDI-P	153	30.6	185	26.6	33.8
Golkar	120	24.0	182	26.2	22.5
PKB	51	10.2	57	8.2	12.6
Central Axis					
<i>PPP</i>	57	11.4	69	10.0	10.7
<i>Reformasi</i>	41	8.2	48	6.9	8.5
<i>PBB</i>	13	2.6	14	2.0	1.9
KKI	12	2.4	14	2.0	+
PDU	9	1.8	9	1.3	+
PDKB	5	1.0	5	0.7	0.9
Military/Police	38	7.6	38	5.6	appointed
Special groups			73	10.5	appointed
Non-Party (formerly PPP)	1	.2	1	.1	
TOTAL		500		695	

Source: Kompas, 10 August 2000, modified in May 2001 to reflect the defection of one member of the PPP

The Reformasi group consists of PAN and Partai Keadilan.

The KKI group consists of seven nationalist-oriented parties, of which the PKP won 1 per cent of the votes and the other six less than 1 per cent each.

The PDU consists of five Muslim parties, none of which won more than 1 per cent of the votes.

The Special Groups consist of 65 appointed members and 8 non-party regional representatives. The other 122 regional representatives joined party groups in the MPR.

According to law, the MPR has 700 members but the number was reduced by five when East Timor withdrew from the Republic of Indonesia.

GLOSSARY

DPR:	Dewan Perwakilan Rakyat: Parliament
Golkar:	Golongan Karya: Functional Group party
MPR:	Majelis Permusyawaratan Rakyat: People's Consultative Assembly
Muhammadiyah:	Modernist Muslim Organisation
NU:	Nahdlatul Ulama: traditionalist Muslim organisation
KKI:	Kesatuan Kebangsaan Indonesia: Indonesian National Unity:
PAN:	Partai Amanat Nasional: National Mandate Party
PBB:	Partai Bulan Bintang: Crescent and Star Party
PDU:	Perserikatan Daulatul Ummah: Association of Muslim Peoples' Sovereignty
PDI-P:	Partai Demokrasi Indonesia - Perjuangan: Indonesian Democratic Party of Struggle
PKB Party:	Partai Demokrasi Kasih Bangsa: National Love Democracy
PK:	Partai Keadilan: Justice Party
PKP:	Partai Kesatuan Persatuan: Unity and United Party
PKB:	Partai Kebangkitan Bangsa: National Awakening Party
PPP:	Partai Persatuan Pembangunan: United Development Party
Reformasi:	Reform group