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INDONESIA: ORDER AND TERROR IN A TIME OF EMPIRE

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THE POST-SOEHARTO 'DIS-ORDER'

In relation to present-day, post-authoritarian Indonesia, two major issues have been a source of disquiet insofar as the imperatives of American Empire in Asia are concerned. First, the 'discovery' of the Jemaah Islamiyah in Indonesia and other parts of Southeast Asia (e.g. ICG 2002; Barton 2003) soon after the World Trade Centre attacks. Before long Jemaah Islamiyah and other assorted groupings of 'Islamic radicals', which are almost certainly quite diverse in terms of their origins and orientations, were to be almost uniformly seen as linked to Osama Bin Laden's Al Qaeda (e.g. Williams 2003; Abuza 2003). In the Indonesian case, the likelihood that JI individuals have affiliations with a number of 'legitimate' Islamic organisations – mass organisations or foundations, and even political parties – has been pointed out by at least one prominent analyst (Jones 2004: 25).

Post-Soeharto Indonesia, regarded as a site of economic and political instability in the region, is thus seen in the West as fertile ground for the further spread of radical Islamic groups prone to acts of terrorism, especially in the absence of effective central state authority. The Bali bombings of October 2002, in which 200 people perished, a large number of whom were Australian tourists, the bombing of the Marriott Hotel in Jakarta in August 2003, and that of the Australian embassy in September 2004, have underlined Indonesia's status as a hotbed of terrorism.

The second source of worry concerns the viability of the Indonesian nation state itself. After decades of centralised, iron fisted rule under Soeharto's New Order, there are doubts about whether Indonesia – in many ways the random product of an earlier age of European Empire – will stand the test of time (e.g. Aspinall and Berger 2001). In a nutshell, the question is: will the balkanisation of Indonesia – a country of 220 million people, spread unevenly over an archipelago of 17,000 islands – ensue in the foreseeable future?

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East Timor – the former Portuguese colony invaded by Indonesia with US approval in 1975 (Milbank 2001) – successfully attained independence following a referendum in 1999. Nevertheless East Timor's status as part of Indonesia was never accepted internationally, so real fears have been worsened by bloody communal strife in Maluku, parts of Kalimantan and Sulawesi, but especially the resurgence of separatism in the resource-rich regions of Papua and Aceh. The latter was placed under martial law until May 2004, and was the site of a major Indonesian military operation to quash a growing separatist rebellion. All of these developments seem to strengthen the widely held perception that Indonesia is today an alarmingly fragile entity.

Not surprisingly, fears of Indonesian balkanisation have been voiced not only domestically but also internationally. This is partly because of the considerable ramifications of Indonesia as a genuinely 'failed state' to regional stability, not least in terms aiding the proliferation of terrorist networks. As Robert Gelbard (2001), a former US Ambassador to Jakarta, once observed, 'Strategically, the security of most of Southeast Asia rests on a stable Indonesia and would be seriously threatened if a number of mini-states emerged from a political collapse here'.

It is significant that since the fall of Soeharto Indonesia has experienced a frequently volatile process of democratisation. It is argued here that Indonesia's democratisation is deeply entangled in a variety of processes that are external to domestic constellations of power in Indonesia. It is intractably embedded in the processes of globalisation, the mechanics of a USA-centred world order, and the unfolding of American security, political and economic interests in the region. As Johnson (2000) cogently argues, the present world order is characterised not only by unrivalled US economic, political, and military hegemony but also the increasingly free use of force to shape the processes economic globalisation in its interests). Other authors specifically cite the primary interest of guaranteeing the ascendancy of American capital within world capitalism (Anderson 2002), through a combination of force and the manufacturing of world-wide consent for America's benevolent leading role in preventing global descent into anarchy and chaos. Wood (2003) in particular emphasises the coercive aspects of the US-dominated 'empire of capital', which requires nation-states to maintain order, with America acting as the great imperial enforcer.

It may be useful at this point to recall that the entrenchment of a highly centralised, ruthless, predatory regime in Indonesia under Soeharto was a process deeply entangled in the international geopolitics of an era that has since come to pass. Established in 1966, as the United States was busy fighting an increasingly bloody war in near-by Vietnam, Soeharto's New Order was in many ways as much a direct product of the Cold War, as it was the outcome of a prolonged, bitter conflict between domestic social and political forces in Indonesia.

In the current context, what is really at stake from the perspective of American interests is how to make Indonesia's new democracy functional to broad requirements in the region. In very simple terms, how would it be possible to craft, in post-Soeharto Indonesia, an institutional framework of governance that would guarantee the following?

- a) The prevention of the break-up of the Indonesian nation-state;
- b) The containment of radical Islamic forces deemed hostile to Western interests; and
- c) The security and predictability necessary for the operations of international, especially US, capital in Indonesia and the region.

It is noteworthy that since the fall of Soeharto international development organisations, like the World Bank and USAID, have been actively promoting programmes in Indonesia under the headings of institution-building, good governance, and civil society-promotion, and the like. Though these have origins that pre-date Soeharto's fall, the growing emphasis has been on the dissemination of democratic and 'civil' political practices and values on constructing supportive social and institutional frameworks. But it is not just any kind of 'democracy' and 'civility' that is being pursued.

Organisations like the World Bank in particular virtually revert back to 1960s modernisation theory in highlighting the importance of a core of rational, market-friendly, development actors and planners. In documents expressing its position on the virtues of administrative decentralisation as a global development agenda, the World Bank emphasises the advance of an institutional framework premised on market rationality (World Bank n.d.). While public accountability and transparency is widely discussed as well, such a framework is addressed in terms of directing public participation and citizenship in ways that are functional to the requirements of the market (Fine 2002: 220). The entrenchment of technocratic, market-friendly governance would also involve something akin to the 'low-intensity' type of democracy referred to by such authors as Gills (2000) – in which distributional and other non-market friendly coalitions are kept at bay. Thus, the sort of democracy being promoted in this vision of post-Cold War globalisation has particularly much in common with the modernisation theory of late 1960s Huntingtonian revisionism, in the way that the latter privileged political order and stability as a marker of modernity and development (Huntington 1968).

The belief in a benign, rational technocratic rule is ultimately related to the hope that, in the specific case of Indonesia, it would serve as a bastion against populist or predatory coalitions – which may take nationalist and/or Islamic expressions. The Achilles Heel, however, is that all systems of rule – even those directed by supposedly wise technocrats 'freed' from the pressure of particularistic interest groups – require a social base. As Robison and Hadiz (2004) point out, such a social base does not much exist internally in Indonesia, partly because of the legacy of centralised, authoritarian rule that deeply disorganised civil society and which produced a bourgeoisie and middle class

that did not develop an abiding interest in free markets or liberal democracy. Indeed, neo-liberal market reform has traditionally been pushed by international development organisations, plus a relatively small number of economic technocrats in the government, as well as a handful of vocal middle-class public commentators. In the absence of a stronger social base, the additional factors of power and coercion become increasingly important. It is in this context that political illiberalism appears increasingly compatible with – and even functional to – the enforcement of neoliberal market rationality.

It is in this context as well that the most likely ally of US interests in relation to Indonesia is its long-time Cold War-era partner – the military. Following several years of a rather strained public relationship, especially during the Clinton administration, the latter is increasingly viewed as the glue that can hold Indonesia together and the political force that can simultaneously act as a bastion against the rise of Islamic radical groups. Many top officials of some of America's closest allies in the region, including Australia and Singapore, apparently now share such a more or less benevolent view of the Indonesian military, of the latter's poor human rights record.² Australia, for example, has resumed contacts in June 2004 with Kopassus, the much feared Indonesian elite army unit with a record for human rights abuses (Melbourne Age 18 June 2004). At a high-level regional security conference, Singapore Senior Prime Minister Lee Kuan Yew urged the USA to support the Indonesian military – as the only institution that can save the country from 'Islamic extremism' (*Tempo Interaktif* 2 June 2002). However, there remains strong opposition in the USA to overtly resuming ties with the Indonesian military, much of it stemming from the belief that it was responsible for the murder of American school teachers in Papua in 2002 (Goodenough 2004).

The Indonesian military itself is of course eager to demonstrate its indispensability to Indonesian national unity, and top officials regularly warn against the possible break-up of the country. Army chief General Ryamizard Ryacudu, for example, drove the point home in a public speech in which he asserted that there are those 'who are constantly trying to bring about the collapse of the Unitary State of the Republic of Indonesia (NKRI) either from within or from outside of the country' (*Detik.com*, 12 May 2004). Obviously, the more fragile Indonesia appears to be, the greater the legitimacy of the military's claim for a broad role in post-New Order politics.

Thus, a strange feeling of *deja vu* may easily descend upon any long-time observer of Indonesia. If during the Cold War the threat was that of the spread of global communism, so today the threat is identified by the USA as that of an

² See the transcript of a joint press conference by Senator Robert Hill, Australian Minister of Defence and Paul Wolfowitz, US Deputy Secretary of Defence, Shangri-la Hotel, Singapore 1 June 2002 at: <http://www.minister.defence.gov.au/Hilltpl.cfm?CurrentId=1558>. Also see the transcript of a speech by Senior Minister Lee Kuan Yew on the occasion of the 1st International Institute for Strategic Studies Asia Security Conference, Singapore, 31 May 2002, Singapore Government Press Release, Media Division, Ministry of Information, Communications and the Arts, at <http://sg.news.yahoo.com/020530/57/2qiur.html>.

increasingly globalised kind of violent, anti-Western Islam. The remedy identified for the current global disease is remarkably similar to the old 'cure' as well: the emergence of free markets under a benevolent pro-Western and modern technocracy, if necessary, backed up by a powerful military. Thus, the Indonesian military is turning out to be a major beneficiary of both Cold War and Post-Cold War American geopolitical strategy. However, serious complications and contradictions may yet emerge.

INDONESIAN AUTHORITARIANISM, US POWER AND THE COLD WAR

It is necessary to recall the Cold War origins of New Order authoritarianism, to make sense of the turbulent process of democratisation in the post-Cold War context. General Soeharto attained power through a bloody campaign of eradicating communism, which was supported by the Western powers (e.g. Cribb 1990). The exact death toll of this nation-wide campaign is unknown, though the consensus today seems to be in the area of eight hundred thousand or so. In addition, several hundred thousand more suspected communists and sympathisers were detained without trial for many years. The impact on Indonesia's subsequent trajectory is hard to overstate. The New Order's successful eradication of communism facilitated policies of disorganising civil society in general, resulting in the centralisation of state power that was never to be attained by the authoritarian rulers of such neighbouring countries as the Philippines and Thailand, in spite of their own vociferous efforts.

Soeharto's rise to power – and the demise of his predecessor, the nationalist hero and firebrand Soekarno – was facilitated by a coalition of interests led by the military, which included elements of the propertied, rural elites and the urban middle class. These were social forces that were all either threatened by the radical, Left-wing populism of the PKI (Indonesian Communist Party) or harmed directly by Soekarno's hyper-inflationary, autarchic economic policies. Once in power Soeharto was to embrace economic policies that were pro-Western. Such policies established the basis for a long period of economic growth and political order, which would only ultimately end with the Asian economic crisis of 1997/98.

The military was a particularly important component of the New Order in its early years. Its rise was a long, gradual process, facilitated by Indonesia's entanglement in the global Cold War politics alluded to earlier. As numerous analysts have noted (e.g. Mortimer 1974), Soekarno became closer to the PKI in his last years in power – although this was partly to check the growing powers of the Indonesian military. The latter, for example, had taken up control of many foreign firms nationalised in the late 1950s and was increasingly dominant in the operations of local governance – due to the promulgation of martial law in response to regional rebellions in West Sumatra and North Sulawesi (see Kahin and Kahin 1995).

The Indonesian Communist Party was the only serious competitor to the Indonesian military by the onset of the 1960s. In the increasingly intense con-

test between the PKI and the military, particularly the army, the USA was clearly on the side of the generals. A close relationship with the military top brass was partly forged through assistance programmes that included the training of officers in the United States as well as the supply of military hardware. Such a policy was particularly pursued after the US government recognised the failure of the previous policy of undermining Soekarno through covert support of separatist rebels (Kahin and Kahin 1995: 193).

It should be recalled as well that Soeharto was expected by Western analysts and by some of his domestic supporters to establish a democratic as well as market-friendly regime.³ But of course, the New Order turned out to be ruthlessly authoritarian. Indeed, Soeharto's legacy was to effectively kill off the possibility of real party politics as he institutionalised an authoritarian corporatist system that pre-empted independent, autonomous organisations. Workers, for example, were forced to follow a single state-dominated labour organisation (Hadiz 1997; Kammen 1997; Ford 2003), as were the peasantry, youths, women, and so on. Moreover, though Soeharto remained firmly committed to the US camp as far as Cold War politics were concerned, he directed Indonesia towards a remarkably predatory form of capitalism. He was aided by international development assistance and by windfall oil revenues in the 1970s. In the process, Western-trained economic technocrats were often marginalised (Robison 1987; Winters 1996), though they continued to provide the façade of economic rationality to the world.

These economic technocrats were a product of American policy from the 1950s that was partly based on the nurturance of a core, select group of pro-American actors in a range of important institutions. It is well-documented that a host of Indonesian Cold War-era intellectuals, bureaucrats and policy-makers were educated and trained in America through a number of assistance programmes. The Ford Foundation, for example, helped to develop the infrastructure for the instruction of 'modernising' Indonesian intellectuals at such leading universities as Cornell – where Indonesian (and Southeast Asian) Studies particularly flourished.

Most famously, the Ford Foundation was instrumental in developing the Faculty of Economics at the University of Indonesia, an institution that provided the Soeharto bureaucracy and cabinets with a steady stream of individuals with technocratic expertise and skills.⁴ Some of the earliest beneficiaries of this programme were to hold the various economic and development portfolios for decades, and were to be dubbed the 'Berkeley Mafia', owing to the institution within which several of them had received their doctorates (Ransom 1970).

Of course developments in Indonesia were not unique. It is generally accepted that the activities of several American private foundations in Latin America and Asia in the 1950s and 1960s were frequently linked to American geo-political

³ For the views of modernising liberal-pluralists in Indonesia at the time, see. Bourchier and Hadiz eds. (2003), especially Chapter 2.

⁴ For a detailed early look at this programme see Dye (1965). Also see Ford Foundation (2003).

strategies and interests. Not uncommonly, links to the CIA have been credibly alleged.⁵ No less than Dean Rusk, a former top State Department official, and then head of the Rockefeller Foundation was to suggest at the height of the Vietnam War, 'communist aggression' in Asia needed to be confronted not only by the training of American combatants, but also by the opening up of US 'training facilities' for 'increasing numbers' of America's Asian allies (Ransom 1970: 40). Thus, a modern pro-Western technocracy, together with the military, came to be regarded as essentially the twin pillars of anti-communism in Indonesia. Of course it was useful that some of the clear beneficiaries of New Order policy were ultimately giant US-based companies like the oil concern Caltex, operating in Riau and the mining giant Freeport, operating in Papua.

It was only in the wake of the Asian economic crisis that Soeharto's New Order finally unravelled. In the evolution of the New Order, a ruling coalition of interests cemented by Soeharto himself – based upon politico-business families and large corporate conglomerates emerging from the apparatus of the state itself – had earlier taken possession of the state to an astonishingly instrumental degree. This capitalist oligarchy was not only able to wield control over state institutions and to hijack and shape the process of economic liberalisation (Robison and Hadiz 2004). By the 1980s, as Indonesia's economy became even more integrated, particularly to new global financial markets, an internally decrepit, unconstrained economic system thus became entrenched that would eventually become fatally over-borrowed and collapse.

Tensions between US interests and that of Soeharto's increasingly predatory and rapacious oligarchy were evident at the height of the Asian economic crisis, less than a decade after the end of the Cold War. Perhaps symbolic of the new dispensability of Soeharto was the unambiguous statement by then Secretary of State Madeleine Albright that he should step down in the face of growing popular opposition in May 1998.⁶

But it was the effective withdrawal of support from the International Monetary Fund that had delivered the real external body blow to the Soeharto regime. A dispute between the IMF and Soeharto had been simmering for a while, the source of which was Soeharto's refusal to comply with IMF economic reform policies that would have jeopardised the economic position of leading conglomerates, including those controlled by his own family. The situation that had developed conformed broadly to the general description given by Desai on the relationship between American interests and that of 'crony' capitalism in Asia, as expressed by the advocates of post-Cold War neo-liberal globalisation. For Desai (2004: 174), the 'ideological attack' on crony capitalism in Asia after 1997 indicated that 'what was once fostered and tolerated for cold war purposes' had become 'not only dispensable but constituted an obstacle to the interests and intentions of metropolitan capital...'

⁵ This theme is revisited, for example, in James (2001).

⁶ As noted in the chronicle of events directly leading to and following Soeharto's fall provided by Sinansari Ecip (1998:129).

No less than IMF chief Michel Camdessus (1997) was to declare that the Asian Crisis had revealed the faults of the previously heralded model of Asian state-led developmentalism, and that wide-ranging reforms were required in places like Indonesia. But this has not quite transpired. In fact, just as Soeharto's cronies hijacked markets in the 1980s (Robison and Hadiz 2004), elements of the old New Order regime have now reconstituted and appropriated the institutions of governance by reinventing themselves in parties and parliaments. Thus, the Indonesian post-Soeharto experience shows that predatory relations of power can survive the unravelling of an authoritarian regime. Moreover the demise of such relations of power does not appear to be automatically connected to the outright subjection of Indonesia to forces that might be expected to exert pressure for greater transparency and accountability in governance.

For example, foreign businesses that might have been expected to have a vested interest in neo-liberal market reforms attempted to defend the privileges they gained through corrupt deals with the New Order and therefore demonstrated (yet again) the compatibility of investor interests and predatory politics under certain circumstances. This was perhaps best illustrated by the case of PLN, the Indonesian state-owned electricity company. Soon after the fall of Soeharto, American business interests, supported personally by the US Ambassador to Jakarta, threatened PLN when its director sought to cancel Soeharto-era contracts (e.g. *Far Eastern Economic Review*, 21 October 1999: 63-64). These contracts were widely believed to have been the product of high-level corruption – exactly the kind that Indonesia was supposed to abandon. The case underscores that the primary concern of international investors is not necessarily with transparency, or 'good governance', but with certainty and predictability – which can be offered by various kinds regimes. As Max Weber once observed, there is a key difference between predictable and unpredictable forms of corruption (1978: 240; 1095).

The main problem with Indonesia's democracy, from the point of view of these investors, is that the demise of the highly corrupt, but also highly centralised New Order, and the decentralisation of power both from the executive body of government to parliaments, and from Jakarta to the regions and localities – has given rise to highly decentralised and unpredictable corruption (Hadiz 2003a). It is mainly in response to such unpredictability that a Singapore-based business daily highlighted the possibility of an exodus from Indonesia of fairly long-established international business operations (*Business Times* 20 May 2004).

It is in this context of 'dis-order' – juxtaposed to the 'orderliness' of the Soeharto era – that Cold War-era ideas about rational modernising elites are invoked again. This is often achieved by recourse to the fashionable literature on 'rational choice' or 'social capital', which embodies many of the same assumptions of modernisation theory (see Leys 1996: 80-103; Fine 2001). Today the emergence of rational, modernising elites, typically through good governance assistance programmes, is not envisaged as an antidote to communism, but to the dreaded 'failed state'. But as mentioned earlier, such a

technocracy cannot in reality simply be wished into being. Moreover, given the context of the US-led War on Terror – it is the Indonesian military, more than any ‘rational’ technocracy – that can offer the assurance of thwarting a descent into the ‘failed state’.

THE MILITARY AND INDONESIA’S DISORDERLY DEMOCRACY

Underlying the process of democratisation in Indonesia have been concrete struggles over the control of state institutions and resources as power is reorganised. The main actors in these contests have predominantly been interests nurtured by the old regime who have been able to reconstitute through new vehicles and alliances (Robison and Hadiz 2004). Though relatively marginalised since 1998 – the military remains a powerful force. In fact it has been displaying signs of enjoying a comeback of sorts in more recent years after being pressed into a retreat in the immediate post-Soeharto period.

The apparent political ‘rehabilitation’ of the military was epitomised by the rise of General Wiranto, nominated by Golkar – the New Order-era state party – for the Presidency in 2004. Regarded as a loyal protector of Soeharto family interests, he remains embroiled in numerous cases of alleged human rights abuses. He was no less Soeharto’s personal adjutant, and then Minister of Defence as well as Commander of the Armed Forces. The eventual winner of the Presidential race though was General Susilo Bambang Yudhoyono – former chief of political affairs of the armed forces – who somehow graduated from the New Order without a human rights record nearly as blemished as that of many other generals of his seniority. Nevertheless he was a top general in Jakarta during the storming of an opposition party headquarters – that evolved into Megawati Soekarnoputri’s PDIP – in July 1996, at which an unknown number of political activists were killed or disappeared (*Jakarta Post* 8 June 2004). But the PDI-P – the victor of the first post-Soeharto democratic elections in 1999 – is itself no clearly reformist vehicle as well. Like virtually all the major political parties of the post-Soeharto era, it is a vehicle for motley interests that include those incubated in the old New Order as business cronies, generals, political operators and enforcers (Hadiz 2003b).

It would be an exaggeration, however, to suggest that these results suggest popular support for a highly centralised authoritarian regime (Sugianto Tandra 2004). No doubt there is a longing – perhaps especially among sections of the urban propertied and middle class – of a time of greater certainty (Gazali 2003; Kurniawan 2003). It is also significant that the terms of the public debate in Indonesia have shifted considerably from ‘*reformasi* versus the status quo’ in the early post-Soeharto period, to ‘disorder versus order and stability’ – with the Soeharto regime representing a time of orderliness, stability and relative prosperity in the imaginations of many.

The juxtaposition of order against chaos in much of the domestic discourse bears an uncanny resemblance to the rhetoric of Washington about world politics especially after the events of 11 September 2001. The emphasis of the

latter is on the duty of the USA to safeguard economic and political security in the world, particularly in the face of destabilising forces like global terror networks of radical Islamism. Indeed, the stated aims of American power – as expressed by speeches by the likes of George W. Bush and the writings of others (e.g. Dobriansky 2003) – is to make the world safe for democracy, and to ensure the stability required for global economic prosperity based on an internationalised system of global markets. However, it has become increasingly the perceived wisdom in Washington that such a system would need to be at least partially sustained by force and coercion, and may require direct strikes against presumed sources of threat (e.g. Schmitt 2003).⁷ The overall outcome is the apparent reversion to the Cold War practice of supporting the most horrendous of dictatorships and authoritarians as long as they support American interests (Rodan and Hewison 2004).

There is little doubt that the post-9/11 international context has contributed to the Indonesian military's regaining of some of the confidence it had lost, though this must also be attributed to the ineptitude of Indonesia's civilian political leadership. The governments of Abdurrahman Wahid and Megawati Soekarnoputri – two former leaders of the 'reformasi' movement of 1998 – failed to meet the high expectations of their early days.

Notably, however, the predominantly 'nationalist' Megawati government also displayed some hesitance in supporting the American-led War on Terror. Aware of her vulnerability in relation to organised political Islam in Indonesia – Islamic parties had thwarted her first attempt at the Presidency in 1999 – she was very cognisant of the dangers of further alienating Muslim political groups.

According to the journalist Tatik Hafidz (2003), the Megawati government debated internally whether or not Indonesia should take the so-called Musharraf road. This is of course a reference to the Pakistani military dictator's ability to garner American support through his government's unambiguous support for the American War on Terror. In the case of Musharraf, this entailed turning against many of the radical Islamic political groups that his government had helped to cultivate earlier, in relation to previous rounds of domestic political struggles. Hafidz suggests that military intelligence czar General Hendropriyono was the main supporter of taking the Musharraf road, although some of his colleagues were more circumspect.

It is perhaps useful to recall that sections of the Indonesian military leadership had sometimes cultivated a relationship with these same groups for domestic political purposes. General Prabowo Subianto, Soeharto's son-in-law, and a notoriously ruthless commander, had been known to provide patronage to militants, which was partly a corollary of the late New Order strategy of courting various Islamic groups (Hefner 1993). In this connection, groups of thugs donning Islamic regalia and symbols like the *Front Pembela Islam* (Islamic

⁷ This article, originally published in the *Los Angeles Times*, is found on the website of the Project for the New American Century, in which the author is listed as Executive Director. US Deputy Defence Secretary, Paul Wolfowitz, is a leading participant.

Defence Front) allegedly enjoy the protection of New Order Generals like Djaja Suparman, a former chief of the elite Kostrad unit, as well as Wiranto himself.⁸ Indeed, even the Lasykar Jihad, the group that sent armed fighters to Maluku is understood to have maintained close links to the military. Indonesian observers like George Aditjondro (n.d.) have suggested strongly that sections of the military were responsible for initially fanning the flames of violence in Maluku. More recently, it has been suggested by the respected weekly *Tempo* that the reigniting of communal strife in Ambon in early 2004 was the work of Kopassus troops (*Tempo*, No. 46, 13 Januari 2003).

The irony is that the military is supposed to be the force to hold Indonesia together. But the military has also been alleged to have an interest in the perpetuation of violence in other Indonesian regions like Aceh (Kingsbury and McCulloch 2004). Indeed, analysts have long speculated that periodic anti-Chinese rioting and church burnings in the 1980s and 1990s were instigated by at least sections of the military leadership to demonstrate their indispensability to political stability. Indeed, this 'tradition' goes back quite a long time: General Ali Moertopo, Soeharto's most valuable aide in the early New Order, was known to have cultivated Islamic radicals, including individuals linked to the cleric Abubakar Ba'asyir, now alleged to be the spiritual leader of the Jemaah Islamiyah. Of course, such 'alliances' were always 'tactical' and tenuous – the New Order was to turn against the militants when it became convenient to do so (ICG 2002).

It does not follow, however, that the resurgence of the Indonesian military means the demise of Indonesia's new democracy. While recent global and domestic developments may have favoured its resurgence, few would expect the military to be able to dominate Indonesian politics and society as it did during the early years of the New Order in particular. This is the case even with a military man in the Presidency from 2004 – just six years after Soeharto's fall.

Indeed the major interest of the military as an institution is arguably to maintain enough influence and power to safeguard access and control over certain economic resources. Thus it needs to find its niche within the post-Soeharto reorganisation of power rather than overturn it. The military, for example, has long been in control of a range of companies and foundations that provide extra-budgetary revenue – and extra income for officers (Mohammad and Pamuntjak 2004; ICG 2001: 13). It is also believed to be involved in organised crime activity – with interests in gun-running, drug dealing, prostitution, illegal gambling, and extortion rackets (Kingsbury and McCulloch 2004). It is perhaps useful to recall that the national budget reportedly only a quarter of the financial needs of the military.⁹ Not surprisingly, military companies and foundations

⁸ See the report in http://www.laksamana.net/vnews.cfm?ncat=2&news_id=4545 (8 January 2003) about a meeting in 2000 that involved these generals and top Muslim militant groups.

⁹ For example, according to Ikrar Nusa Bhakti, a researcher at the Indonesian Institute of Sciences. See interview in 'Government Must Act on Military Businesses' *Jakarta Post*, 20 May 2000.

have been the sites of some of the worst and most long-standing corruption in the country.

In practice, safeguarding the institutional interests of the military also involves perpetuating the so-called 'territorial structure', within which local military commanders serve as a counterpart to civilian administrations at each level of government (Mietzner 2003). This territorial structure allows local military commanders the opportunity to enter into local political and business alliances. In the current context of decentralisation of fiscal and administrative governance, it is conceivable that some local military commanders are finding that such alliances are more lucrative than ever (Mietzner 2003).

But the international rehabilitation of the Indonesian military has met with hitches. The shadow of the 1999 post-referendum military-sponsored murderous frenzy in East Timor still looms large in the background. Although the United States has committed financial assistance to the Indonesian security forces in order to combat terrorism (Carothers 2003), American military aid remains severely restricted, and Indonesia remains banned from the so-called IMET (International Military Education and Training) programme, mainly because of the unresolved murders of the American school teachers in Papua.

Nevertheless, democracy activists do have cause for concern. Exploiting recent domestic and global developments, the military has been instrumental in the establishment of martial law in Aceh, as well as the all out quest for a military solution to the deeply-rooted troubles of the province. Most disturbingly, the military tried, unsuccessfully, to put forward a law that would have effectively placed it in a commanding position in times of national emergency (Jones 2004).

These fears have been exacerbated by new anti-terror legislation that human rights activists fear will be abused. The alarm bells rang because of the ambiguity with which 'terrorism' was defined – allowing for the deployment of the legislation against separatist movements in Aceh or Papua (Sebastian 2003: 364-365; Jones 2004: 26). Prior to this there were already fears of a return to the security state after the arrest of some student activists in Java and of pro-independence Acehnese activists, on the basis of the Indonesian Criminal Code (Jones 2004: 25). Moreover, after the Marriott bombing, the opinion that Indonesia *should* have an even more draconian Singapore and Malaysia-style Internal Security Act was increasingly heard. The idea was first floated by Matori Abdul Djilil, the Defence Minister in the Megawati government, and supported among others by current President Susilo Bambang Yudhoyono – who was then Coordinating Minister for Politics and Security (Balowski 2003).

In sum, global and domestic developments since 2001 have produced new opportunities for the military to regain some lost political ground. The military in particular 'used the post-Bali climate to push for a strengthening of its own intelligence capacity down to the village level, in a way that would serve only to reinforce the existing territorial command structure – the gradual dismantling of which had generally been seen as an essential step towards moving the army

out of daily political life' (Jones 2004 26-27). Importantly, a new law on the military was passed in 2004 that left the territorial structure untouched.

THE ILLIBERAL CONSEQUENCES OF EMPIRE

Within post-Soeharto Indonesia, anti-American sentiments are very much alive and well. Down to the provinces and *kabupaten* and towns, political leaders express disbelief that those convicted of the Bali bombings, for example, were the real culprits. Not infrequently, the idea of a global, American-led conspiracy against Islam is invoked. The East Java boss of the PPP (United Development Party), for example, the 'Islamic' party produced by the New Order, believes that the Bali bombers were merely the hired hands of bigger players, 'educated people' trained overseas, and lacking in nationalism (Interview with Moeslimin, Surabaya, 15 December 2002). A Surabaya local parliamentarian, A. Wachid, expresses disbelief that those accused of carrying out the Bali bombings had the technical capacity to do so, speculating on the role American and Israeli agents. The aim, he suggests, is to define Indonesia as a terrorist state, and therefore place the country in a vulnerable position (Interview with A. Wachid, 16 December 2002). A Golkar member of parliament in Gresik, East Java, argues that too much attention to human rights will disable the Indonesian military from carrying out its duty to defend national integrity (Interview with Koesmulyanto, 18 December 2002).

Of course these views are particularly ironic given the increasingly order and security-orientation of the US agenda in the region. But it is in the interests of political conservatives in Indonesia – whether 'secular-nationalist' or 'Islamic' – to exploit anti-American sentiment, which in turn increases US anxiety about terror groups in the country. Thus, a mutually sustaining process of creating fear and anxiety is evidently at work.

In reality, nothing appeals less to American interests in Southeast Asia than having to deal with a chaotic process of Indonesian balkanisation. Thus, in spite of the stated aims of American hegemony – to defend 'freedom' and democracy – little attention has been directed in Washington to the role of American companies like Exxon and Freeport in bankrolling the pervasive brutality of the Indonesian military in such conflict-ridden places like Aceh and Papua (Harry 2003). The indifference was apparent in the lack of response to the assassination of an important Papuan political leader even though the murder was publicly praised by one of Indonesia's most powerful generals as an act of patriotism.¹⁰ It is also manifest in the restrained reaction to military violence in Aceh.

The overwhelming concern with order and security has been expressed vigorously by a number of commentators in the United States. One of the most notable examples is perhaps Sebastian Mallaby, a columnist for the traditionally 'liberal' *Washington Post*. In the journal *Foreign Affairs*, Mallaby (2002: 2-7)

¹⁰See his comments as reported in 'Jenderal Ryamizard: Pembunuh Theys Hiyo Eluay Adalah Pahlawan', *Tempo Interaktif*, 23 April 2003.

quite remarkably argues that the United States must assume the position of an imperial power, otherwise risk a descent into global chaos, and the proliferation of 'failed states' potentially threatening to America. For Mallaby, modern institutions are never going to take-off in these 'failed states', which are all potential sources of world instability, and fertile ground for the emergence of hostile terror networks. The implication is that international assistance programmes are only of limited use, and that it is now the duty and burden of America to sort things out by *enforcing* conditions that could lead to the emergence of market rationality and good governance in the most inhospitable of contexts.

Not surprisingly, a major casualty in Indonesia of the securitisation of US policy is the ideal of human rights and a more genuinely empowering democracy. Thus, the Indonesian military intelligence service has gotten away with applying the sort of pressure on critical NGOs not seen since the late Soeharto period – when political activists were regularly harassed and brutalised – claiming that their activities threaten national security and interests (Tjhin 2004).¹¹

The effects of American Empire have also been unsupportive of democratic struggles in Indonesia in various ways. First, as we have seen, the post-Cold War/post-9/11 American agenda seems to be throwing a life-line to some of most conservative elements of the Indonesian body-politic. As NGO activists in Indonesia remarked, the war on Iraq benefited the chances of Presidential hopeful General Wiranto, by depleting human rights arguments of their moral force.¹² Second, recent developments have shown that governments like those in Indonesia or China have enjoyed much latitude in defining domestic opponents as security threats in the context of the War on Terror. China, for example, branded a pro-independence movement in the largely Muslim province of Xinjiang as 'terrorist' (Roberts 2002), in the same way that the Indonesian government tried to do in relation to Acehnese separatists (*Jakarta Post* 21 November 2003). Third, the rhetoric of the Bush administration about making the world safe for democracy, freedom and human rights, has tainted the activities of democracy and human rights activists in Indonesia, and therefore further weakened the reformist impulse in Indonesian society. This has been especially the case since the revelations of abuse of suspected terrorists in Guantanamo Bay, and more so, after the very graphic disclosure of the systematic torture of prisoners by US military personnel at Abu Ghraib.

Events such as these may have more than just passing relevance insofar as the struggle to shape Indonesia's new democracy continues. The United States would seem to have lost what little moral authority it had left in Indonesia to preach the language of justice and human rights – even when keeping in mind awareness of several decades of Cold War era support for military juntas

¹¹ Though not all NGO activists have taken the threat seriously. Bonnie Setiawan, head of the Institute of Global Justice, an anti-globalisation group, claims no such list really exists and that military intelligence chief Hendropriyono was just making empty threats (personal communication, 11 June 2004).

¹² Interview with staff members of Indonesia Corruption Watch, 14 June 2004.

worldwide. In other words, it has lost much of the basis of what Nye (2004) has called its 'soft power' – the appeal of the values that it is supposed to represent. Indeed one Muslim political activist in Indonesia points out that the images of American soldiers humiliating Iraqi prisoners would ensure that no one could take seriously American claims of championing human rights (Alhadar 2004). Even the Kopassus appears to be relishing the situation: its spokesman pointed out that the US military has not adhered to the human rights principles that Indonesia's military was supposed to have learned according to past American rhetoric (*Jakarta Post* 19 May 2004). On the other hand, Indonesian foreign ministry officials perceive the USA as pursuing double standards and express their bewilderment that past criticism has now given way to encouragement of authoritarian controls.¹³

In effect, the American agenda, especially after the events of September 2001, has reinforced the already strong basis for resistance to political liberalism in Indonesian state and society. But this is not a mere unintended consequence of policy, in the sense of Johnson's 'blowback' (2000). Instead, political illiberalism, even anti-liberalism, has been understood as being necessary to enforce the sort of world order envisioned by the advocates of American Imperium, as the preceding discussion shows. In the Indonesian case, the main beneficiary has so far been most anti-democratic forces in the country. The main casualty has been the struggle to uphold the ideals of human rights and a more genuinely empowering democracy.

¹³ Interview with Iwan Wiranataatmadja, director for special political affairs, Indonesian Foreign Ministry, and Hassan Kleib, director for international security and disarmament affairs Indonesian Foreign Ministry, 11 June 2004.

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