



Transition in Indonesia: Cause for Relief, Not for Celebration

by Philip Bowring

In the short run, Indonesia will benefit from the replacement of Abdurrahman Wahid by Megawati Sukarnoputri. The longer-run implications are more negative.

The positives are the ending, for now at least, of the struggle for power between the Parliament and the president. It had paralyzed decision-making and created an atmosphere of constant semi-crisis. There will now be a new cabinet, a new cooperation between executive and legislature. With the crisis over, the rupiah has strengthened and the stock market has risen. Mrs. Megawati's low-key approach to all things, her lack of views on many issues, and her remarkable ability to say very little should enable her to enjoy a longer than usual honeymoon. Her government will be broad-based and starts with the commitment of three major parties in addition to her own to support her until the next elections in 2004.

The constitutionality of Mr. Wahid's removal may long be debated. There is no doubt that here, as with similar events in Manila earlier in the year, the attitude of the military was the hinge factor. But Indonesia can take comfort from the fact that the process has been marked by remarkable public calm. There has been scant sign either of rejoicing at Mrs. Megawati's elevation or the anger that many feared would be demonstrated by Mr. Wahid's loyalists. The low-key reaction is in part due to the more cynical views that the public now has of its leaders after watching the political drama of the past two years being played out daily in the nation's free and lively media. It is also a tacit public recognition that Mrs. Megawati is not a natural leader likely to provide quick solutions to the nation's many troubles.

And it is an acknowledgment that Mr. Wahid was a well-intentioned man who was as much a victim of circumstance as of his own shortcomings. His failing was not his policies, which were consistently liberal, inclusive, and internationalist. It was his stubborn unwillingness to compromise, to admit that the democratization process that he had promoted had undermined the position of the presidency vis-à-vis Parliament.

Mr. Wahid staked all on his interpretation of an imprecise constitution and lost. Parliament was the winner. It now remains to be seen whether Indonesia adheres to what has in effect become a hybrid between a parliamentary and a presidential system, with the military acting as the balancing factor.

Mrs. Megawati has the largest party in Parliament but will remain partly reliant both on the Suharto-era forces represented by Golkar and on Muslim parties less liberal, less committed to a secular Indonesia than was Mr. Wahid. The key members of the

political elite who joined hands to topple Mr. Wahid will expect rewards. Mrs. Megawati will likely respond favorably. Mr. Wahid believed in changing Indonesia, and to some extent succeeded. Her emphasis will be on stability at all costs.

Many see Mr. Wahid's downfall not as a victory for Mrs. Megawati, who never actively sought to destroy her former mentor, but for Suharto-era forces who opposed reform and stood to lose from Mr. Wahid's fitful attempts to punish some of the more blatant thievery of that era.

Whatever her own views, it seems unlikely that she will be able to do much about the past, or better Mr. Wahid's attempts to clean up institutions such as the judiciary. The international community should not expect dealings with Jakarta to get easier. Mrs. Megawati has inherited some of her father's economic nationalism and so is less likely to agree to asset sales to foreigners.

Pressures on her for cosy deals with big local debtors will be even greater than they were for Mr. Wahid. The International Monetary Fund and creditor countries will be faced with awkward choices as to whether to endure further standoffs with Jakarta or turn a blind eye to untransparent transactions.

Debt settlements, however dubious, would help bring back Chinese money, now parked offshore, to buy back assets on the cheap. However, Indonesian Chinese may remain wary. One of Mr. Wahid's accomplishments was to remove official discrimination against them. It remains to be seen whether a government that is likely to be more nationalist in economic outlook and more dependent on less liberal Muslim elements in Parliament will backtrack on this issue.

Mrs. Megawati's strongest suit in the short term is the support of the military, which could improve law and order conditions in places where communal violence has become endemic. However, the military backing is linked to Mrs. Megawati's strong support (again, an inheritance from her father) for a unitary state.

This may mean a reversal of the decentralization process started by President B.J. Habibie and followed up by Mr. Wahid. It almost certainly implies a tougher military stance against separatism in Aceh and West Papua. On both these issues Indonesia could find itself at odds with the outside world, or at least with the West.

In short, the installation of President Megawati is a relief, but no cause for celebration.

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