



A Plan to Get Indonesia Back on Its Feet by Jusuf Wanandi

Indonesia is fortunate to have ended the 32-year rule of President Suharto without much bloodshed. The succession could have degenerated into civil war or anarchy. Although the process of political change is far from over, the worst seems past. This is due to the restraint shown by the conflicting forces, especially Mr. Suharto himself, the armed forces commander, opposition leaders, and the students.

But Indonesia must now deal realistically with its unfinished political agenda. Instead of having a new president and vice president elected by a special session of the country's highest constitutional authority, the People's Consultative Assembly, Mr. Suharto elevated his vice president, B.J. Habibie, to replace him.

This transfer of power will not bring about the necessary reforms demanded by the public. Mr. Habibie was handpicked by Mr. Suharto and has no power base of his own. He is a controversial figure without experience as a political leader. He is opposed by many groups with influence in Indonesia. Military leaders are not happy with his presidency; they accepted him only because it was Mr. Suharto's wish.

As a result, Mr. Habibie does not have the support needed to rally the Indonesian elite and to get people to take the bitter medicine of economic reform. Although there are some good economic managers in his cabinet, most of its members were well-known figures in the Suharto regime. The government thus lacks credibility.

Moreover, Mr. Habibie himself is not trusted by the financial markets because of his excessive spending on inefficient prestige projects while he was a cabinet minister under Mr. Suharto, and because of his unconventional ideas about economic policy.

In his first statement, when he announced his cabinet, Mr. Habibie did not mention the important role in Indonesia of multinational companies or big domestic firms. This raised a lot of questions about where they fit into Mr. Habibie's policies, causing doubts that he can develop the strategies for overcoming Indonesia's deepening economic crisis.

Given the situation's gravity and Mr. Habibie's lack of public support, the nation has two options: to hold a special session of the People's Consultative Assembly or a general election for a new president and vice president as soon as possible.

If a general election is to be democratic, however, it will take at least a year to prepare. Laws that favored the ruling Golkar alliance and disadvantaged its challengers have to be rewritten. By the time this is done it will be too late to save the economy, which faces a dangerous meltdown in the next month or so.

That is why Indonesia should opt for the only other constitutional alternative: the House of Representatives, or Parliament, should call a special session of the assembly within a month. It would elect a new president and vice president for a fixed term of two years with a specific mandate to revive the economy and hold general elections in line with the reforms expected by the public. Indonesia has a range of leaders who would make capable presidents or vice presidents to carry out this task.

In the meantime, the unity of the armed forces is critical. In a country as large and diverse as Indonesia, the armed forces are the guarantors of political stability as well as of national security.

Under their commander, General Wiranto, there is now a stronger basis for military unity after a period of uncertainty before and during the succession struggle. But the military must respond wisely to the pressures for reform if it wants to preserve its influence in the future.

The Indonesian people must never again take it for granted that their leaders will naturally undertake reforms. Government must be made accountable and subjected to public scrutiny.

Only with new and credible leaders will Indonesians accept the harsh medicine of austerity and structural change needed to overcome the economic crisis. And only with such leadership will investors and creditors provide the money that is critically important for the country's revival.

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