

**Harold Crouch. *Political Reform in Indonesia after Soeharto*. Singapore: Institute of Southeast Asian Studies, 2010. 390 pp.**

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Many of the works on Indonesia's democratization process that have been published since 1998 fall into either one of two broad categories. There are studies arguing that the contours of Indonesian politics have changed drastically and that the country has moved in a positive direction overall.<sup>1</sup> In contrast, there are accounts that emphasize the continuing dominance of New Order powers and the political stagnation and inertia ensuing from it.<sup>2</sup> Some of these accounts have been overly simplistic, portraying political events of the last decade as the result of a Manichean struggle between righteous civil society groups and sclerotic political elites.<sup>3</sup>

It is against this backdrop that Harold Crouch's elaborate account of political reform in post-New Order Indonesia is refreshing. Taking stock of major reform initiatives since 1998, he argues that the framework of Indonesian politics has neither stagnated nor moved in the direction of unabated and continuous improvement. The picture, in fact, is more complex.

Despite the demise of Soeharto's regime in May 1998, collusive networks and patronage structures remained in place along with their New Order-era politicians, bureaucrats, military personnel, lawyers, and policemen, all of whom were deeply entrenched in Indonesia's state apparatus and economy. Reform involves taking a bone from a dog. Yet, no cohesive alternative elite was in place to usurp power from the surviving oligarchy. The conditions for reform, in other words, were by no means propitious for political change after the collapse of the dictatorship. Nevertheless, even the most pessimistic observers of Indonesian politics have to admit that political forces in the archipelago state now follow different rules than what were in effect a decade ago. Why and how were reforms initiated and embraced under such unpromising circumstances?

Tracing reform initiatives in six policy areas, Crouch shows that almost all substantial reforms of the last decade were the result of negotiations *within* the political establishment. Civil society played a marginal role at best. Chapters 1 and 2 consist of a brief overview of the circumstances surrounding the collapse of the dictatorship and dynamics unfolding in consecutive administrations. Those chapters provide the backdrop against which the various reform initiatives are examined. Most immediately visible are the deep-reaching constitutional and electoral reforms that have transformed Indonesia into a formal democracy. The underlying forces of these initiatives are the subject of Chapter 3. Likewise, the relationship between the center and sub-national administrative entities has been fundamentally overhauled, shifting

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<sup>1</sup> See, for example, Andrew McIntyre and Douglas E. Ramage, *Seeing Indonesia as a Normal Country* (Barton: Australian Strategic Policy Institute, 2008).

<sup>2</sup> See, for example, Vedi R. Hadiz, *Localising Power in Post-Authoritarian Indonesia: A Southeast Asian Perspective* (Stanford, CA: Stanford University Press, 2010).

<sup>3</sup> See, for example, Steve Fish and Danielle Lussier, "Society Counts: Public Attitudes, Civic Engagement, and Unexpected Outcomes in Regime Change in Indonesia and Russia," paper presented at the American Political Science Association (APSA) 2008 annual meeting, Boston, MA, August 28, 2008.

important responsibilities to local governments, as shown in Chapter 4. Reform efforts concerning the military and the judiciary, as well as endeavors to curb corruption, were less profound. The military, for example, has not abandoned all the privileges it acquired under Soeharto. Nevertheless, civil–military relations have been tilted in favor of the former while agencies charged with eradicating corruption have become more assertive, as Crouch describes in Chapters 5 and 6. Finally, the fact that large-scale communal violence and secessionist movements remained transitional phenomena confined to the immediate aftermath of the regime collapse is another positive indicator that Indonesia has, indeed, made progress in recent years. Using two case studies (one from Maluku, in Chapter 7; and another from Aceh, in Chapter 8), Crouch reminds his readers that this return to normalcy has not been without setbacks, however, and continues to be fragile in many respects.

Crouch argues that all of Indonesia's fundamental reforms were crisis-driven. Political elites were willing to give up some of their privileges only because they believed that the political and economic crises were of such a magnitude that they would threaten the elites' very existence. Unsurprisingly, the most profound reforms were all adopted during the Habibie presidency, that is, during a time when the spillovers of the political and economic crises were most prevalent. At the same time, reforms were the result of intra-elite bargaining. It was the inability of "old elites" to reconstitute themselves as a unified group that created interstices for negotiations. Challenging the arguments of Indonesian-watchers rooted in new institutional economics who see fragmented political institutions as the reason for stalemate and deadlock, Crouch shows that it was precisely the absence of a single dominant political force that created conditions conducive to the bargaining that effected political changes. Paradoxically, the fragmentation of the political system not only weakened opposition forces and allowed New Order interests to reconstitute themselves, but also opened up possibilities for reform. The fact that those arenas of Indonesian politics that constituted less of a challenge to the political and economic survival of old elites remain largely unreformed, as Crouch shows compellingly for the judiciary, supports the book's argument that far-reaching changes in Indonesian politics were almost exclusively crisis-driven. Reform initiatives became less profound over time, and, in fact, were often stagnant, once a state of politics-as-usual started to reclaim its dominance over day-to-day affairs.

Overall, the picture emerging from Crouch's detailed account is that all administrations after the Habibie presidency have failed to halt or reverse broad governance trends. This is especially true for the Yudhoyono administration. Despite its reformist image, many of its reform initiatives, adopted only half-heartedly, failed to achieve their goals, as corruption and nepotism have crippled effective enforcement. The inescapable impression is that Yudhoyono is not only overly cautious when adopting reform programs, but that he also lacks a broader vision of how to overhaul the way in which Indonesia is governed. Reforms under his watch have not occurred as part of a comprehensive strategy, but rather have been cobbled together by figures inside the Indonesian government—often depending on the initiative, ambitions, and political clout of individual bureaucrats, ministers, or politicians. Such an approach lacks sustainability as is evident in cases where such isolated reforms simply collapsed once a reform-oriented politician left office. Even worse, isolated reform initiatives might actually have crippled the capacity of the state. For example, over-ambitious

efforts to reform the public procurement law and an aggressive but one-sided anti-corruption program of the Yudhoyono administration, including the arrest of some bureaucrats but not others, in combination with an unreformed judicial system and civil service, have done disappointingly little to alleviate systemic corruption. Instead, those efforts have created an atmosphere of uncertainty and perceived risk for state-decision makers.

The countless examples of weak reform implementation, problems of policy coherence, and the lack of resources listed in Crouch's book not only point to an immense gap between policy ideals and practical outcomes in all post-Soeharto administrations, with the possible exception of the Habibie presidency, but also raise the question, why do Indonesian politicians continue to churn out reform initiatives despite the fact that they no longer face an immediate threat to their political survival? Might the various reform policies designed to change the way the Indonesian government works, in fact, not be aimed primarily at successful implementation but at something else? Should reform initiatives of recent years perhaps be seen as a strategy of political elites who rose to power under the Soeharto dictatorship to provide political symbols to their constituencies, marking the shift from the authoritarian New Order to a "democratic" Indonesia? Seen from such an angle, it may be futile to search for any serious intention to improve governance on the ground. Hence, a focus on the details of reform implementation, masterfully provided in the book under review, might simply miss the broader political intentions that underpin policymaking in present-day Indonesia. Unfortunately, Crouch does not touch upon such issues.

While the book deserves praise for its balanced account of change in Indonesian politics throughout the last ten years and its emphasis on the importance of political elites, the study would also have profited from an additional chapter examining the role of international development agencies and NGOs in reform efforts of past years. Due to the dismal state of Indonesia's universities and the generally low level of debate in the domestic media, institutions such as the International Monetary Fund, USAID (United States Agency for International Development), and the World Bank shape and dominate the intellectual discourse in the archipelago state. This was also the case ten years ago. A number of donor agencies had conducted preparatory studies on reform issues in the final days of the Soeharto dictatorship, and their recommendations proved very influential in designing reform agendas. Most prominently, the Corruption Eradication Commission, which is now considered the country's most effective investigative body, has its roots in the Civil Servants Wealth Audit Commission, whose establishment was a condition of the IMF, required in exchange for the latter's offer to provide post-Soeharto Indonesia with much needed financial support.

It would also have been interesting to learn more about why Indonesia's elites opted for certain kinds of reform but not others. Most of the bureaucratic reform initiatives of the last ten years, for example, have focused on establishing rules and constraints aimed at controlling politicians' and civil servants' authority and behavior. Promotional reform initiatives that try to change bureaucratic cultures and create incentive structures for elites to pursue their political goals in new ways have been adopted only very rarely. Students of reform politics in other Southeast Asian countries have suggested that the kinds of reform initiatives implemented vary among

countries in the region partly because of different historical trajectories. Concretely, not just the degree of separation between political and bureaucratic accountability but also the extent of political institutionalization at the time of independence are said to determine whether a country is likely to adopt reform initiatives of the promotional kind.<sup>4</sup> Is the fact that Indonesia scores low on both the separation and institutionalization variables a reason why certain reform programs are preferred over others? The book, which is overly descriptive at times, would have gained from rooting the current reform initiatives in such broader discussions on “reform” in Southeast Asia. Nevertheless, Crouch provides a concise and thorough summary of important political developments of recent years. Most importantly, however, his detailed account of Indonesia’s political reform trajectory since 1998 confirms the old saying that reform is born of need, not pity.

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<sup>4</sup> For the entire argument, see Scott A. Fritzen, “Discipline and Democratize: Patterns of Bureaucratic Accountability in Southeast Asia,” *International Journal of Public Administration* 30 (2007): 1435–57.