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Indonesia's April 2004 Parliamentary Elections: Implications for Presidential Elections and Politics

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Conclusions

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The most obvious implication of the April 5, 2004 election for Indonesia's parliament is the halving of vote share for the Indonesian Democratic Party-Struggle (PDI-P), the party of incumbent President Megawati Soekarnoputri. This result means that Megawati will struggle to win a second term in presidential elections scheduled for October.

Megawati will still be a contender for another term, but now faces tough competition from two former generals. Golkar, a political vehicle for former President Soeharto, and now the largest party in Indonesia, has nominated General Wiranto as its candidate. Susilo Bambang Yudhoyono, Megawati's former coordinating minister for security, managed a respectable showing of his new party - the Democratic Party - and now leads opinion polls to become the head of state. Under election rules, seven parties have achieved enough representation to nominate a candidate for the presidency, although only five have done so.

Another party in the spotlight is the Prosperous Justice Party (PKS), a new Islamist party on the scene. The Islamist share of the vote has risen slightly to around 20%, but is split between various parties. Islamist parties, even if they can coalesce, will still lack the support to challenge the religious pluralism of the Indonesian state.

The parliamentary election has also yielded results that will complicate governance in Indonesia. While PDI-P has been reduced in size, and Golkar maintained its vote, neither of the two largest parties has come close to a majority. Gaining majority support for any legislation will prove much more complicated in the new parliament.

Introduction

Indonesia will experience a busy year of voting in the year 2004. April 5 saw elections for national parliamentary and local government representatives. This will be followed by a two-round presidential election - the first direct presidential election in Indonesia's history. The departure of Soeharto from office in May 1998 paved the way for democratization of the Indonesian body politic, but great disappointment and disillusionment has crept into Indonesia in the intervening years. Megawati, who rode to power on the public desire for democracy and her father's reputation as the founding president of the Republic, has disappointed a number of her supporters from the 1999 election. Instead of engaging in further reforms, President Megawati chose to preside over a supremely cautious administration and appeared, to her supporters, to be increasingly beholden to powerful military elements. President Megawati's fortunes have suffered and those of her opponents brightened as a result of these perceptions. A growing nostalgia for the stability of the New Order (Soeharto) years has helped Golkar, a political vehicle for Soeharto when he was in power, rather than Megawati, despite her efforts to draw close to the military. Once seemingly certain to win a second term, she was all but written off by the Indonesian media as an also-ran candidate before the race for president was even officially under way.

Reversal of Fortune

The April 5 elections in Indonesia for parliament were an important bell weather for the upcoming presidential run-offs, but they have critical importance for governance in Indonesia for other reasons. First, only parties that gained 3% of parliamentary seats or 5% of the overall vote may nominate someone for the presidency. Second, under the Indonesian Constitution all legislation must be passed through the house of representatives in conjunction with presidential approval.

The April 5 election for the Indonesian parliament has altered the fortunes of Indonesia's political parties. Clearly President Megawati's party, the PDI-P, is the main loser from this ballot. The President has failed to hold onto much of her core support from the last election, and the party's share of the vote has fallen from 34% to 18.5%. PDI-P preformed reasonably well only in Bali, where Megawati remains an iconic figure, but took massive losses in all of its other hitherto stronghold areas. Essentially, Megawati's tenure has been marked by cautious conservatism and, in the words of many commentators, an attempt to reconcile with powerful elements of the former Soeharto regime. The President has failed to push through much needed economic reforms. She has given the military a free hand to deal with separatism in Aceh and Papua. An incident that demonstrated the President's real lack of interest in issues of governance came in the aftermath of the Bali blast when Megawati did not so much as issue a public statement. Megawati did issue exhortations against corruption, even slamming her own party at one point, but failed to take any concrete measures to back up her rhetoric.

Megawati also astounded her pro-reformasi supporters by backing a former general, Sutowo, to become the governor of Jakarta instead of a PDI-P candidate running in that election in 2002. What surprised the PDI-P faithful was that Sutowo has been implicated in an incident in 1996 in which the party headquarters was violently attacked by a rioting crowd, and Megawati herself was removed as party leader. While PDI-P had won Jakarta handsomely in 1999, it is no surprise that many abandoned the party for other alternatives or stayed away from the polls altogether. PKS won Jakarta by a plurality.

While drawing close to the military, presumably as a means to shore up stability and undercut possible opposition from within the armed forces, Megawati has failed to capture the votes of those Indonesians who see the Soeharto era as being preferable to the instability of Indonesian-style democracy. In a sense Megawati has fallen between two stools by losing support from pro-reform voters while failing to pick up votes from those wanting a return to a more authoritarian government. Opinion polls prior to the election gave some indication that PDI-P would lose ground to Golkar, which is indeed what happened. The polls also indicated that as much as a third of the electorate remained undecided up until casting their votes. The resignation of Megawati's Coordinating Minister for Politics and Security, Susilo Bambang Yudhoyono, to form a new political vehicle in his own bid for the presidency just weeks before the election also chipped into Megawati's vote.

The Results and What They Mean

By virtue of PDI-P's meltdown, Golkar moves into the position of the largest party in parliament. However, Golkar did not perform all that well either, capturing just 21.6 % of the vote. Golkar's vote remained much the same as its 1999 results and did not improve as much as some had expected. PDI-P's vote share saw a dramatic decline but still remains just behind Golkar with 18.5 %. With the two largest parties in Indonesia garnering such low percentage results, a key outcome is that parliament is now divided between multiple parties.

In short, no party has achieved parliamentary representation that even approaches a working majority, and smaller parties therefore will take new importance within the legislature-with the potential to tip the balance on crucial votes. Yudhoyono's Democratic Party, clearly the most successful newcomer to the political fray, gained 7.5% of the vote. This relative success has propelled Yudhoyono into frontrunner status for the presidential election, at least amongst pundits and opinion polls. Another relative newcomer is the Prosperous Justice Party (PKS), which took 7% of the vote. In actual fact this party is not entirely new as it changed its name from Justice Party - the Justice Party in 1999 got only 1.3% of the vote and the new name allowed the party to slip through a loophole in the law that specifies that parties must achieve 2% of the vote to be eligible for the following election. The rise to prominence of the PKS stems from its reputation as a "clean" party and its soft peddling of its Islamist agenda. Party leaders, mostly university trained intellectuals, stress their disdain for old style corruption politics, but also promise a dose of Islamic law should they gain power. PKS largely drew votes away from the other Islamist parties who are either tainted by association with the Soeharto era and/or are internally divided. Nevertheless even these less successful Islamist parties probably took a number of votes from secular/nationalist parties too.

Election results for two other parties remained stable, all the more remarkable considering the lambasting in the press that their respective leaders have taken since the 1999 election. The National Awakening Party (PKB) of former President Abdurrahman Wahid (or "Gus Dur" as he is popularly known in Indonesia) won 10.5% share of the vote, which is very close to its 1999 result. Wahid's diehard supporters from central and eastern Java remained largely loyal despite the failure of his presidency and his unceremonious dumping from the top post. The National Mandate Party (PAN) led by Amien Rais, speaker of the upper house, remained steady at 6.4%. PAN's reputation as a schizophrenic party of Islamists and pluralists has been symbolized by the tendency of the party leader to espouse both positions to different audiences. Rounding out the top 7 political parties that can nominate a presidential candidate is Vice President Hamzah Haz's United Development Party (PPP). His party's vote declined from 11% to 8.2%. A handful of smaller par-

ties took the remainder of the vote in the parliamentary elections.

What the Results Mean for Indonesia

Indonesia's political system is a mixture of presidential and parliamentary practice that is unique to Indonesia. Prior to 2004, the upper house would select the president, but this year will see the first direct presidential election as prescribed under a recent constitutional change. While this pushes Indonesia more in the direction of a presidential system, the link to parliament is not severed. Parties must achieve 3% of parliamentary seats or 5% of the overall vote to put forward a nominee for the executive in what will be a two round voting system. The 2004 parliamentary elections mean that seven parties are now able to make that nomination. The first round of presidential elections will be on July 5, and a second round will occur on September 20 between the two top polling candidates if no candidate gets past the 50% threshold in the first round. Given Indonesia's political landscape, it would seem unlikely that any of the main presidential contenders can win outright in the first round.

The failure of any one party to achieve a majority, or even a commanding lead over the others, not only divides the polity but throws open the competition for president. There are three leading contenders for the chief executive, Megawati, Wiranto and Yudhoyono, alongside two other candidates - PAN's Amien Rais and PPP's Hamzah Haz - who do not look likely to make it through to the second round. (PKS has decided to remain out of this contest and former President Wahid intended to mount a bid but had to withdraw on health grounds.) Megawati's party has been reduced to its rump, and her candidacy has lost steam. Her failures in the past to cut political deals do not augur well for PDI-P to make de facto coalitions with other parties. Nonetheless, Megawati's candidacy must still be taken seriously, particularly as she managed to convince Hasyim Muzadi, Nahdlatul Ulama (NU) chairman, to be her running mate. NU is critical because it has up to 40 million members, many of whom could be persuaded by its leadership to support a particular candidate. However, Megawati is not the only candidate to seek NU support.

Soon after the parliamentary elections, the Golkar Party nominated former general Wiranto to run for the presidency, and in the process Wiranto derailed Golkar party leader Akbar Tandjung's attempt to secure this nomination. Golkar hopes to capitalize on Wiranto's reputation as an ex-military man who apparently can provide strength and stability. Wiranto, like Megawati, has tried hard to court the NU vote. Wiranto has selected Solahuddin Wahid as his running mate - deputy head of NU and brother of former president Abdurrahman Wahid. Wiranto's great weakness is that he has been cited by the United Nations for crimes in East Timor, and press reports emerged that the U.S. State Department may have had him on a watchlist. Both Australia and the U.S. have remained reticent on the issue of Wiranto's candidacy, saying it is up to the Indonesian voters to decide. Criticism from abroad at this point would in fact boost Wiranto's fortunes at a time when Indonesians have grown wary of foreign pressure. Wiranto's twin strengths are Golkar's organizational capacity and his securing a running mate in Solahuddin Wahid.

But it is Yudhoyono who is leading opinion polls (although reliable polling is quite difficult given the nature and size of Indonesia). Yudhoyono's strength is his experience as a former general and image as a political moderate. His party's strong first time showing in the parliamentary election gives him a solid platform for his bid, if not a particularly strong mandate for legislative action should he actually come to assume the presidency. Although any successful presidential candidate will have to bring together coalitions, the task will be even more challenging for Yudhoyono's relatively small party. Yudhoyono has persuaded Jusuf Kalla to be his vice presidential running mate. Kalla, who

is both a pious Muslim and an outer islander from south Sulawesi, will help Yudhoyono appeal to a wider range of Indonesians. The addition of Jusuf Kalla to the ticket also will complicate Golkar's position as Kalla had been a prominent member of that party.

The votes for political Islam are scattered across a number of different parties. However, roughly 20% of the vote went to parties that advocate a moderate Islamist agenda - namely, inserting a reference to Islam in the constitution and in some cases introducing elements of Islamic law. If these parties can revive a prior arrangement, known as the Central Alliance (*Poros Tengah*), utilized to block Megawati from the presidency in 1999, they could potentially swing behind a single candidate. However Hamzah Haz and Amien Rais will likely split this vote which will be disastrous for their fortunes in the first round of presidential elections on July 5.

Another major player in this election will be PKB. Although based on an Islamic constituency of Indonesia's largest Muslim organization, Nahdlatul Ulama, it has steadfastly advocated pluralism and a separation of religion and state. PKB is not an Islamist party, and furthermore its leader Wahid has an axe to grind with the Islamist parties to his right as they were instrumental in removing him from office. Wahid had initially declared his intention to run for the presidency. Although his poor health ultimately ruled him out of the race, the failure of his previous administration would have counted against him in any event. However, PKB's relatively good showing, and its extremely faithful constituency, may give Wahid the ability to tell his constituents to vote for a particular candidate. Other candidates certainly hope that PKB, due to its links to NU, could deliver millions of votes from central and east Java to the them because Wahid's supporters have proven quite loyal. Both Wiranto and Megawati also have made obvious their intentions to secure this voting bloc with their vice presidential choices. Hope for such support still runs strong among other candidates because, although Wahid reportedly endorsed Wiranto, it remains unclear as to whether he will waiver on this alleged endorsement as the election draws nearer.

The Islamist Agenda and Governance

The 2004 election has seen an increase in the Islamist vote from around 15% in 1999 to 20%. The numbers are difficult to determine with any precision, in part due to ambiguity surrounding what constitutes an "Islamist" party in Indonesia. For example, PAN is divided on the issue of whether an explicit reference to Islam should be added to the Constitution. The Islamist vote increase partially results from lower overall voter participation and higher Islamist voter turnout. The Prosperous Justice Party (PKS) may also have secured votes that went to secular parties in 1999 due to their anti-corruption stance. The PKS has taken advantage of growing disillusionment with poor governance and corruption both in the Soeharto and post-Soeharto periods. PKS actually stressed their anti-corruption credentials over and above their Islamist philosophy. While some of their support came as a protest vote to established parties, PKS also drew votes from the other more established Islamist parties who have all engaged in bitter infighting, and, in the eyes of some hardliners, compromised themselves in political arrangements with other parties and leaders. PKS has made a conscious decision to remain untainted by executive power, (although they have endorsed Rais) in order to retain their aura of a pure and clean opposition force.

The rise in the Islamist vote still does not give this collection of parties anything close to a mandate to implement their agenda. This loose grouping may be able to field a single presidential candidate, but even if a *Poros Tengah* leader were to emerge as president he would lack sufficient backing in parliament to make a constitutional change to establish Islam as the state religion. Post-1999 attempts by Islamist parties to insert a reference to Shariah

law into the constitution has consistently failed to gain traction, and such attempts will not be greatly strengthened.

By the same token, however, whoever assumes Indonesia's presidency will face a legislature that is divided between seven moderately sized parties and quite a number of smaller ones. Furthermore, key party leaders have scores to settle with each other as a consequence of partisan squabbling, particularly the bad blood that emerged with the rise and fall of the Wahid presidency. Gaining working majorities to pass legislation is going to be a difficult task. Ad hoc coalitions will have to be forged on each and every decision. Much needed economic reform may once again be put into the "too hard" basket, as it has been under the Megawati government. While Megawati had more political capital to implement legislation, her reluctance to upset the political balance in Jakarta was evident. The post-2004 election parliament will make it extremely difficult to pass legislation even with a dedicated and determined president at the helm.

In the war against terrorism Indonesia has assumed a new prominence from Washington's point of view. The struggle against Jemaah Islamiyah (JI) operatives is centered in Indonesia where most of the rank-and-file have been recruited. Although the election resulted in a moderate strengthening of political Islam, Islamist parties do not have the numbers to challenge Indonesia's secular constitution. All of these Islamist parties are moderate in nature, insofar as they do not advocate violence to achieve their ends. Indonesia's mainstream Muslim organizations have, since the Bali blast, openly criticized violence in the name of religion. However, identity politics have played out in Indonesia before, with Islamic political leaders courting the extreme right and using the issue of the war against terrorism to undermine the presidency of Megawati. Nevertheless, enough of a consensus will remain to continue to seek further arrests and court prosecutions against jihadi.

Conclusion

Indonesia's parliamentary elections in 2004 represent a benchmark in the consolidation of Indonesia's difficult struggle to install democratic governance. The election has been endorsed by external monitors as free and fair, and remains a far cry from the rigged ballots of the Soeharto years. While Golkar and PDI-P are, respectively, the largest political parties, they still turned in fairly dismal results. Particularly notable is the meltdown of Megawati's PDI-P, which also has negative implications for her own presidential bid. Parliamentary elections have, however, created a divided polity within Indonesia. Whoever is elected president in Indonesia will need to negotiate with this divided parliament to get any legislation passed at all. This does not augur well for the speed and delivery of good governance in Indonesia during the next president's term.



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