# 

**Dutch Colonial Legacy: The Challenges of Democracy in Indonesia**



Angelo Schneider

12068640

ES4E-e

Supervisor: Dr. Tromble

Date of completion: 26 May 2016

Academy of European Studies

The Hague University of Applied Sciences

Cover photo:

The National emblem of Indonesia: “*Bhinneka, Tunggal, Ika” (Unity in Diversity)*

*(*Coat of Arms, 2016)

# 

# **Executive Summary**

The Dutch colonization of the East Indies, which lasted for around 350 years, set the stage for the creation of modern Indonesia, the third largest democracy in the world. The colonization period saw the introduction of colonial policies and administration. Systematic regulation, as well as bribery set the stage for Indonesia’s future political trajectory. Since the independence, Indonesia has struggled to find its path to democracy until the fall of authoritarian regime in 1998 which marked the start of the democratization process of the country. Indonesia is now in a state of democratic consolidation, but is facing tough challenges that could potentially lead to reversed democratization. The aim of thisresearch paper is *to examine to what extent did the Dutch colonial history influence the problems of democratization process of Indonesia?*

The research was carried out through different methods, including desk research, an interview, and a case study. In addition, the literature review established the main framework in the analysis of democracy in Indonesia. Concepts such democracy, democratization, governance and political culture are discussed and later linked to the analysis of the paper.

The research arrived at the conclusion that the Dutch colonial history, to some extent, has influenced the problems of democracy in Indonesia. This conclusion was supported by the research methodology and review of relevant academic literature. The literature review exposed that the Dutch had an influence on the creation of the Indonesian parliament. The characteristics of the parliament are strikingly similar to that of 19th century Dutch political institutions. In result, the features of the “out dated” parliament have allowed members to conduct illegal activities without being detected. Additionally, due to the absence of democratic practices during colonial times, the democratic legacy for Indonesia is weak, whereas the practices of corruption from the colonial era are still prevalent. These fundamental problems have translated to the main cause of the declining democratization process of Indonesia. Several recommendations have been constructed in order to overcome the challenges of the country’s democratization process: reform in decision making procedures, reduce corruption through support of the KPK (Corruption Eradication Commission), minimization of the role of dominant elites in the political system, and strengthen democratic values of the citizens of Indonesia. As Lipset argued, survival of democratic regime is done through “continuous economic development” (Wucherpfenning & Deutsch, 2009).

# **List of Abbreviations**

DPD Dewan Perwakilan Daerah

DPR Dewan Perwakilan Rakyat

DPRD Dewan Perwakilan Rakyat Daerah

KPK Komisi Pemberantasan Korupsi

MPR Majelis Permusyawaratan Rakyat

PDI Partai Demokrat Indonesia

PKI Partai Komunis Indonesia

PPP Partai Persatuan Pembangunan

PPKI Panitia Persiapan Kemerdekaan Indonesia

PSI Partai Sosialis Indonesia

MSM Majelis Syura Muslimin

SBY Susilo Bambang Yudhoyono

TNI Tentara Nasional Indonesia

VOC Verenigde Oost Compagnie

**Table of Contents**

[Executive Summary 3](#_Toc453021264)

[List of Abbreviations 4](#_Toc453021265)

[Introduction 7](#_Toc453021266)

[Research objectives 8](#_Toc453021267)

[Research structure 8](#_Toc453021268)

[Literature review 10](#_Toc453021269)

[Democracy 10](#_Toc453021270)

[Third wave democracy 11](#_Toc453021271)

[Governance 13](#_Toc453021272)

[Democratization 14](#_Toc453021273)

[Political culture 15](#_Toc453021274)

[Methodology 17](#_Toc453021275)

[Interview 17](#_Toc453021276)

[Limitations 18](#_Toc453021277)

[Background 19](#_Toc453021278)

[Chapter I: Colonial state and its policies 19](#_Toc453021279)

[Cultivation system (1830- 1870) 19](#_Toc453021280)

[Ethical Policy (1901- 1942) 20](#_Toc453021281)

[Chapter II: Revolution and Independence (1940-1949) 22](#_Toc453021282)

[Japanese occupation (1943-1945) 23](#_Toc453021283)

[Fight for Independence (1945-1949) 24](#_Toc453021284)

[Chapter III: Post-Independence (1949-1998) 25](#_Toc453021285)

[Chapter IV: Present state of Indonesian democracy 28](#_Toc453021286)

[Chapter V: Challenges facing Indonesia democracy 29](#_Toc453021287)

[Chapter VI: Indonesian Political system 32](#_Toc453021288)

[Analysis 33](#_Toc453021289)

[Dutch Colonial Policies 33](#_Toc453021290)

[Dutch Colonial legacy: political system and Indonesian Parliament 35](#_Toc453021291)

[Indonesia democratization process and 2014 presidential election 37](#_Toc453021292)

[Transitional phase 37](#_Toc453021293)

[Consolidation Phase 38](#_Toc453021294)

[Case study: 2014 Presidential Election 39](#_Toc453021295)

[Conclusion 42](#_Toc453021296)

[Recommendation 43](#_Toc453021297)

[Additional Considerations 43](#_Toc453021298)

[References 44](#_Toc453021299)

[Appendices 49](#_Toc453021300)

[Transcript- Interview with Dr. Thomas Lindblad 49](#_Toc453021301)

# **Introduction**

Indonesia is one of the former, and arguably the most important colony of the Kingdom of the Netherlands (Maussen, 2009). The Dutch colonized the East Indies, the colonial reference for Indonesia, for about 350 years. When the Dutch arrived, Indonesia was not a united country, rather it was a group of islands, which consisted of many different and individual kingdoms. (Adiputri, 2014). During colonization, the “Dutch employed the system of indirect rule, utilizing the old aristocratic Indonesian elite as their primarily instrument for government (Adiputri, 2014)”. Furthermore, during the period of colonialization, the Dutch introduced their own law, education and colonial administration (Feith, 2007).

Indonesia gained its independence through revolution. The revolutionary leader, Sukarno, proclaimed independence on August 18, 1945. However, the country’s independence was not recognized by the Netherlands until 1949 after being pressured by the international community. The transfer of full sovereignty was conducted through bilateral negotiations between Netherlands and Indonesia. The fall of the authoritarian regime led by Suharto in 1998 marked the beginning of Indonesia’s democratization process (Hara, 2001). As Abubakar Hara (2001) noted in his article, “The general stages of democratization include the decline of an authoritarian regime, a transition, a consolidation, and the maturing of democracy”. Indonesia is a young democracy and is currently in the phase of consolidation.

Democratization is a dynamic process and Indonesia is now facing many tough challenges. Recent events have showed a decline of the democratization process, which has threatened the country to fall back and halt its progress. Indonesia has been battling corruption since the birth of the country and is now facing a political crisis, as old elites have been pursuing the introduction of regressive laws linked to Suharto’s era and seeking to gain power in the government. The people of Indonesia see the crisis as, “A direct confrontation between the old guard and reformers over how the country is to be run in the future (Lindsey, 2014)”. During the colonial era, the power and level of sovereignty had, “Been restricted to the small circle of Indonesian elites” (Lang, 2015).

This research paper seeks to explore the history of the colonial times under the Dutch rule and see how it has influenced the current situation of Indonesia’s democracy. The central question behind this research is: To what extent does colonial history influence the problems of the democratization process of Indonesia?

Several sub questions have been developed in order to understand the essence of Indonesia’s colonial history and its journey to democratization as well the problems that the country is facing. The sub questions are:

1. What policies were used by the Dutch in governing the East Indies?
2. How did Indonesia become a democracy?
3. What is the current state of Indonesia’s democracy?
4. What are the challenges facing Indonesia?

## **Research objectives**

1. *Explore* the colonial history of Indonesia under the Dutch rule with focus on the policies implemented
2. *Present* information on the current situation on Indonesia’s democracy and the challenges to the country’s process of democratization
3. *Evaluate* the connections between the Dutch colonial legacy and the problems of democratization in Indonesia.

## **Research structure**

The structure of the research paper is comprised of the following. The first part of the paper consists of a literature review, where several theoretical frameworks are presented to be used in this research. In order to grasp the principle of this particular topic, the meaning of democracy and, specifically, third world democracy are discussed as well as terms such as democratization and governance. These theoretical terms are explored due to the focus of the paper on the political aspect of the country in focus: Indonesia. The second part of the paper include the methodology section, where it explained how the information in this paper was retrieved. Next, the background section is presented, which explores the historical aspect of colonial Indonesia, briefly introducing the early phase of the arrival of the Dutch and their control on the Island to the stage of making the Islands as their colonial state. Also, information on the country’s road to independence and the creation of a new state and government post-independence are presented with focus on the political spectrum during that time. Lastly, information on the current political situation and the problems facing Indonesian democracy are outlined.

The third part of the paper consist of the analysis of the result. The challenges of democracy in Indonesia and to what extent it is linked to Dutch colonialism is analyzed with focus on governmental institutions and policies. Furthermore, in order to understand the problems of democratization of the country, the phases of the process are analyzed by focusing on a case study based on the recent 2014 presidential election, where there is a confrontation between the old guards seeking for power and the new generation. The last part of the paper gives conclusion and recommendation that are based on the result found through the different sources. The answer to the central question is discussed and summarized.

# **Literature review**

## **Democracy**

Democracy is the one of the most commonly used terms that surrounds the subject of political science. In order to understand the essence of this research paper, we must first define democracy as a concept. Secondly, we must look at, as Samuel Huntington calls it, “Third wave Democracy” where it explained the spread of democracy in third world that occurred in the late twentieth century.

There are different types of democracy that have been used to describe the structure of the government in various countries. The simplest form of the concept of democracy can be defined by using the two Greek words demos (people) and kratos (rule), meaning rule by the people (Samarasinghe, 1994). This traditional concept of “rule by the people” serves as the main foundation of democracy. In a more extended version of the definition, Larry Diamond (1990) defined it as, “a system of government that meets three essential conditions: *Meaningful and extensive competition, among individual and groups for positions of government power; a high level of political participation in the selection of leaders and policies, through elections; and level of civil and political liberties - freedom of expression, freedom of press, freedom to form and join organizations”* (Samarasinghe, 1994, p. 7). However, it is important to note that the concept democracy is much more complex, diverse, and is always changing. The different views on democracy can be generally presented using the concept of minimalist and maximalist. From a minimalist perspective, “democracy is seen as government of and by the people… and democracy is a means of protecting citizens against arbitrary rule” (Buhlmann, Merkel, Wessel, & Muller, 2008). In this sense, the focus of democracy is procedural; the government is elected by the people through election. There is little focus on freedom of the people. An example is electoral democracy, where according to Diamond (2003), “electoral democracies usually acknowledge the need for minimum levels of freedom, in order for competition and participation to be meaningful. But, typically do not devote much attention, nor do they incorporate them into actual measures of democracy” (p.29). On the other hand, the maximalist perspective not only entails the participation of the people in electing their representative, but also stressed the importance of civil liberties and freedom. In this context, the government is seen as “the government for the people” (Buhlmann et al,. 2008). This indicates that the government is not only elected by the people, but is also responsible for the protection of individual rights and liberties of their citizens. An example is liberal democracy, which means, “a system in which individual and group liberties are well protected and in which there exist autonomous spheres of civil society and private life, insulated from state control” (Diamond, 2003, p. 29).

According to Larry Diamond, the popular normative perspective of democracy is that is a, “good thing and that democracy is the best form of government” (Diamond, 2003, p.29). Going against that notion, Diamond then argued that it isn’t always true. “Democracy is not an unmitigated blessing.” He gave an example from historical point of view of Aristotle, the key shapers of democratic political thought, “Aristotle saw that, in a state of pure democracy, where the multitude have the supreme power, and supersede the lay by their decrees…demagogues spring up, and democracy degenerates into a form of despotism” (Diamond, 2003, p.29). In other words, democracy is not perfect. Weaknesses and real world problems exists in democracy, to name one, inequality. Despite the flaws in democracy, Diamond argued that even democracies as simple as “the rule of the people” in which free and fair elections exists, “are generally better than those that are not…they offer the best for good governance.” He also added, using Dahl’s observation that the system “promote freedom as no feasible alternative can” (Diamond, 2003, p. 29). In regards to Indonesia, where democracy is still relatively young, there are weaknesses in the democratic system. It is true that there are competitive and relatively free and fair elections held regularly, however, due to the fundamental problems that still exist in Indonesia’s political system such corruption, scholars have difficulties in defining what type of democracy Indonesia is. Most of the scholars though agree that the current regimes has provided more freedom than the other previous regimes.

### **Third wave democracy**

Another concept of democracy must be considered when talking about democracy in a third world country. The term coined by Samuel Huntington (1991), “Democracy’s Third Wave,” describes the third expansion of democratization process that occurred in the late Twentieth century.

The first wave of democracy started in 1820s to 1926 with the United States and other new 29 democracies. There was a ‘reversed wave’ that occurred after Mussolini came to power, reducing the number of democracies to 12. The second wave occurred after end of WWII, with the triumph of the Allies followed by 36 new democratic countries. However, this was short lived when a second reverse wave happened in 1960-1975, which again brought down the number to 30 (Huntington, 1991, p.93). Samuel Huntington (1991) pointed five major factors that contributed to the transition of third wave democracy:

1. The deepening legitimacy problems of authoritarian regimes in a society where democratic values are widely accepted, and their inability to maintain legitimacy in times of economic (sometimes military) failures.
2. Global economic growth of the 1960s, which have heightened the standards of living, increased education, and increased middle class families.
3. A shift in the doctrine of the Catholic Church and the transformation of Catholic churches from defenders of the status quo to opponents of authoritarianism.
4. External actors. Policies of European community, the United States and the Soviet Union.
5. Demonstration effect of early transition in the third wave in stimulating and providing models for efforts at democratization (p.95).

As seen later in this paper, point one is relevant and significant in bringing up the condition that enabled the country to start its democratization process.

In addition, Samuel Huntington also talked about the ‘Third Reverse Wave,” which is the process of transitioning away from democratization (Huntington, 1991). He listed the major factors that had led to the first and second reverse wave. These were:

1. Weakness of democratic values among the political elite groups and the public;
2. Economic setbacks, which contributed to social conflict
3. Political and Social polarization, usually produced by the leftist government when introducing major social and economic reforms
4. Conservative middle and upper class to exclude populist and leftist group and lower class from political power
5. Breakdown of law resulted by terrorism or insurgency
6. Intervention by non-democratic foreign power
7. Reverse snowballing catalyzed by the collapse of democratic system in another country (p. 95).

In relevance to the topic of this research paper, the listed factors will be discussed in connection with the problems of democratization of Indonesia. Point 1 and point 2 are strikingly relevant to the challenge of democracy that Indonesia is facing. Furthermore, Samuel Huntington describes one of the obstacles of democratization in third world country as “virtual absence of experience with democracy” (Huntington, 1991, p. 96). This is significant in the story of Indonesia’s road to democratization.

## **Governance**

According to Samarasinghe, referring to the broad definition of governance by Boeninger (1992), it is “the impartial, transparent management of public affairs through the generation of a regime (set of rules) accepted as constituting legitimate authority, for the purposes of promoting and enhancing societal values that are sought by individuals and groups” (Samarasinghe, 1994, p.17). This term of governance set the stage for the legitimacy of authority and public accountability of government. It can be argued that governance is ultimately the process of governing, as World Bank define it “the rule of the ruler by which the authority is conferred on rulers, by which they make the rules, and by which those rules are enforced and modified” (What is governance, 2013). The next question that arises when discussing the concept of governance is: What is good governance? Many have argued that good governance is linked to democracy where civil rights, transparency, and rule of law exist. In essence, through the lens of this argument, good governance means democratic governance (Samarasinghe, 1994, p.18).

According to the UN, the term “good governance” is hard to come to an exact definition. Every institution have their different approach to what is consider as ‘good.’ In 1999, political scientist John Gerring listed eight criteria, the “criteria of conceptual goodness,” that provide a useful framework (Gisselquist, 2009).

First, Gerring explained that the term of good governance has endless definitions. There need to be details for each to further understand the concept. Secondly, it is difficult to differentiate between the various features of “good governance.” For example, countries that falls into the category of good governance often sound a lot like liberal democracies. Thirdly, the term lacks consistency. The characteristics such as respect for the rights of individual and efficient banking regulations clearly do not belong to each other. Lastly and most importantly, the term lacks theoretical value. Rather than aiding in the formulation of theory, it confuses it. Analysts often stumble to define it in a way that best fits their data (Gisselquist, 2009).

Let us apply the concept of “good governance” to Indonesia to show the difficulties that has been discussed. As Samarasinghe pointed out, good governance means democratic governance. Indonesia is a democratic country that holds regular competitive elections, consists of a multiparty system, and undergo decentralization which gives autonomy to the different regions of the country. However, the country is still suffering from the long time problem of corruption and according to the Freedom House, there is a decline in freedom of the press and freedom of expression. On the other hand, Indonesia’s economy is growing, it has the largest economy in South East Asia and has emerged as a middle income country (The World Bank, 2016). So in this sense, is Indonesia a well governed country because of its economic growth? Or is it poorly governed because of the problems of democracy? These are some of the difficulties that John Gerring have discussed regarding the meaning of “good governance.”

## **Democratization**

Samarasinghe (1994) defines democratization as a, “process of political change that moves the political system of any given society towards a system of government that ensures peaceful competitive political participation in an environment that guarantees political and civil liberties.” (p. 14). There are many different points of view on the process of democratization. But, in general, the stages include, “the decline of authoritarian regime, transition, consolidation, and the maturing of democracy” (Hara, 2001). The start of the democratization process usually occurs when there is a growing demand from the society for a more democratic regime. The transition phase occurs when an authoritarian regime is replaced. Hara (2001) explained that this can be done through mass demonstration or compromised by the different parties (p. 308). In the case of Indonesia, the transitional phase was started by mass demonstration by students that eventually brought down the regime of Suharto. Furthermore, transitional phase is completed when the authoritarian institutions is replaced by democratic political institutions through the means of election. Next, according to Hara, the process of consolidation is the “process of breeding democratic values” (2001). In other words, in the consolidation period, democracy is widely accepted and is seen as the only option in the current situation. The next important question that follows is: what triggers democratization?

There are many factors that lead to democratization. Robert Dahl’s approach is that, “adequate institutions and a citizenry, especially middle class, receptive to democratic ideals, must exist for democratization to take place” (Samarasinghe, 1994, p. 14). Lipset, in accordance to the “Lipset Thesis” argued that economic development is essential in the creation of democracy (Samarasinghe, 1994, p. 14). Moreover, Lipset argued that in order for any democratic regime to survive, the government must provide legitimacy as perceived by its citizens. This is done mainly through continuous economic development (Wucherpfennig & Deutsch, 2009). Furthermore, similar to Dahl’s approach, Lipset stressed the importance of the role of the middle class as social mechanisms. And this goes hand to hand with education and modernization. This, in combination, creates social changes that are receptive to democratic ideals. This is clearly the case with Indonesia. The Asian financial crisis in 1997 brought Indonesia’s economy down to its knees. Suharto regime lasted for 32 years, and the question that everyone was asking was what kept him in power for such a long time? Besides controlling the political process, he was able to legitimize his regime through continuous economic progress.

Non-economic factor also play an important role in initiating and sustaining the process of democratization. Some developing countries such as India and Sri Lanka have kept the democratic systems from their former colonizer (Samarasinghe, 1994, p. 15). This particular factor is the main focus of this research objectives, to evaluate how the colonization influence the democratization of Indonesia. Furthermore, there are external factors that can play a role in democratization. One example that is pointed out in the article, “The heightened concern of the international community for the protection human rights and minority have also been helpful” (Samarasinghe, 1994, p. 16).

## **Political culture**

The term “Political Culture” was first proposed by Almond and Verba in 1956. They define it as "the distribution of political patterns or orientation." It is how a particular political belief is exercised by the institutions and society within the country. Schumpeter (1947) on the other hand, explained it as a "democratic self-control," meaning obeying undesirable laws, tolerating different opinions and refraining from irresponsible opposition (Samarasinghe, 1994, p. 22). One important question that need to be looked at is how politics affects culture or vice versa. Is it political system that shaped the culture of the country or the culture transcend the political system? This is true to Indonesia where a democratic culture is relatively new and historically not part of the culture. Of course it is important to note that Indonesia, as previously explained, Indonesia was not a united country before the Dutch arrive. Rather, it was a group of Islands that had different kingdoms. This kingdoms, according to Adiputri (2014), have a hierarchical culture, where the kings and the aristocrats hold the power.

Again, the development of political culture is significant to the focus of the research paper. Samarasinghe(1994) discussed the theory of political culture as “the end product of an evolutionary process.”(p. 22). The research will analyzed if this is the case with Indonesia. Another significant view to this research is the “cultural appropriateness” where Samarasinghe argued as a primary prerequisite for a success democratic political culture (Samarasinghe, 1994, p. 22). The phenomenon of the conflict between the “old guards” and the “reformers” as seen as a threat to the sustainability of democratic culture in Indonesia.

# **Methodology**

The basic term of this research can be classified as ‘Social Research.’ According to Bryman (2012), the term can be related to research questions that is relevant to scientific fields, social policy, history and politics (p.4). Furthermore, social research may involve on “development and changes in society” (Bryman, 2012, p.5). This research paper mainly follows the methodical technique of a qualitative research which emphasize on direct observation, communication with participants, and analysis of texts (Kelly, 2011).

The first main method used was desk research. Due to the historical aspect of this topic, source such as literatures were used as the main tool to collect the information about the Dutch East Indies colonial history. The subject surrounding this topic is a sensitive one. That is why, both Indonesian and international sources were used to prevent any biases that may be presented. Furthermore, since the theme of the paper had been discussed and argued for some period of time, sources such as peer-reviewed journals and academic sources were used to obtain and compare the different arguments. In addition, to touch on the topic of democratization of Indonesia, which is still an ongoing process, well- known news media and reports were used as a reference to get an updated material on the topic. All of the information collected were organized in a chronological order based on the colonial history to present time. Furthermore, a case study of Indonesia’s recent 2014 presidential election was used in the analysis part of the report to focus on the recent major problems of Indonesia’s democratization process. The information gathered through desk research was also accompanied by the second research method used: Interview.

## **Interview**

As Halperin and Heath (2012) explained in their book, “Political Research,” the main purpose of interview “is to produce data that will help answer research questions and to gain an understanding of what the person thinks” (p. 254). There are many different types of interviews, as listed by Halperin and Heath. For this particular research, an individual “face-to-face” interview was chosen. According to Halperin and Heath, this type of interview “is the best type for in-depth exploration of opinions and is a rich and dense source of data” (2012, p. 254). This particular type of interview is useful to this research paper, as in-depth information is needed to analyze the history of Indonesia and the development of democracy in the country.

Dr. Thomas Lindblad from the University of Leiden was the participant for this interview. He is an expert in Indonesian economics and political history. Furthermore, he had been involved in various projects that focus on the political and economic aspect of Indonesia. For example, since 2008, he coordinated, “an internationalization on economics, politics, and social change in post-independence Indonesia.” In accordance to the Ethics code standard for interview, a written consent was presented to the participant prior to the interview, and was given permission to conduct and record the interview. In addition, the participant was also assured that the information given will not be published anywhere else, and is only used as a reference for this research paper. The full transcript can be found on the appendices section. Moreover, the conversation took approximately 40 minutes. The questions were based on all the chapters of this research paper—colonial history; Indonesia’s independence; post-independence; current problems facing Indonesia’s democracy. Even though all the chapters cover broad information, the questions were constructed so that there only covered the important events.

## **Limitations**

Due to the scope of the subject, there are several limitations that were encountered during the process of this research. First, it must be considered that the topic is relatively sensitive due to some negative aspect of the colonial history. Therefore, both Indonesian and Western sources were used in an attempt to prevent any bias presentation. However, there were some difficulties in gaining information from the perspective of Indonesian. This is especially true in searching for interviewee from Indonesia. Due to the location in the Netherlands, finding an interviewee from Indonesia was a challenge. Furthermore, because of the nature of the culture of Indonesia, emails are not commonly replied to in a short period of time. Several emails were sent but it was not successful in getting an appointment for an interview. Moreover, due to the time limit of the due date, not all the information could be looked at.

Nonetheless, the information gathered through desk research was sufficient in presenting a general understanding of the topic.

# **Background**

## **Chapter I: Colonial state and its policies**

When the Dutch first arrived on the island, authority was given to a trading company called the VOC (Vereenigde Oost compagnie), who had been given power by the Dutch government to implement its own laws and regulations (octrooirecht). The organization, according to Tyson, “manifested itself in the archipelago as a state, one capable of raising armies, concluding treaties, imposing taxes, and punishing lawbreakers” (Tyson, 2010, p.25). The colonization of the Indies by the Dutch started in 1619, in the port city of Batavia, the name for the current capital city of Jakarta (Vickers, 2005, p.10). Colonialism, according to Vickers, was “founded on business, not Dutch national expansionism.” The United East Indies Company was perhaps the first multi-national company, controlling the Asian trade network (Vickers, 2005, p.10). The first 200 years was focused on exploiting the natural resources of Indonesia to serve the mainland, the Netherlands. During this time, there were many empires competing for power and land rich with resources. “The Dutch venture into full blown empire building began with the strong and independent Muslim sultanate of Aceh” (Vickers, 2005, p.10). The area is filled with rich resources such as oil, and in particular the Dutch were interested in pepper, in which during that time spice was in high demand. By the end of the 18th century, the East Indies trading company was liquidated, and this marked the initial stage of making Indonesia a colonial state of the kingdom of the Netherlands (Schmulzer, 1977). According to Dr. Lindblad, when the VOC was liquidated due to bankruptcy, the assets were inherited by the Dutch state and this became the basis of the legal claim of the Indonesian archipelago (T. Lindblad, personal communication, May 12, 2016).

### **Cultivation system (1830- 1870)**

The first main colonial policy that the Dutch implemented was indirect rule. By using the survived local lords, “the Dutch saw themselves as preserving tradition by providing a layer of wise administration above the natural native leaders of the people” (Vickers, 2005, p.15). There was an advantage for using this policy, because indirect rule means that the traditional life of the peasantry would not be disturb and it was way cheaper since the Dutch did not have to recreate its colony from the bottom up (Vickers, 2005, p. 15). Moreover, in order to revitalize the dynamic trading system of the VOC, the Dutch imposed a ‘cultivation system.’ This policy basically meant that the peasants were producing products such as sugar, coffee, and tobacco for the Dutch government. The early 19th century colonial policy “facilitated between a conservative approach, closely related to the Javanese feudal system, and humanitarian approach based upon universal principles of the right of all men” (Schmulzer, 1977). As years passed, the result was criticized by many parties back home in the Netherlands due to the growing concerns for human dignity in Europe. The main reason for abandoning the system was because of “a change of ideological climate in Europe. A change in ideology to a more capitalistic approach where private companies were taking over the economy” (Dr. Lindblad, personal communication, 12 May, 2016). During this time, the country started to open its doors to private foreign investments. Another reason was also that the policy was not conducive to growth and the interests of local population were ignored. Furthermore, there was widespread corruption among the local elites. According to Dr. Lindblad, the elites were given a lot of money in exchange for mobilizing labor, simply forcing the villagers to work for the colonial government. The pressure forced the government to act and adopt the next new policy, the so called ‘Ethical policy.’

### **Ethical Policy (1901- 1942)**

The policy came about after the notion that the Netherlands owed a ‘debt of honor’ to the East Indies colonial state. It became popular because of the Brooschoft campaign (Vickers, 2005, p.17). The intention of the policy was to bring progress and prosperity to the native people. This includes modernization, education and other opportunities. “The Ethical policy as a basic principle, opened up education and emancipation of the Indian society, the promotion of educational facilities of all kinds, the opening up of all possible positions to native” (Schmutzer, 1977, p. 14). The new policy resulted in economic progress for the Kingdom of the Netherlands. Commodity prices rose and other new Indies trade such as rubber, tin, and coffee brought a high number of exports and attracted many investments from companies like Billiton Tin Company and Standard oil from the United States (Vickers, 2005, p.18). Most of the profits, however, went to big businesses instead of being put back into the colony.

The government of the Netherlands wouldn’t let the Indies stand on its own, giving a sense of reliance to the government. However, by 1903, Snouck and other advisers argued that the Indies should be given a greater autonomy, and finally won by a concession in a form of decentralization. This means that there was an increase in local authority through the establishment of city and regency councils (Vickers, 2005, p.21). This result was in appearance only. “The potential for democracy through these institutions was undermined by a combination of Dutch fascination with indigenous aristocracy, and an unwillingness to give up real power” (Vickers, 2005, p.22). The establishment of city and regent council gave more power to the aristocracy. Furthermore, the Volksraad was created in 1916 as an advisory body to the governor general and a representation of the different groups in the colony. According to Dr. Lindblad, the early creation of Volksraad saw some little representation of indigenous Indonesian. Almost all members were European or Chinese, but it was later change in the late 1930s where the majority were native Indonesians. However, still the Volksraad was only an advisory body to the governor general. In the end, it was up to the general to make the decision.

The education that was expanded during this campaign led to the rise and realization of national independence sentiment, which eventually brought the people to rise and fight for independence. The treatment during the Ethical Policy “emphasized on education as the path to native progress, at the same time trying to keep the native population from assuming too great a role in the colony” (Vickers, 2005, p.22). Good education was only given to the upper classes and aristocracy of the native people. The goal of this was to influence the aristocracy and other high classes native to become more westernized. Vickers (2005) stated that one of the colonial adviser, Snoucks, “expounded that our rule will have to justify itself on the basis of lifting the natives up to a higher level of civilization in line with their innate capacities.” Snouck’s policy was known as the ‘policy of association.’ The whole theory was to test to see if the elite natives could absorb western knowledge until it changed their inner character. If it occurred, they could work for the Dutch and be “elevated to help govern the Indies.” (Vickers, 2005, p.23). His view became controversial due to some colonials who believed that there was no equality between the ruler and the ruled. The native people were carefully selected according to their chances of collaborating with the colonials (Vickers, 2005, p.23). One of the people who attended the education system for the aristocracy was Sukarno, the future leader of the independence movement of Indonesia.

## **Chapter II: Revolution and Independence (1940-1949)**

Indonesia experienced a bloody revolutionary war to gain its independence from the Dutch. After 350 years of becoming a colony of the Netherlands and a brief Japanese occupation, the people of Indonesia rose and fought for their freedom and independence. On 17 August 1945, after the Japanese surrender in World War II, Sukarno and Mohammad Hatta proclaimed independence of Indonesia. A few days after the two leaders adopted the provisional constitution, they were unanimously elected as the president and vice president of the newly self-proclaimed nation state (Abdullah, 2009, p.1). The support for the revolution was big, as people came out to the streets in Java and other outer islands to show their support. The youth began to take actions and formed the “Barisan perjuangan,” the struggle units, and stole weapons from the former Japanese military and governmental buildings and barracks (Abdullah, 2009, p.1).

There had been underground movement organized prior to the revolution. One of the first in opposition to the foreign leaders occurred in the area of Aceh, dating back to 1872 (Abdullah, 2009, p.89). The capture of the two leaders, Panglima Polem and Cut Nyak Dien, marked the bloodiest and longest colonial war in the Indonesian archipelago. The Aceh war had not only created Acehnese warriors, but also “a deeply entrenched tradition of resistance to the Kafir government, the infidels” (Abdullah, 2009, p.89). The opposition to colonial rule happened in many other regions, such as Bali. The *puputan*, also called the death ceremony was an incident of clashes between the Dutch and the royal families of Balinese, Klungkung. The royal families preferred death rather than letting themselves be subjugated to the Dutch (Abdullah, 2009, p. 90). Furthermore, there were many factors that led to the rise of national sentiment. Towards the mid-19th century, the political and economic policies of the Dutch colonials led to the national revolution sentiment that had been growing since the early colonial period. “The moment the ideas of opposition had been planted in the rural areas, it was economic and political plight that shaped the pattern of actions” (Abdullah, 2009, p.91). In an interview with Dr. Lindblad, he mentioned other reasons which contributed to the national uprising. First, there was the example from other Asian countries such as Japan when it defeated Russia. This, to many Indonesian, showed how the European were after all not that powerful and could be defeated. Secondly, there was other revolutionary movement in other countries such as India and other south East Asian countries. This, in effect gave an impulse of influence from the outside. Thirdly, an internal factor which mainly comes from the emergence of Indonesian intellectuals. For example, many of the aristocrats had been educated in Europe, and they experienced firsthand the nature of democracy (T. Lindblad, personal communication, 12 May, 2016).

By the late 19th century, opposition from the local resistance grew strong. Educated natives, such as Sukarno and Hatta, who had been educated under the Dutch schools were amongst the people who led the resistance against the colonial power. These important people were captured by the Dutch several times because of the threat of their influence to the growing nationalist sentiment. Other leaders of local resistance "might not have lasted more than a few days or perhaps a few weeks, but they have never been forgotten in local collective memories" (Abdullah, 2009, p.91). These memories overtime transformed into a myth of heroism. Dutch colonialism and its policies that were implemented across the archipelago had created a common shared history. A united country, liberty and freedom was on the minds of many people in the archipelago of Indonesia.

### **Japanese occupation (1943-1945)**

With the advancement of Nazi Germany in Europe, the Netherlands was losing its grip on its colonies. On March 1, 1942, the Japanese army landed on the island of Java (Abdullah, 2009, p.104). With the Japanese army in control of the Islands, Hatta, Sukarno, and Sjahrir came back from exile and were put into the negotiation table to wipe out the Dutch leftovers on the island. At first, the Japanese were seen as liberators, proving the myth of 'unconquerable west' wrong (Abdullah, 2009, p.103). The occupation of the Japanese was first seen as a 'honeymoon' between the two Asians countries. What was supposed to be the honeymoon only lasted for a few weeks. The Japanese started to impose strict rules, limiting any political moves, such as the hoisting of red and white flags (Abdullah, 2009, p.104). The people soon realized that the Japanese were no better than the Dutch. They imposed harsh policies on the people, "forced rice deliveries, and the mobilization of the workforce." It was estimated that "one out of twenty people in Java died of starvation during the Japanese occupation"(Abdullah, 2009, p.105). The Japanese were eager to reach its goal of including Indonesia to its "Greater East Asian Co-prosperity Sphere” (Vickers, 2005, p.84). Even though the Japanese occupation was no better, native Indonesian leaders were given more freedom in organizing, which in effect gave them the ability to organize mass population and opposition bodies for the revolution to come. For example, the creation of the national army (TNI) was assisted by the Japanese army. The army later on played an important role in the independence but also became a powerful political actor for years to come.

### **Fight for Independence (1945-1949)**

With the atomic bombing of Hiroshima and Nagasaki, and Germany's lost in the World War II, Indonesia once again fell into the hands of the Dutch and the Allies. In the eve of the end of World War II, Indonesian revolutionary leaders were aware of what was to come and acted swiftly towards independence. "After the Japanese Emperor unconditionally announced the surrender of Japan to the Allied powers, Sukarno and Hatta, on behalf of the people, proclaimed the independence of Indonesia (Abdullah, 2009). The provisional constitution was also adopted on the day Sukarno and Hatta were elected to be the president and vice president by the PPKI (Panitia Persiapan Kemerdekaan Indonesia--Preparatory Committee for the Independence of Indonesia). The constitution which became the nation's core ideology is called the "Pancasila" or the five pillars consists of:

1. believe in God,
2. Just and civilized humanity,
3. Unity of Indonesia,
4. Democracy through deliberations,
5. Social Justice (Abdullah, 2009).

The fourth principle proved to be an important but yet controversial for the political regimes after the Independence. The fourth point on the Pancasila ‘Democracy led by wisdom of deliberations among representatives’ is also known in Indonesian as ‘Musyawarah untuk mencapai mufakat.’ In other words, “deliberation to reach compromise” (Adiputri, 2014). This particular system of decision making is unique to Indonesia.

The independence, however, was not recognized by the international community until 1949. The Dutch didn’t want to let its most important colony to slip away that quickly. Several attempts were made which resulted in bloody wars that started in 1945 and lasted till 1949. The Dutch were able to limit the power of the new Republic to some areas of the country. Major Islands such as Sumatra and Java were still controlled by the Dutch. Oppositions from different groups--youths, Islamic communities and other parties enhanced their attack on the Dutch and had set up their strategy in decreasing the power of the Dutch. The formation of militias and speeches by charismatic leader such as Sukarno around the Island have stirred up and solidify the people to pursue a full independence (Abdullah, p. 98). By 1949, negotiations were conducted by both sides. One of the famous agreements made was the Linggajati agreement, which only lasted for some time before both parties were engaged in further conflict. Towards the end of 1949, the Dutch were pressured by the international community to give full sovereignty to Indonesia. The independence that many Indonesians have hoped finally arrived in late 1949. However, peace and stability were still a challenge for the newly independent nation.

## **Chapter III: Post-Independence (1949-1998)**

Having achieved full sovereignty, the newly independent Indonesia had the difficult tasks of building a state. "Colonial rule had created institutional structures that could be converted to Indonesian needs, but had also created massive inequalities and economic system that drained resources and profit overseas"(Vickers, 2005, p.113). As the leader of the newly independent nation, Sukarno had to run the country based on the five principles, “the Pancasila” as the guidance towards nation building. Indonesia underwent different types of democracy in its path to where they are currently. As Ziegenhein (2008) noted in his book, “All government forms since its independence in 1945 have called themselves a democracy” (p.14). The period from 1950 to 1957, 'parliamentary democracy,' 1959 to 1965 'Guided democracy,' and 1965 to 1998 'the new order,' headed by Suharto, the authoritarian ruler (Aspinall & Mietzner, 2010, p.1).

The early years of independence were filled with a lot of tension and uncertainty. The first task to do in the new state was to get rid of the remaining structures of the colonizers—the Dutch and the Japanese. As Vickers (2005) noted, “take the fragments of state institutions inherited from the Dutch, and the Japanese, mould them into a functional apparatus of the state” (p.115). Several leaders of the country had a major disagreement on how to set up the nature of the state. The agreement on 27 December 1949 which gave the nation full sovereignty also left Indonesia as a federation. This was seen to many Indonesians as unacceptable as it was linked to the Dutch colonial structure. Sukarno, the president of the country favored centralism over federalism. “So, on 19 August 1950, the federal constitution of the state was scrapped and a unitary Republic declared” (Vickers, 2005, p.115). Other leaders such as Hatta and Sjahrir worked out the plan to build the state, while Sukarno, the charismatic leaders traveled around the country to give speeches and stir up national sentiment. Adrian Vickers (2005), explained in his book that Sukarno had a gift of bringing people together. “He made extensive use of his mixed Javanese and Balinese ethnicity to show that he was not just an expansionist Javanese. His period of exile in Flores and Bengkulu, as well as Sumatra were called upon to show that he understood the daily lives of people no matter where they live in the archipelago” ( p. 115).

Indonesia’s first attempt in democracy was the creation of a parliamentary democracy from 1950 till 1957. However, the often occurring changes in cabinets and coalitions in this period caused an unstable environment in the new government. There were tensions between the Army and the government which led to a petition from the military for the dissolution of parliament and a new election (Alatas, 1997, p.5). The failure of parliamentary system led to the start of the so called Guided democracy.

In the era of Guided democracy (demokrasi termpimpin), the president and the army played prominent roles. Parties such as the MSM (Majelis Syura Muslimin) and PSI (Indonesian Socialist party) were banned because of their support for democracy (Alatas, 1997, p.6). Moreover, under this system, a monopoly of political representation was created and occupied by the Golkar party. “Half of the seats in parliament were allocated to functional groups which were formed on the basis of occupation and special status” (Alatas, 1997, p.6). One of the functional groups was the military. This proved to be significant for the future of Indonesia, as a start of the army’s involvement in politics. Sukarno, the president was elected president for life (Alatas, 1997, p.6). In the early 1960s, Sukarno started to lose his grip on the country as Indonesia’s economy started to collapse. Other events such as the killings of top army generals also contributed to the fall of Sukarno in 1967. The PKI (Indonesia’s communist party) were accused of the killings, and this led to the, some called coup d’état, by the army and brought down Sukarno and saw the start of the Order Baru (the new order) under the second president, Suharto.

The new order marked the beginning of the authoritarian regime that lasted for 32 years. The political system was ruthlessly controlled by Suharto. The party Golkar, in which it consisted of the Army generals and Suharto’s cronies were the dominant functional group in the parliament. There were elections and only two oppositions party were allowed- The PPP (development Unity Party) and the PDI (Indonesian Democratic Party). However, the parliament, the MPR where it has the power to elect the president, were handpicked by Suharto. This gave the assurance of his nomination for presidency for 32 years. President Suharto was able to legitimize his presidency due to the better performing economy that lasted until 1998, when the financial crisis started to wear down Indonesia.

The Asian financial crisis that started in 1997 brought down the 32 years of dictatorship of Suharto and brought Indonesia back to the Democratization process through reformation, which was created after massive demonstration by students around the country. The year 1999 saw the transitional phase of Indonesia’s democratization process. Suharto successor’s, the Vice President, BJ Habibie embarked on a course of political reform. “He promised new elections, released political prisoners, and introduce decentralization policy” (Bunte & Ufen, 2009, p.1). The reforms that were put in place paved the way for Indonesia’s first free election since 1955. On June, 1999, the third president, Abdurrahman Wahid was elected, and Indonesia became an electorate democracy (Bunte & Ufen, 2009, p.1). However, Michael Malley (2000) argued that there was still an “authoritarian enclaves remained in place and competing for over the main state institutions” (Bunte & Ufen, 2009, p.1.). Since then, Indonesia have gone through four elections, the last in 2014 where the two candidates symbolize the old regime and the new spirited of Indonesian generation.

## **Chapter IV: Present state of Indonesian democracy**

Since the fall of Suharto in 1998, Indonesia has undergone the process of democratization. The country as Catharin Dalpino (n.d.) explained, "has been pre-occupied with a complex, often messy, process of democratization." Furthermore, the process has been primarily a battle between different groups and the Elites of Jakarta, the center of Indonesian government. These groups consist of the armed forces, Suharto era power brokers, and the new Indonesian generations seeking to accomplish a full maturing democratic society. One significant changes made after the fall of Suharto is the policy of decentralization. Many have argued the importance of decentralization in the democratic process. “Decentralization is said to potentially lead to greater prioritization of local needs in development policy, as it encourages greater accountability of those govern to local communities” (Hadiz, n.d.) Since the country’s independence in 1949, the political regimes in Indonesia "were known by standard labels- Parliamentary democracy, Guided democracy, the new order."(Aspinall &Mietzner, 2010, p.1). Aspinall and Mietzner (2010) mentioned that scholars have yet to reach a consensus in giving the name of the post authoritarian regimes. Most of the scholars though agree that the current regimes have provided more freedoms than the other previous regimes. Many have described Indonesia's democracy as 'collusive,' 'delegative,' 'consolidated' but 'patrimonial,' and 'low quality.' (Aspinall, Mietzner, 2010, p. 1).

Broadly speaking, it can be argued that the present state of Indonesian democracy, referring back to the definition of democratization by Samarasinghe, is in the phase of consolidation. The argument set by scholars in defining Indonesia's democracy is due to the fundamental problems that is still well embedded in the political culture. The recent presidential election, which was won by Joko Widodo, the first president to come from a 'normal' background, not from the elite or the army, symbolizes the new Indonesian generation. However, after the election was over, the opposition group challenged the result of the election and seek to change the law of direct election in all levels.

There are still many other problems inside Indonesia's political institution that could potentially be a backdrop in the process of democratization. The country’s continuing policy of decentralization, which is seen by many as an important progress in the democratization process of the country, is being questioned and challenged by groups of the old new order. In an article by Edward Aspinall and Marcus Mietzner (2014), Prabowo Subianto, the presidential runner up, have said that decentralization have caused problems for the country such as corruption, and stated that “direct elections were not compatible with the Indonesian cultural character and is a product of western culture that was not suitable for Indonesia.” Prabowo Subianto was the commander of the special armed forces and has been accused of many human rights abuses as well as kidnapping of political activists. The presidential election in 2014 was a close one. Joko Widodo won the presidency with 53% of votes and 46% for Prabowo Subianto (Joko Widodo Indonesia presidential election, 2014). This shows a worrying sign as large number of the population still have strong support for Prabowo and his plans that are closely related to the ‘old regime.’ According to the Freedom House, Indonesia is now listed as a ‘partly free’ country, based on the decline on freedom press and expression (Indonesia, 2016). Dr. Thomas Lindblad, however, argued that even though Indonesia still has many challenges to tackle, the country still has a better condition compare to its other South East Asian neighbors. He continued saying that, Indonesia will face many tough challenges, but he believes that eventually democracy will win the country.

## **Chapter V: Challenges facing Indonesia democracy**

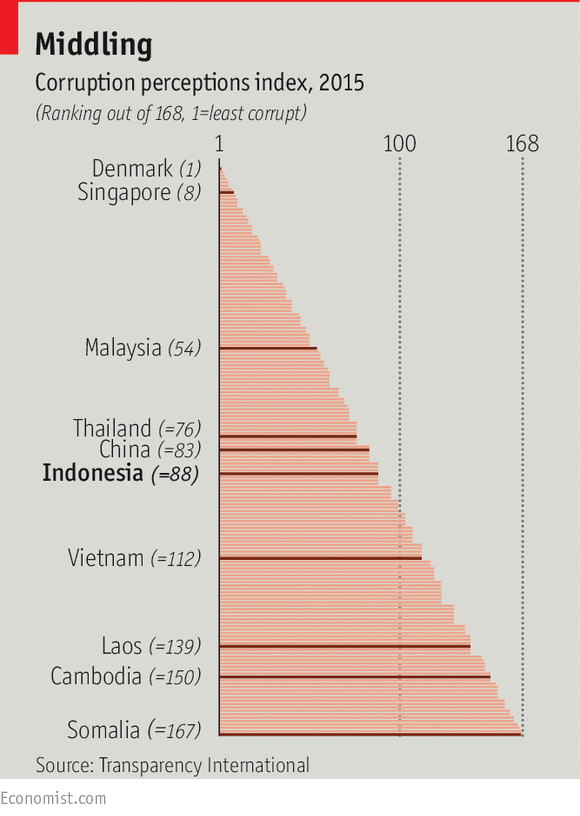
As seen in other countries around the world, democratization can be reversed. According to Larry Diamond, "Indonesia still has considerable deficits in government effectiveness, upholding the rule of law, and corruption eradication"(Aspinall & Mietzner, 2010, p.5). Without improvement in these areas, Indonesia's democracy is still prone to reverse democratization.

Backsliding from democratization could potentially mean returning to authoritarianism rule of the country, controlled by groups of the old regimes such as Suharto's power brokers and the Army. These groups have dominantly hold the power in the country since the birth of Indonesia. After the independence, the army steadily became a major political player. Many of them have ran to become the candidate of Indonesia’s presidency. Figures such as General Wiranto and General Prabowo, who merely lost to Jokowi in 2014 election. Prabowo and his party move in challenging the result of the election and they’re attempt to rule out the direct law in all executive positions are some of the moves that could roll back the country's direction to the old regime. Even though recent election was won by a leader that comes from a humble background, recent events have showed that Jokowi’s exciting promises are easier said than done. The new leader has promised to change Indonesia’s political system, appoint technocratic cabinet and starting a ‘mental revolution’ that would carve out corruption from politics (Lone fighter, 2016). In reality, according to Marcus Mietzner, Jokowi have “entered into arrangements with elite actors that resemble those made by his predecessors, and has cut too many compromises and failed to confront Indonesia’s vested interests” (Lone fighter, 2016). His loyal supporters, however, argued that the president is simply “picking his battles.” (Lone fighter, 2016). Nevertheless, it will a big challenge for Jokowi to deliver his promises because the parliament is dominantly seated by members from the opposition groups.

While elections in the post Suharto regime are considered generally to be highly open, competitive and fair, there are still important problems that could potentially damage Indonesia’s democratization process. According to Aspinall and Mietzner (2010), since 2009, the election saw a dramatic decline in the quality of electoral management. Adam Schmidt, by applying international benchmark for elections, concludes that “Indonesian fell short in several important fields. In particular, logistical problems which created faulty voter lists that led to disenfranchisement of significant numbers of voters” (Aspinall & Mietzner, 2010, p.7). Furthermore, the failure of elections organizers on giving comprehensive information have led to many of invalid votes. The Indonesian election has also been characterized as “elite engineered affairs,” where the rich and powerful have buy off votes, which echoed the problems of money elections.

One example given is the 2009 legislative election in Aceh, where citizens in rural areas were given money in exchange for ‘services’ (Aspinall & Mietzner, 2010, p.7).

The media and civil society all agree on the main sources of Indonesia’s corruption problems, which is the country’s political institutions such as the parliament and political parties. These institutions are famously known to be greedy, corrupt and ineffective (Aspinall & Mietzner, 2010, p. 9). In result, the political institutions have represented the ugly face of the country’s democracy. The institutions are dominated by the oligarchs seeking to keep their power on the top job of the country. Recent events again have proved that the top members of the parliament have been involved in corruption. Setya Novianto, the speaker of the House, faced allegations of corruption (The Setya show, 2016). Furthermore, according to the economist, the European Union has “chastised Indonesia for its widespread political corruption, corrupt judiciary, and extensive bribery” (The Setya show, 2016). Indonesia is currently ranked 88th out of 168 countries in the Corruption Perception Index.



Source: (The Setya Show, 2016, February 27).

## **Chapter VI: Indonesian Political system**

The Indonesian political system comprises of Executive, Legislative and Judicial branch. The executive includes the president, vice president and the cabinet (General political outline of Indonesia, 2016). All of them serve for five-year term, with a possibility of running twice. Ethnic and background play an important role in Indonesian politics. The Muslim Javanese enjoy the most popular support because the majority of Indonesian people are Javanese and Muslims. Therefore, the top positions for the country are always likely to come from the background of Javanese and Muslim. On the other hand, the minority groups such as Chinese and non-Muslim Indonesian are likely to get a lower position in the government unless the region has the majority of those ethnic background.

The legislative branch is the MPR (people’s consultative Assembly). The role of the MPR is to set and change the constitutions as well as appoints of impeach the president (General political outline of Indonesia, 2016). Moreover, the MPR is a bicameral parliament that consists of the DPR (People’s Representative council) and the DPD (Regional representative Council). There are 560 members in the DPR, and their role is to draw and passes laws, as well as producing budget in cooperation with the president and oversee the general performance of politics in the country. The DPD, in the other hand, deals with laws and bills that are related to the regions, therefore increasing representation at the national level (General political outline of Indonesia, 2016). The parliament is notoriously known as the most corrupt governmental institutions.

The judicial branch consists of the Mahkamah Agung (Supreme Court) and the Mahkamah Consitusi (Constitutional court). Beside the two major court, public, administrative, religious military courts are set up to deal with most of the legal cases. The judicial branch is similarly known to be corrupt and are not fully independent.

# **Analysis**

In order to see to what extent are the problems of democracy in Indonesia are linked to Dutch colonialism, we must look into each colonial policy to asses if there were any democratic practices established during that time. Furthermore, we must also asses how the colonial policies influence the governmental institution and the foundation of the country’s political system. In regards to the democratization process of the country, the phases of democratization is analyzed by looking at important events that have shaped the current situation. Furthermore, a case study of the recent 2014 presidential election is looked into in order to understand the confrontation between “the old guards and the reformers.”

## **Dutch Colonial Policies**

The creation of the East Indies as a colonial state of the Dutch empire marked the beginning of colonial political system that was created through the different policies of Cultivations system from 1830-1870, and Ethical policy from 1901-1942. During the cultivation system, the Dutch control of the island was restricted only to Java Island and some of the outer islands. They did not have administration established during that era. The system was focused on producing products which in result brought back profits for the Netherlands. The Ethical policy, in the other hand, was not only focused on bringing profits through investment from private companies, but also considered as the birth of colonial administration on the Island. During this particular time, other Islands were incorporated into the colonial state and equipped with effective colonial administration. This was the start of the imperialist phase of Dutch colonialism.

The first colonial administration was established through the concession by Snouck in 1903 in form of decentralization. In result, regency and city councils were created to increase local authority. Decentralization also saw the birth of the dominant elites and the special bond between the aristocracy and the Dutch. As Adrian Vickers (2005) noted in his book, “The close relations between the Dutch administrators and Javanese rulers created a new version of royal culture (p. 36). Some have argued that the culture of Elitism has already existed before the Dutch came to the country. Adiputri (2014) explained that the Javanese culture, “is hierarchic and centralized by nature.” It can be said, however, through the relationship between the Dutch and the Elite, the culture of Elitism was heightened by the power given by the Dutch administrators. Thus, giving more distance between the aristocracy and the local population. “The most important result of transformation caused by the policy was to distance the aristocracy from the rest of the population” (Vickers, 2005, p.36). In addition to more power, an extra incentive in a form of money was one of the ways that the Dutch used to gain control. As Dr. Lindblad pointed out, the aristocrats were given money in exchange for services to force the villagers to work for the Dutch colonial.

Even though the Ethical policy was created also for the reason in an attempt to improve the lives of the natives, it was not the case for the majority of the natives. Only a few, mainly from the segments of the elites were given education and position in the government. This, however proved to be significant for the creation of Indonesia. The rise of Indonesian intellectuals, equipped under the Dutch education, led to the realization of national independence and democratic society.

In 1916, the Volksraad was established in order to improve the representation of the different groups in the colonial East Indies. The Volksraad, which was created as an advisory to the governor general had some representation of the natives. However, the majority were the Dutch officials. The number of native members increased during the 1930s, however, the real power was still in the hands of the Dutch. Because the Volksraad was just an advisory body to the governor general in charge of the colony, it was up to the general to impose the law. In most cases, the proposed legislation coming from the Volksraad that has to do with giving more power to the natives were ignored. For example, in an interview with Dr. Lindblad, he pointed out that Sutarjo, one of the Javanese members of the Volksraad proposed “to open discussion about how independence could be realized.” But the governor general, who was a conservative, rejected such discussion. According to Hagen Schulz Forberg (2014), the Dutch have also offered to have a regional representative’s council (gemeenteraad) but was declined by the nationalists because the offer “were not seen as truly democratic representation” (Forberg, 2014). Furthermore, Forberg (2014) pointed out that the Dutch have attempted to introduce councils (raad) and electoral system (kiesstelsel), but was turned down due to lack of trust to the Dutch officers. This was evident, referring back to Adrian Vickers argument that the attempt for greater through decentralization was in appearance only. “The potential for democracy through these institutions was undermined by a combination of Dutch fascination with indigenous aristocracy, and an unwillingness to give up real power” (p. 22).

According to Dr. Lindblad, there were very little democratic practices during the colonial times. Therefore, the Indonesian had little to no practice of democratic practices during the time of the colonial. The Volksraad was, according to him, the only resemblance of democracy. Furthermore, as Dr. Lindblad explained, there are, however, some respect of a traditional mode of communication in form of a local meetings in the village by the local elites. In this sense, the democratic legacy for Indonesia is very weak. Going back to the concept of democratization, where factors that lead to the process was discussed, non-economic factor such as the influence of the colonizer in the democratic system is absence for Indonesia. Instead, the hierarchic and Elitism was the mode of the political culture during the colonial era. Furthermore, the colonial society was highly segregated in terms of ethnic background, and this is not compatible with a full Democratic system.

## **Dutch Colonial legacy: political system and Indonesian Parliament**

The Dutch colonials, according to Vickers, created the institutional and economic foundation on which a state could be built (p. 31). When Indonesia was finally free from the Netherlands in 1949, Sukarno and other leaders had difficulties in setting up the new state. There were disagreements on how the country should be run. Some were against the idea of federalism, as the Dutch had tried to introduce the system but was seen as an attempt to break Indonesia apart. Subsequently, in the early phase of the new state, Sukarno adopted a more centralized government. Not long after, Sukarno adopted the parliamentary system in the attempt for the country to become a democracy. This, however, was a failure due to unstable cabinets and parliament. The parliamentary regime was only there for a few years. This can explain how Indonesia’s democratic culture was not strong yet. The next political system again saw a decline in Democracy. The Guided Democracy, according to Dr. Lindblad, in essence was not a democracy. The parliament voted for Sukarno to be the president for life. This, in effect, gave more power to the president and the army. The army played a crucial role after the fall of Sukarno. General Suharto became the second president of Indonesia, and also marked the beginning of an authoritarian regime.

Suharto’s regime lasted for 32 years. The regime finally ended in 1998 when the Asian financial crisis occurred and in result, Indonesia’s economy collapsed. Suharto was able to keep power for 32 years due to the achievement in economic progress that had maintained his legitimacy. Looking back to the concept of democratization, Lipset’s proposed argument on economic, middle class and education as a factor played a crucial role in bringing down the regime. Suharto was brought down through demonstration by students and the working class. Lipset’s thesis of “education and economic factor creates social changes that are receptive to democratic ideals,” is therefore, true in the case of Indonesia.

The Dutch colonial administration also lay the basic foundation of the Indonesian political institutions. The Indonesian parliament, the MPR and in particular, DPR was influenced by the Dutch political system during the colonial era. According to Adiputri (2014), there are many resemblances that can be made. According to Adiputri, Volksraad is not the same as parliament. However, the Volksraad became the primary influence in the creation of the Indonesian parliament. As Adiputri (2014) noted, “the Indonesian parliament experienced from this forum to practice being a representative." The Indonesian parliament was created when the Japanese occupied Indonesia. When the Japanese came to the Islands, they created the 'Chuo Sangi-in,' a forum of inquiry where the Japanese officials can ask the Indonesian representatives for field condition (Adiputri, 2014). Right after the declaration of Independence by Sukarno, the Central Indonesian National Committee, or the KNIP, was created and established as a legislative body. The creation of this body became the birth day of the DPR, the Indonesian parliament.

The first resemblance that Adiputri discussed is ‘self labelling.’ The Dutch parliament in the 19th century was to refer to the Estates General (Staten general), and during the debate, members would use this name instead of parliament. This is the same with the DPR. The members would use the name DPR, not the parliament. This is important in the case of the DPR, because the DPR is the national institutions, centered in the capital, Jakarta. This created a problem in relation with local and regional parliament. Due to the regional parliament similar name, DPRD, the member often considered themselves as the DPR. Therefore, the members of the regional parliament often acted and expected “to be treated the same as the national parliament” (Adiputri, 2014). Furthermore, the DPR members are aware that their position is a part of the prestigious and powerful institutions, elected by the people. This then creates a hierarchical position, seeing the regional, local and other members such as the secretariat as inferiors. In result, they would have the tendency to conduct procedures as they wished. Adiputri argued, perhaps due to this tendency, corruption between officials could not be traced.

The second important resemblance is the decision making procedure. In the Indonesian parliament, the decision making system is in accordance with the constitution: deliberate to reach compromise. In Indonesia it is famously known as, Musyawarah untuk mencapai mufakat. The decision is reached through compromise instead of a consensus. Only in some cases, majority voting is used. It is seen as “an inherently Indonesian way of decision making” and considered as a heritage from Sukarno. The compromise is “reached to make concession so that the final product can be presented as the result of genuine agreement (mufakat) (Adiputri, 2014). In the 19th century Dutch parliament, similar case existed. Beyen and Velde described the member of parliament were “looking for rational or business like common ground, who argued more calmly and were good at finding compromise behind the scenes” (Adiputri, 2014). This in result, unfortunately, created an instrument for the Oligarch to control decision and avoid transparency and public accountability.

The third similarity between the Dutch parliament and the DPR concerns representation. Adiputri (2014) explained that at a representational level, the Dutch MPs were “not directly accountable to the people” because representation in the Netherlands, had to more to do with the representatives rather than with the represented. Furthermore, the notion of representing the people were more synonymous with defending the party’s ideology and implementing the party’s agenda. These characteristics are also true with the Indonesian parliament. The DRP, People Representative Council, unfortunately doesn’t entail the name (Adiputri, 2014). The members are often imported from the center, Jakarta, instead of the local district. Therefore, the members elected were ‘selected by the party’s leadership in Jakarta.’ In result, the local members disconnected themselves to the needs of the local people.

The creation of the Indonesian Parliament occurred at the early, messy, independence era. The characteristics were copied by the founding fathers from the continuation of the Dutch political colonial system. It can be argued that, the Indonesian Parliament, due to its characteristics, had no experience of practicing real effective parliamentary duties. In consequence, the Indonesian parliament is experiencing many fundamental problems and is considered as outdated.

## **Indonesia democratization process and 2014 presidential election**

### **Transitional phase**

Referring back to the definition of democratization listed in the report by Samarasinghe, democratization process starts with the decline of an authoritarian regime. For Indonesia, the fall of Suharto in 1998 marked the start of the process. “If we define transition as the phase between the breakdown of authoritarianism and the successful implementation of free and fair election, it started on 21 May 1998 and ended on 20 October 1999” (Bunte & Ufen, 2009, p.12). This period also saw Indonesia becoming an electoral democracy where substantial free and fair election were held, but in accordance to the concept of minimalist, liberty was limited. BJ Habibie, the vice president under Suharto, replaced his presidency. This, however, was short lived. People did not accept his presidency because he was seen as part of the Suharto regime, and therefore demanded him to effectively step down.

Abdurrahman Wahid, the blind cleric, was elected to become president in 1999. However, this was again short lived. This can be argued to be the start of stagnation on the process of democracy. The parliament, which still consists of members of the army, was hostile towards Wahid. As a result, Abdurahman wahid was impeached from the presidency in 2001 (Bunte & Ufen, 2009, p.14). This shows how the elite and the remnants of the old regime were still very much in control. According to Bunte and Ufen (2009), “the downfall of Abdurahman Wahid epitomized major weaknesses of the system” (p.14). The next to become the president was Megawati Sukarno Putri, the daughter of the proclamator, Sukarno. Her rise to power was seen to be illegitimate as “she did not rise to power through popular elections but by elitist power battles” (Bunte & Ufen, 2009, p.15). Nevertheless, major constitutional reform such as increased power of legislature, introduction of constitutional court, and the establishment of the KPK (Corruption Eradication Commission) were introduced in the late period of her presidency. In effect, Indonesia’s democratization transitional process was re-started.

### **Consolidation Phase**

The consolidation phase, where according to Hara (2001), “breeding democratic values,” initiated after the first direct election in 2004 was introduced as well as and the policy of decentralization. Susilo Bambang Yudhoyono, or famously known by SBY, became the sixth president of Indonesia. He was again re-elected in 2009, making him the first elected president to run the complete five-year term and elected for the second term. Under his rule, Indonesia saw economic progress. However, the fundamental problem of corruption was still at large (Bunte & Ufen, 2009, p. 16).

## **Case study: 2014 Presidential Election**

Different from other presidential election, the 2014 election was “a contest between two populists, albeit of a very different kind” (Mietzner, 2015). The first presidential candidate, Prabowo Subianto was the former commander of the Special Forces and son in law of Suharto. He, according to Mietzner, followed the classic textbook of populism: “condemned the existing polity as broken and beyond repair; attacked foreign companies for extracting Indonesia’s natural wealth; portrayed the domestic elites as cronies of foreign parasite” (Mietzner, 2015). Furthermore, Prabowo was focusing mainly on the poor and the uneducated population of the country for support. On the other hand, Prabowo’s opponent, Joko Widodo or famously known by Jokowi, “introduced a new form of populism” (Mietzner, 2015). Unlike Prabowo who was part of the old regime and has a record of human rights abuses, Jokowi, on the other hand, comes from a humble background, raised in a slum and therefore, is seen as a ‘man of the people.’ Jokowi offered a change that is still in the framework of the democratic status quo. Secondly, he did not see any particular group as an enemy and refrained himself from anti-western rhetoric. Thirdly, improvement on public services is his core element for his presidency (Mietzner, 2015). The 2014 presidential campaign symbolized the two different approach to the country’s future. One is seen as an ultra-nationalist, protectionist leader who is seen as a product of the old regime, and on the other side, a technocratic figure who has a clean record and symbolizes a new, fresh hope for Indonesia. Hence, it was the battle between the “old guard” and the “new.” Even though Jokowi won the presidency, the future of Indonesia is still prone to what Samuel Huntington call a “reverse in the democratization process.” The analysis of the case study sought to explain the challenges of the country’s democratization process.

The 2014 presidential election was a historic and a never seen before event for Indonesia. From a candidate side, Jokowi was the first president to not only come from one of Indonesia’s traditional power networks, but also the first to be born after the Independence of the country in 1945. Moreover, he was also the first candidate that was previously a governor. Thus, proving that the decentralization policy had successfully brought a new generation of political leaders (Mietzner, 2015, p.1). From the country’s democracy point of view, the election was the first time that a directly elected president had taken over power from another directly elected leader (Mietzner, 2015, p. 1).

Jokowi won the presidency with 53% of the vote. According to Professor William Liddle, the percentage is seen as close one for Indonesia, compared to that in the United States where such margins are not seen as a close race. Furthermore, the voter’s turnout for this election was 75% (IRITV, 2014). Even though the statistics for the voter turnout was high, there is still lack of trust on the election process. According to the study conducted by the Asia Foundation, 38.3 % believed that the elections would be free and fair, and 47.7% were not certain that the election would be free and fair (Thornley, 2014). The mistrust on the election result was later expressed by Prabowo, who had lost to Jokowi with 47% of the vote. After the election result was announced in July 22, “Indonesia’s democracy went through what probably has been its hardest test yet” (Hamid, 2014). Jokowi’s opponent, Prabowo had cited massive irregularities and unfair treatment by the National Election Commission. Furthermore, to go against the result, Prabowo denounced the number and cite other result from other sources. He had tried to heighten the population’s mistrust in the system, claiming on social media that “this election has failed. This election is unlawful” (Hamid, 2014). This was a blow to the entire electoral process of the Indonesia. The case was then brought to the constitutional court, and in August 21, the court decided that the result will not change. This, however, was not the last attempt from Prabowo to disrupt the newly elected government. On September 26, the MPR (House of Representatives), which was dominated by Prabowo’s party members and its coalition, passed a bill that took away Indonesians right to directly vote for governor, mayor, and district heads (Anggriani, 2014).

What does this mean for the future of Indonesia’s democracy? It seems that the future of Indonesia will be filled with a lot of jousting. Even though Jokowi won the election, he will not be able to execute all of his plans due to the parliament dominantly seated by the opposition. It was not long ago where the pro-democracy movement wrestled against Suharto’s authoritarian regime. The remnants of the old regime still exist and is now fighting back. The fact that the direct vote has been abolished for electing local officials, the democratization process of Indonesia indicates that it has declined. Moreover, the election result for Prabowo saw a high number of votes coming from the youth, as well as middle and upper class segments and was a close race. This shows a worrying sign for the future—there is a significantly high number of the population still in support for the old regime. The events of the 2014 election also indicate that there is a growing political and social polarization that will be a challenge in uniting the country as one. This leads to Samuel Huntington’s “Third Reverse Wave.”

Going back to Samuel Huntington’s factors of “Third Reverse Wave,” point 1 and 3 are evident. First “weaknesses of democratic values among political elite groups and the public.” The elites are still well represented in the government and support for the old regime are high. Furthermore, the cabinets of Joko Widodo are filled with many of the political elites that had been accused of many scandals. Thus, Jokowi is seen as a puppet of the Elite. Secondly, “Political and social polarization.” The fact that the election was a close race between the two very different leaders striving for different agendas in terms of the economy and politi, the country is very well divided.

# **Conclusion**

To answer the central question of, “*to what extent did the Dutch colonial history influence the problems of the democratization process of Indonesia*,” the previous sections aimed to address the three main objectives of this research. The literature review section established the main political concepts that serves as the main foundation of this dissertation. The background offers the historical events in chronological order starting from the colonial era to the present state of Indonesia, with focus on the policies and the problems of democracy in the country. The analysis section evaluated the connections of Dutch colonial policies and the problems of democracy in Indonesia with an added focus on the recent presidential election to highlight the challenges of democratization process of the country.

In conclusion, The Dutch colonial history, to some extent, has had influenced on the problems of democracy in Indonesia. First, the creation of Indonesian parliament was influenced by the Dutch 19th century political system. There are striking similarities in the characteristics of both systems, which in result, have created a platform for the members of the parliament to exercise illegal activities, such as corruption, without being detected. Therefore, the current Indonesian parliament is seen as outdated and not conducive to democratic progress.

Secondly, the democratic legacy for Indonesia is weak due to the lack of real democratic practices exercised during the colonial era. Instead, the use of local elites and corruption was common and became the main instrument in controlling the colony. Even after independence, this was continued and has been embedded in the political culture of Indonesia. These problems, in result, have brought the country’s democratization process to a halt.

The recent 2014 presidential election shows the existing and ongoing challenges of the country’s democratization process. There are some worrying signs that can be connected to the factor of Samuel Huntington’s “Third Wave Reverse”. The election proves that there are weaknesses of democratic values among the political elite and some segments of the public, as well as political and social polarization that have created a split in Indonesian society. Based on the conclusion, several recommendations have been developed in order to combat the challenges of the country’s democratization process.

## **Recommendation**

* Improve the effectiveness of the country’s parliament through reform. There needs to be reform in the roles of the parliament such as improvements on transparency to prevent any illegal activities, and reforming the decision making procedures, which according to Adiputri (2014) have created an instrument for the oligarchs to control decision making and avoid public accountability (Adiputri, 2014).
* Corruption is one of main factors in the problems of democratization process. Eliminating corruption is a challenge and will take time. To improve on this condition, the country need to strengthen the support of the KPK (Corruption Eradication Commission) from the politlcal leaders. Past leaders have shown their unwillingness in supporting the KPK in executing their roles. Politically, the KPK’s support is weakening from some quarters, especially the political elite (Husodo, 2016). This can be linked to the dominant role of the elite in the political system.
* To eliminate the dominant role of the elite in the political system, the law on direct election for local governments needs to be put back. The decentralization policies have proven to produce different leaders such as Jokowi, which is not a product of the center (Jakarta). (Mietzner, 2015, p.1). In result, this will create diverse leaders that will serve for the interest of the people, not limited to the elites.
* To unite the people and strengthen democratic values, the government needs to work on improving the economy. As Lipset noted one of the factors in the survival of a democratic regime is done “through continuous economic development” (Wucherpfennig & Deutsch, 2009).

## **Additional Considerations**

Coming from this study, there are some aspects that need to be considered that can be used for future research. The question of the future of Indonesia’s democracy still holds as the main focus for further research. First, in terms of internal problems that have halted the democratization process of Indonesia, the role of the civil society and groups could be looked at. Secondly, as a global player, the role of the external forces could be looked into to see the effects it may have on the situation of the country.

# **References**

Abdullah, T. (2009). *Indonesia Towards Democracy*. Singapore: ISEAS Publishing.

Adiputri, D. Ratih. (2014). The Dutch Legacy in the Indonesian Parliament. *Journal of Political Sciences & Public Affairs, 2,* 1-2. Doi: 10.4172/2332-0761.1000118

Alatas, F. S. (1997). *Democracy and Authoritarianism in Indonesia and Malaysia: The Rise of the Post- Colonial State.* New York, NY: Macmillan Press Ltd.

Anggriani, N. (2014, October 1). Bill puts brakes on emergence of Indonesia’s new local leaders: A view from Surabaya. *The Asia Foundation*. Retrieved May 10, 2016 from *the Asia Foundation* Web Site: <https://asiafoundation.org/resources/pdfs/IndonesiaElections.pdf>

Aspinall, E., & Mietzner, M. (2010). *Problems of Democratisation in Indonesia: Elections, Institutions and Society.* Singapore: ISEAS Publishing.

Bryman, A. (2012). *Social Research Methods*. 4th Edition. New York, United States: Oxford University Press.

Buhlmann, M., Merkel, W., Wessels, B., & Muller, L. (2008, March 23). *The Quality of Democracy: Democracy Barometer for Established Democracies* [Scholarly project]. Retrieved January 06, 2016, from the National Centre of Competence in Research Web Site: <http://www.nccr-democracy.uzh.ch/publications/workingpaper/pdf/WP10a.pdf>

Bunte, M., & Ufen, A. (2009). *Democratization in Post- Suharto Indonesia.* New York, NY: Routledge.

Coat of arms. (2016). *Indahnesia.* Retrieved May 21, 2016, from the Web Site: <http://indahnesia.com/indonesia/INDCOA/coat_of_arms.php>

Dalpino, E. C. (n.d.). Indonesia’s democratic difficulty: the center will not hold. *The Brookings Institutions.* Retrieved January 14, 2016, from *The Brookings insitutions* Web Site: <http://www.brookings.edu/~/media/research/files/articles/2002/3/spring%20northeastasia%20dalpino/2002_brown.pdf>

Diamond, L. (2003).Defining and Developing Democracy.Dahl, R. & Shapiro, I. et al (Ed.), *The Democracy Source Book.*  Massachusetts: The MIT Press.

Forberg, S. H. (2014). *A Global Conceptual History of Asia, 1860 – 1940*. New York, NY: Routledge.

General Political Outline of Indonesia. (2016). *Indonesia-investment.* Retrieved May 02, 2016, from the *Indonesia-investment* Web Site: <http://www.indonesia-investments.com/culture/politics/general-political-outline/item385>

Gisselquist, R. (2012, February 9). What does “Good governance” mean? United Nations University. Retrieved January 7, 2016 from the United Nations University Web Site: <http://unu.edu/publications/articles/what-does-good-governance-mean.html>

Hadiz, R. H. (n.d.). Decentralization and Democracy in Indonesia: a critique of Neo- institutionalist perspectives. *CiteSeerX literature digital library.* Doi: 10.1.1.477.4234.

Halperin, S., & Heath, O. (2012). *Political Research: Methods and Practical Skills.* New York, U.S: Oxford University Press.

Hamid, S. (2014, April 9). Jokowi’s party takes a lead in Indonesia’s elections, but steep road ahead. *The Asia Foundation*. Retrieved May 10, 2016 from *the Asia Foundation* Web Site: <https://asiafoundation.org/resources/pdfs/IndonesiaElections.pdf>

Hara. E. Abubakar. (August 2001). The Difficult Journey Of Democratization in Indonesia. Online Journal. Vol. 23, No.2, 307-326. Institute of Southeast Asian Studies (ISEAS). Retrieved from <http://www.jstor.org/stable/25798548?&seq=1#page_scan_tab_contents>

Herbert, Feith. (2007). *The Decline of Constitutional Democracy in Indonesia*. Jakarta, Indonesia: Equinox Publishing.

Husodo, T. A. (2016). Challenges in combating corruption: Lessons from Indonesia. *Asian Human rights commission.*  Retrieved May 25, 2015, from the *Asian Human rights commission* Web Site: <http://www.humanrights.asia/resources/journals-magazines/article2/0901/05challenges-in-combating-corruption-lessons-from-indonesia>

Huntington, S. (1991). Democracy’s third wave*.* Dahl, R. & Shapiro, I. et al (Ed.), *The Democracy Source Book.*  Massachusetts: The MIT Press.

Indonesia. (2016). *Freedom House*. Retrieved May 02, 2016, from the *Freedom House* Web Site: <https://freedomhouse.org/country/indonesia>

Indonesia. (2016). *The World Bank.* Retrieved April 25, 2016, from *The World Bank* Web Site: <http://www.worldbank.org/en/country/indonesia>

IRITV. (2014, July 25). The Indonesian Election Results. [Video file]. Retrieved from <https://www.youtube.com/watch?v=Dv0y7bjsrtg>

Joko Widodo wins Indonesia presidential election. (2014, July 22). *BBC*. Retrieved April 18, 2016, from the BBC Web Site: <http://www.bbc.co.uk/news/world-asia-28415536>

Kelly, P. A. (2011). *Social research methods* [Subject guide]. Retrieved April 25, 2016, from *The University of London* Web Site: <http://www.londoninternational.ac.uk/sites/default/files/programme_resources/lse/lse_pdf/subject_guides/sc2145_ch1-3.pdf>

Lang, J. (March 12, 2015). Indonesia’s Democratic Hurdles. World Policy blog. Retrieved September 4, 2015 from the Web site: <http://www.worldpolicy.org/blog/2014/03/12/why-democracy-does-not-come-easily-indonesia>

Lindsey, T. (October 17, 2014). Indonesia’s transition to democracy under threat as new president is sworn in. Retrieved September 4, 2015 from *The Age* Web site: <http://www.theage.com.au/comment/indonesias-transition-to-democracy-under-threat-as-new-president-is-sworn-in-20141015-116q15.html>

Lone Fighter. (2016, February 27). *The Economist.* Retrieved April 25, 2016, from *The Economist* Web Site: <http://www.economist.com/news/special-report/21693409-jokowis-independence-double-edged-sword-lone-fighter>

Maussen, M.J.M. (2009). Dutch colonialsm, Islam and mosques. University of Amsterdam. Retrieved August 30, 2015 from the Web site: <http://dare.uva.nl/document/2/61299>

Mietzner, M. (2015). *Reinventing Asian populism: Jokowi’s rise, democracy, and political contestation* [Policy studies]. Honolulu, HI: East-West Center.

Samarasinghe. A de. S.W.R. (July, 1994). *Democracy and Democratization in developing countries.* Online report. Kandy, Srilanka: Harvard School of Public Health. Retrieved August 30, 2015 from *Harvard* Web site: https://www.hsph.harvard.edu/ihsg/publications/pdf/No-7-1.PDF

Schmutzer, J. M. E. (1977). *Dutch colonial policy and the search for identity in Indonesia: 1920-1931.* Jakarta: Equinox Publishing.

The Setya Show. (2016, February 27). *The Economist*. Retrieved April 25, 2016, from *The Economist* Web Site: <http://www.economist.com/news/special-report/21693410-roots-corruption-go-deep-and-wide-setya-show>

Thornley, A. (2014, January 8). Enthusiasm high, but significant voter information needs remain. *The Asia Foundation*. Retrieved May 10, 2016 from *the Asia Foundation* Web Site: <https://asiafoundation.org/resources/pdfs/IndonesiaElections.pdf>

Tyson, A. (2010). *Decentralization and Adat Revivalism: The politics of becoming indigenous.* New York, United States: Routledge.

Vickers, A. (2005). *A history of modern Indonesia.* Cambridge, U.K: Cambridge University Press.

What is Governance? (2013). The World Bank. Retrieved January 8, 2016 from the World Bank Web Site:<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/MENAEXT/EXTMNAREGTOPGOVERNANCE/0,,contentMDK:20513159~pagePK:34004173~piPK:34003707~theSitePK:497024,00.html>

Wucherpfenning, J., & Deutsch, J. (2009). Modernization and Democracy: Theories and evidence revisited. Online article. Vol 1. Living Reviews in Democracy. Retrieved January 7, 2016, from the Web Site: <https://www.lrd.ethz.ch/index.php/lrd/article/viewArticle/lrd-2009-4/13>

Ziegenhein, P. (2008). *The Indonesian Parliament and Democratization.* Singapore: ISEAS Publishing

# **Appendices**

# **Transcript- Interview with Dr. Thomas Lindblad**

Leiden University

12 May 2016

**A:** The first question is about the colonial time briefly. When the Dutch first came to country, according to Adrian Vickers “was founded on business, not Dutch national expansionism.” The start of a colonial state of the East Indies began in the early 19th century. *What was the early colonial policy used? And why did the Dutch change their policies during their colonial time in the East Indies?*

**Dr. Lindblad**: First of all, the Dutch presence in the Indonesian archipelago was conditioned by the VOC. And the VOC was actually a private trading company and it has been described as the first real multinational in the world. It existed from the 1602 until 1799. And the interesting thing, in respect to Indonesia is that the VOC increasingly took over many of the function of the state. So it came to start exercising public function without being a government, although there was a government but still it’s basically a private company. And then in 1799 the VOC went bankrupt, and then the assets of the VOC were all inherited by the Dutch state. So in that sense that is the basis of the legal claim of the Netherlands to the Indonesian archipelago that they are inherited the Indonesian Archipelago from the VOC. Now and then in the early 19th century a brief occupation by a British and the Dutch and then return after the Napoleonic war and started the colonial state that was limited to Java. In an effort to revitalize the dynamic trading system of the VOC, the Dutch colonial government imposed the cultivation system in Java from 1830 to 1870, which basically meant that the peasants in java spent part of the time producing for the colonial government, producing sugar and coffee and indigo and tobacco and this product were marketed, all brought to the world market in Amsterdam but then in 1870 was this was abandoned not so much because of the situation in Java, which was highly criticized on account of widespread corruption that the local elite got lots of money in return for mobilizing labor or simply forcing villages to work for the colonial government. But that was not the main reason to abandon the system. The main reason was the change of ideological climate in the Netherlands. So that also change the away from ideology which the state played very important economic role to play towards more undisguised private capitalist, where the capitalist was actually taking over the economy. So in that new setting of liberalism, of capitalism, there was no room for the state, leave no much room for the state. So, the state withdrew from the economic activities both in the Netherlands and in the colonies. And then from the 1870s onwards the whole Indonesian archipelago was opened up for private capital for investment primarily by the Dutch firms but not only Dutch firms. Eventually very substantial productive assets were accumulated in Indonesia which were held for about 2/3 by Dutch capital and for 1/3 by companies from other countries in particular from Great Britain. But that was big change of a colonial policy from state orientated policy after 1870s towards a liberal policy from the 1870 up to the 1930s where state re-entered the economy to combat for depression of the 1930s. But between 1870 and 1933 the door was wide-open for private capital, for private investment in the colony. And at the same time, towards the end of 19 century and the early 20 century Dutch colonial rule was made effective. Dutch had a claim for the whole archipelago but in most places that was not Dutch. there was no effective colonial rules, there was no colonial administration. But from the 1894, within the period of 10 to 15 years, their large part of the archipelago outside Java were incorporated into the colonial state and equipped within effective colonial administration and that was what you call imperialist face of Dutch colonialism and it was in the relatively short period time of 1890s and 1900s Which mean for instance, Bali was conquered in this way by the Dutch in 1906 but that means when Indonesia became independent in 1945, there were old people in Bali who still could remember the time before the Dutch came. So which means actually incidentally, that it is a wrong to say that Dutch colonialism was lasted for 300 years. That was Dutch presence in Indonesian archipelago for more than 300 years. But the Dutch colonial rule, referred affective Dutch colonial rule differed very much by locations. Java for about 150 years, and the Papua about 30years, Bali 40 years. So it depends completely on where archipelago you are looking when you want assess how long for the Dutch colonial rule was.

A: Okay, and you mentioned about the colonial administration. So what government institution were created? Because I know one is the Volksraad?

Dr. Lindblad: Volksraad was made in 1918. And that was advisory body was not parliament. But it was a representation of different population groups in the colony. And the representation was changed in the 1930s in the beginning, but there were very few members of indigenous Indonesians. Almost all members were Europeans or Chinese. But that was late to change because of the time so that eventually late 1930s there was majority were Indonesians. But still, the Volksraad had only an advisory voice. It could only give advice to the governor general and governor general could simply decide what to do with the advice. And I think in 1937, the petition by Sutarjo, when one of indigenous members of Javanese members of volksraad proposed to open discussions about how independence could be realized. But the governor-general at that time quite a conservative man. He said “No. We will not have such a discussion. “

A: So, was there any democratic practice during colonial time?

Dr. Lindblad: Not much, no. The volksraad was the only example of something resembling democracy. But otherwise, there was certain respect for the traditional modes of communication, the traditional modes of consultation by the elite. But in that sense, one can say that democratic legacy for Indonesia was very weak. And one must not also forget that colonial society was highly segregated on the basis of ethnical origin. And that is actually incompatible with the full democratic system. And you cannot have full democracy if people from a certain color of skin have more to say than other people with different color of skin.

A: So, is that one of the main factor or what was the main factor that leads to the national sentiment?

Dr. Lindblad: well, there are several factors. In the first place, there was the example set in Asia by Japan especially when Japan defeated Russia, then many Indonesian realized that Europeans were not so powerful as they seen. There was revolutionary movement in many other countries in India and other parts of South East Asia. So there was an impulse of influence from outside. And then there was an internal factor, which was actually the emergence of group of intellectuals who are very well familiar with western ideas and who resented the very system of colonialism. One must not forget. Colonial was not totally democratic society. But the Netherlands was democratic society. So there was a huge difference between Netherlands and colony. And in the early 19th century, many of the nationalist leaders went and studied in the Netherlands. And they experienced democratic society for the first time and learned about social democracy and all these things and that clearly influenced thinking just also as the spread communist ideology at that time. PKI, which was found in 1920, was the largest communist party outside of Soviet Union in the world. And which of course was the cause for the great alarm for the colonial government. It was PKI did not all agree with the way colonial society was arranged. And in December 1926 and January 1927, they made an invented attempt in uprising in Western Java Sumatra, which was crushed because it was very poorly prepared. But it had very important consequences because it meant introduction of highly repressive system of political situation and in the colonial Indonesia. And many of the nationalist leaders were sent to exile, to places where they cannot do any harm to the government. Very few of them were executed. But, if you are sent in Papua, you can’t do much nationalist activities. In fact, Sukarno was sent to flores and Lampung.

A: He get to talked to the people actually, I heard after the independence, he went around the island and was able to speak different local languages and that showed how he was not aiming to expand Javanese dominant culture…

Dr. Lindblad: no, that was very important point that the first nationalist organization was Budi Utomo, but that was elitist and highly Javanese and did not appeal to large segment of the population, not the poor people and people outside Java. And then Sukarno founded the PNI in 1927 which was deliberately based on all Indonesia. And that was also the time when u think about the Smpah pemuda in 1928, the time when Indonesian nationalist decided that they should be on people, one language, and that language must be Indonesia. And I think that was important and was clever idea in choosing the Malay language as the national language, not the Javanese. It would be hard to unite the country if it was Javanese language.

A: ok. No I want to ask you question about the pancasila, the country’s ideology. The pancasila, the country’s ideology was created after the declaration in 1945. Some argued that the first pancasila was provisional, was expected to change. There had been four constitution amendment. *What changes were made? And in your opinion, is there still any problem with the pancasila?* Through the research, I have read that the fourth point of the pancasila: Democracy led by wisdom of deliberations (Musyawarah untuk mencapai mufakat), this decision making system is unique to Indonesia*. What is your opinion?*

Dr. Lindblad: well, that was the argument of Sukarno. He said that this is a specifically geared to Indonesian situation. And this was the kind of democracy that fits with Indonesian culture. Well im not so sure about how unique this is, I think there is more Asian nations that have similar concept of reaching to a consensus. As in western democratic tradition that you reached to a majority. But important is you talk so long until everybody is convince. And you strive for a consensus rather than a majority rule. I think it was a clever construction, because it deviate very sharply from the far less democratic society of the colonial society and it offers an alternative to the constitution democracy which failed in the 1950s, if you look at the record of the cabinets between the 1945 and the guided democracy in 1957. In this 12 years, hardly any cabinets lasted than more than one year and often less. And it all have to base on a combination and a concession to other parties. And if you look at the electoral result of the general election of the 1950s, it was very disappointing because there were 4 relatively large party , and no party had more than 25% of the electorate, it was too fragmented and I think most political historian would agree that the constitution system did not work very well, but sukarno went one step further that the parliamentary system did not suit to Indonesia, and that Indonesia need a different kind of democracy, then he introduced the guided democracy based on the pancasila. Most people associate pancasila with the orde baru, but that is not true. But ofcourse it became the state ideology of the orde baru.

A: the next question is actually about the parliamentary democracy and the guided democracy. The pancasila, the country’s ideology was created after the declaration in 1945. Some argued that the first pancasila was provisional, was expected to change. There had been four constitution amendment. *What changes were made? And in your opinion, is there still any problem with the pancasila?* Through the research, I have read that the fourth point of the pancasila: Democracy led by wisdom of deliberations (Musyawarah untuk mencapai mufakat), this decision making system is unique to Indonesia*. What is your opinion?*

Dr. Lindblad: I think is just by name. I think is difficult to claim that guided democracy was a real democracy. Sukarno was actually himself wanted to get rid of the parliamentary democracy so he make sure that system is destroyed and discredited and that its replace of the system that gave him more power. Only couple of year before he was forced from the presidency, he was formally still president until 19676. Suharto was acting resident from 1967. And then in 1968 suharto was chosen for the first time by the MPR to become the second president

A: In regards to Suharto, the new order, what legitimize his presidency until he was able to stay in power for a long time? Was it only economic reason?

Dr. Lindblad: yeah, I think so. I think that is quite clear because it was the major achievement of the order baru. The economic growth have been so impressive over such period long time. Sustained rapid economic growth which reduced poverty 50% of the population to slightly 10 % of the population. Even the left critics of Suharto, they have to admit that was a tremendous achievement in terms of economic growth. Whether enough people profited from it, that’s a different story, because that was a point of equality.

A: So now I would like to talk about the democratization process. *In your opinion, where is Indonesia right now? Consolidation or maturing of democracy or?*

Dr. Lindblad: well I think Indonesia is very much in the right track. It is not perfect, there is still corruption, but I think its much better that the previous regime. It is in the consolidation phase. The first couple of years under Habibie, wahid, and megawati, it was still in recovery of financial crisis and re orientation from the order baru and towards a more democratic society. I think freedom of press and fights against corruption is a very good sign that Indonesia in a good way. And possibly, the most democratic country in south East Asia.

A: OK, The recent presidential election shows a very different chapter in Indonesia’s politics. Jokowi, is the first president which comes from a ‘normal’ background, not with an elite background. This shed a light for Indonesian democracy due to the high position in government seated by the elite groups. However, there are still many problems facing the country. Corruption (in politics and society) is still a huge setbacks. And Prabowo, wanting to abolish the direct election and decentralization of governments due to heightened corruption and is not compatible with Indonesian culture he argues. Also he said that Indonesia needs, I quote “otoriter jinak’. Prabowo represent the old order is linked to many human rights abuses and was the husband of titik, daughter of Suharto, was the commander of the special force. And yet, a big number of Indonesian population still have support for him. *What is your opinion on this matter? Could this halt or potentially be a factor in reversing the democratization process of the country?*

Dr. Lindblad: for the foreigner, an observer like me, it is almost inconceivable, its difficult to understand how a person like prabowo could get a lot of support. The election was unexpectedly close. A lot of people apparently didnt trust jokowi and PDI-P. People also thought that at least during the time of Suharto there was stability. But considering his records of human rights, I think that in western democracy for such a person to get a vote at all.

A: do you think this shows how democratic ideal is not really entrenched in the society?

Dr. Lindblad: well, that Is the possibility. But that is a dangerous argument. I don’t think that the Indonesian is more or less democratic than other people in the world. The tradition is not strong in Indonesia, which could be explained historically. First by the colonialist, or the parliamentary democracy and then the authoritarian regime by Suharto. In that sense, there has been much less to develop genuine democratic concept. I don’t think intrinsic difference in that respect. Like I said, at this moment, I have the idea that democracy in Indonesia have more substance than say Malaysia or Singapore.

A: *What are the other major challenges facing Indonesia’s democracy?*

Dr. Lindblad: that is quite a big question. Corruption is still there. And there is an increasing influence of more orthodox and fanatic Islamic group, which does not agree very well with the democracy and then this is not to say that iIlam by definition is not democratic. This is the same with all radical groups all over the world.

Dr. Lindblad: ok, I think that is all I can say at this moment

A: yes, well, thank you very much and your time.