Economic crisis and regime transition in Indonesian democracy

Crisis económica y transición del régimen en la democracia Indonesia

SHALIHIN, Nurus
FIRDAUS
ASHADI, Andri

Abstract
This article aims to explain the correlation of economic crisis and regime transition in Indonesian democracy. Data were collected in a socio-historical perspective through literature studies. Research findings show that social violence and anarchy occur in every change of the Indonesian political regime. The social violence and anarchy that occurs in the transition process, constantly accompanied by a series of economic crises.

key words: economic crisis; regime transition; Indonesian democracy; social violence

Resumen
Este artículo pretende explicar la correlación de la crisis económica y la transición del régimen a la democracia Indonesia. Los datos fueron recolectados en una perspectiva socio-histórica a través de estudios de literatura. Los resultados de la investigación muestran que la violencia social y la anarquía ocurren en cada cambio de régimen político indonesio. La violencia social y la anarquía se producen en el proceso de transición, acompañadas constantemente por una serie de crisis económicas.

Palabras clave: crisis económica; transición de régimen; democracia indonesiana; violencia social

1. Introduction

The economic and political crisis in Indonesia has always related to social violence in various forms such as plunder, murder, destruction, even rape. It was part of the history of the power transition and political regimes in Indonesia which are always tied to the economic and political crisis (Tovar-García & Nugroho, 2015). Collapse of Old Order political regime in 1966 (Hadiz, 2006) and the New Order political regime in 1998 (Croissant, 2004) are historical facts of economic crisis on pushing and forcing the transition to power. Ironically, the economic crisis and the transition of power have consequences for the emergence of various acts of anarchy and widespread social violence in society. A collective crisis is the result of social protests and mass actions in
response to the failure of the authorities to deal with the economic crisis. Ten students and one million civilians passed away in 1966 tragedy (Aly, 2006; Cribb, 1991), while there were 20 students and 1,500 civil society in 1998 (Aritonang, 1999).

Since the fall of the New Order political regime, democracy has become an icon of the era. However, democracy feels empty, bitter, and the democratization process and it does not necessarily produce democratic attitudes, behavior and culture (Heryanto & Hadiz, 2005; Shalihin & Firdaus, 2019). In Indonesian democracy even contributed to various social anomalies such as conflict and social violence. It was part of the dark side of democracy. It is not as imagined by liberals that constructing a democratic political system is enough to get rid of authoritarian rule (Sorensen, 1993), but the fact is the change in the New Order’s authoritarian political system to a democratic political system. It has resulted in social conflict, anarchy and violence. Social conflict, anarchy and violence are transformed into an inherent part from the democratic process. The transition to democracy conduct to various forms of anarchy and mass violence such as separatist violence in Papua, Timor-Timur and Aceh; communal violence (ethnic, religious and racial) in Poso Central Sulawesi (Christian-Muslim 1998-2001), Ambon and South Maluku (Christian-Muslim 1999-2002), West Kalimantan (Melayu-Madura 1999-2001), North Maluku (Christian-Muslim 1999-2001), Central Kalimantan (Dayak-Madura 2001) and other communal violence (Klinken, 2007; Tadjoeddin, 2002).

The height amount of the report about domestic violence is very closely related to the political change (Hegre, Ellingsen, Gates, & Gleditsch, 2001). A new country experiencing political transition is most likely to face civil war than stabilized political systems countries. Therefore, in the early stages of a country’s transition process, democracy is very vulnerable to the emergence and outbreak of social conflict (Snyder, 2000). The study of Jack Snyder (2000) is used as a framework for analyzing various conflicts, anarchy and social violence during and after the 1998 democratic transition in Indonesia. He splits countries groups such as democratizing states (NSMD) and mature democracies (NDM). Snyder category is not only intended to identify the character, characteristics, size and indicators of countries belonging to NSDM or NDM (Snyder, 2000), but also show the various effects of democracy from the two types of countries. The results of Snyder’s study show that spreading democracy to NDM countries can guarantee people’s lives better and peaceful. Importantly, democracy can prevent civil war. On the contrary, democracy has brought violence and humanitarian disasters such as riots and civil war in NSMD countries. It took place in Brundi of Central Africa; in just one year around 50.000 Hutu and Tutsi residents were killed (Ngaruko & Nkurunziza, 2005). Therefore, Snyder (2000:4) argument of the democratic strategy, it must be guided by a realistic understanding of the political ins and outs of the transition period.

Referring category of Snyder, Indonesia is not NDM state; the level of a mature democracy after the collapse of the New Order political regime. In other words, Indonesian democracy has not succeeded in consolidating its democracy properly. There are framework of democratic transition such as social conflict, mass anarchy and social violence after the end of New Order political regime. The various conflicts, anarchy and violence in Indonesia are a logical consequence in the transition to democracy. The reason is not only because of Indonesia is not the country in the category of NDM, but also the democratic transition is not accompanied by the prerequisites and conditions. The minimum requirement for the formation of a democracy is the existence of a balanced political power of society and elite support for democracy. It consists of ideology, economic systems, social systems and cultural systems (Budiman, 2002). Therefore, there are factors and preconditions of supporting democracy such as modernization and welfare, political culture, social structure of society, economy, politics and ideology (Sorensen, 1993).

Prerequisites and conditions to encourage democracy are a necessity, especially in preventing conflicts, anarchy and violence in society (Hegre et al., 2001; Sorensen, 1993), because the early stages of the democratic transition process from authoritarian political regimes are very vulnerable to various upheavals such as in Indonesia. The
experience of countries through stages of transition almost always creates the risk of emerging various ethnic conflicts and national conflicts in the process of democratization (Snyder, 2000:310). Although in varying scale, in any huge political changes always involve violence. It is also has accrued in the democratic transition such as the epidemic within the range of 1974 and 1990. Every democratization involving violence despite the hardness is not so high (Huntington, 1991). In Huntington’s view (1991: 250-255), the level of escalation of violence in the process of democratic transition is strongly influenced by the experience of some countries with acts of civil violence, different levels of violence to a certain extent related to differences in the transition process, the conservative government’s willingness to order the use of violence against opposition groups and security forces.

The process or the transition of democracy takes place peacefully due to guarantees of the interests of the old elite group, and the availability of political institutions for civil society in advance of the transition begins (Budiman, 2002; Huntington, 1991; Snyder, 2000). If the old elites feel secure by their interests and feel safe enough with the consequences of the transition and the availability of institutions of participation towards civilians, the democratic transition will suppress the pace of conflict and social violence. On the other hand, if the elite group is really threatened by the changes of the democratic transition, mass participation (increases before civil institutions are sufficiently established), and the mobilization of mass groups (into politics is divided according to the minority), it will very possibly occur social conflict, mass anarchy and social violence (Croissant, 2004; Davidson, 2009; Sorensen, 1993).

The violence and social anarchy in the process of democratic transition are strongly influenced and determined by the extent. It is available in social political institutions, the level of state experience in transition, the existence of elites, and the social and economic conditions of a country (Budiman, 2002; Huntington, 1991; Snyder, 2000; Sorensen, 1993). These factors provide a great chance of conflict, anarchy and social violence in democratic transition. In Indonesian context, the process of transitioning to the democratic transition and social unrest, the preceding studies show two things. First, the democratic consolidation stopped in the middle of confusion, turmoil and euphoria of the reform victory. The power of reformation is blunt. The cohesiveness between the forces of reformation has disappeared very quickly. So, there has been fragmentation of the power of reform. Reformation was caught or trapped into a limited status as a political instrument among various forces and interest groups (Gaduh & Atje, 2004; Lay, 2006). Secondly, the availability of social political institutions is inadequate, especially during the New Order political regime social, political and legal institutions failed to deal with various problems. Weakness and failure of social and political institutions and laws have affected various anarchies of mass and social violence throughout the history of the power of the New Order political regime (Collin, 2008; Heryanto & Hadiz, 2005). This article will discuss the reason of violence in Indonesia in the social space during the economic crisis. It will also focus on the reason of relationship democracies to various social conflicts, anarchy and social violence.

2. Methodology

This study focuses on the socio-historical, cultural and political background of the violence and anarchy in the process of transition of power in Indonesia. Thus, this article is based on historical data were collected through documents that containing narrative meanings of various violent and anarchic in each process of power transition in Indonesian democracy. The primary sources of data are research reports, government report, newspaper, books and scientific articles. Data analyzed through hermeneutic approach that purposed the art of understanding (Muhadjir, 1998) to find the link between text as reflexive and reality as representation of things (Gadamer, 1983). In this article, the hermeneutic approach used to find the link between authors and various facts of violence and anarchy. Sociological-historical approach is used as an instrument to understand the construction of space, time and the context behind which an event applies. In this research, socio-historical
approach is placed as a tool to read, map and answer the problems being investigated. The hermeneutic and sociological-historical approach in this research is used simultaneously and is complementary.

3. Results

3.1. Economy Crysis; Field of Power

Text Subchapter Every transition of power in Indonesia always coincides with the momentum of the economic crisis. Both of the power transition in 1966 (from the Old Order to the New Order), and 1998 (the New Order to Reformation) were concrete evidence that the economic crisis was the momentum of the eruption of political conflict and the transition of power (Gledhill, 2012; Heryanto, 2018). This proposition is unquestionable because of dissatisfaction lower classes. It created issues of inequality and exploitation. Social inequality is slowly emerging as a key theme in political debate at that time (Hiariej, 2005:217). Marx’s economic determinism idea is economics as a hole for social structure (Puspowardjo & Seran, 2016). It becomes real in examining social conflicts, anarchy and social violence in the process of transitioning power in Indonesia. Violence and peacefulness in a society are determined by the intensity and tendency of economic structure. If the economic welfare inequality is stronger, the space for conflict between classes is wider (Marx, 1887).

Economic state from all phases of the transition of power in Indonesia shows the economic crisis as the most powerful triggers of the crisis of truth of society against the government (Lay, 2000; Tadjoeddin, 2002; Tovar-García & Nugroho, 2015). In the 1960s, after entering the gates of economic growth, Indonesia was ready to become a new world leader. However, eight years under democracy, Indonesia actually fell with an inflation rate of 650% in 1965 (Palmer, 1978). Peculiarly, Soekarno did not see the economic crisis as a threat to be scared because inflation is not a dangerous thing, except condition of hunger and poverty (Herman, 2000:19). However, no matter how complicated the problem is in a country, economic pressure remains the strongest trigger for a bigger crisis. According to John Burton (1972) basic human needs have an impact on the establishment of a peaceful social process, where each member of the community becomes able to build cooperation-based social relations (Väyrynen, 2018).

The condition worsened due to the senering policy by Soekarno to overcome the economic crisis. Although senering is intended to solve the problem of deficits and offset inflation, the senering method is a deduction of the nominal value of the IDR from IDR. 1,000, to IDR.1 (Ecip, 1998). As a consequence, people prefer to save goods, especially basic needs, rather than money. Based on the economic situation of a nation, the economic paradox is more obvious in government policy; basic goods are piled up while the money is allowed to circulate beyond the normal limits. In other parts, Indonesia’s macroeconomic situation is increasingly uncertain. In the end of 1955, circulating money immediately increased from IDR. 12 billion to IDR. 48 billion towards the end of 1960, IDR. 2,714 billion at the end of 1965, and IDR. 10 billion at the end of 1966. This chaos basically activated devastating inflation to undermine Indonesia. On the other hand, Indonesia’s total foreign debts make worse the economic situation. In 1966, government had to pay the debt and interest about 640 million US dollars, while national income was only 400 million US dollars (Herman, 2000; Palmer, 1978).

The failure of Soekarno consideration about nation’s economic depression is related to the political crisis. The economic crisis became a veiled blessing for leftist politics (PKI). Sukarno and PKI accused America and the capitalists as perpetrator for the economic crisis. The PKI intensified its propaganda and agitation to crush “seven village demons” including capitalists and army soldiers (Herman, 2000). This condition is not only triggered tensions between the military, PKI, and Soekarno but also the added to the friction and intensity of political conflicts in the nation. If previously the friction was more ideological between existing political forces; communism (PKI), Islam, Soekarno and the military, now the conflict is more directed at the praxis area.
Ironically, even military itself was friction between the army unit, the navy and the air force (Herman, 2000; Robinson, 2017). The climax of this economic and political instability was on September 30, 1965, when the PKI kidnapped and killed 7 Army Generals. Premature coup made Soekarno increasingly trapped. Finally, Sukarno surrendered without resistance. The mass anger and the wave of political delimitation at the grassroots level surrendered and surrendered his power to Suharto in 1966 (Robinson, 2017; Roosa, 2008; Sudjatmiko, 1992; Wieringa & Katjasungkana, 2019).

This condition was related to the political regime of Suharto’s New Order after receiving Supersemar. Although, the characteristic of the economic crisis among the Old Order to the New Order is different, but the tension in overcome to the economic crisis in every phase of government almost always involves violence (Abdulbaki, 2008; Carnegie, 2008). Throughout Suharto’s regime from 1966 to 1998, the economic crisis occurred repeatedly. Suharto military forces managed to suppress the turbulence level into the low level. However, in the era of the 1990s and its peak in 1997, the Soeharto government began to show inability to handle the monetary crisis. In months, Indonesia fell into a deep recession. The value of the IDR dropped dramatically, the parade of investors who fled from Indonesia left stagnation in the real sector (Carnegie, 2008; Higgott, 1998). No wonder the surge in capital outflows is increasingly swollen (Cole & Slade, 1998).

As a result of the monetary crisis, conditions for the development of the Indonesian economy in 1997 were at the lowest level. Domestic investors move their wealth abroad. The weakening currencies and declining income sources have resulted in a financial deficit of more than $ 3.5 billion for April 1st, 2001. The economic crisis has also forced 40% of Indonesia’s population to live below the poverty (Suryahadi, Sumarto, & Pritchett, 2003). Many companies are forced to restructure their workers. People lost their jobs. In 1998, the minimum wage was only increased by 15% compared to the inflation rate of 78% as low in Asian standards (Chua, 2007). The worst moment in the middle of this case, according to the Consortium of Urban Poverty, the budget for maintenance of household governor and vice governor and prosperity for member legislature in Jakarta reached 10 million dollars, while less than 150,000 dollars budgeted for abandoned children in Jakarta. The official welfare budget is five times of the budget to increase the nutritional quality of the urban poor (Collin, 2008:14).

The increasingly intense political situation does not provide space for the government to think calmly to formulate a monetary crisis. Bank collapsed one by one, the queue of customers lined up long; they panic and attract large-scale investment from domestic banks. Banks were liquidated due to the depletion of financial stocks as the peak condition. Indonesia has been greatly shaken, after receiving IMF assistance. It increased foreign debt (McLeod, 2003; Tanuwidjaja & Meng, 2006). This condition is getting worse when the economic conglomeration has to emerge in the monetary crisis. The economic problems inherited from the New Order are the effect of market-oriented economic policies, and the submission of the state to the interests of capital (Aspinall, 2013). It is related to the centralistic pattern of the New Order government. The state is a central source of all things. People’s participation and democracy can’t discover their social space in political life.

In contrast, economic policy actually is elitist and discriminatively. Social classes are increase. People are increasingly fragmented based on existing inequalities. Freedom and economic integration are not balanced with political freedom and acceleration. It creates various gaps and social inequalities in society (Lay, 2006). In effect, the economic structure is increasingly moving towards capitalism, and conglomeration is getting higher. This is inversely proportional to political growth which is increasingly converging downward. In this condition, saturation and anger fused within society until they finally manifested themselves in a colossal and rooted form of resistance (Hadiz, 2003).

The economic crisis in a matter of days has expanded into a political crisis, even expanding into a social crisis. Tension and violence are part of the daily life in every corner in Indonesia. Riots finally forced Suharto to lay down his order in an orderly manner, as was the case with Sukarno in 1966 (Aritonang, 1999). Why does the
economic crisis almost always require a change of power? Theoretically, the economic crisis, especially accompanied by high inflation will encourage reform. Crises tend to weaken “vested interests” by undermining their capital base. In addition, the threat of a prolonged crisis tends to encourage groups to budge. It occurs in some cases. If groups believe the losses from the prolonged crisis, it will be more expensive than the costs of reform. Various empirical studies such as Bruno and Easterly (1996), Drazen and Easterly (1999), Lora (1998) show a correlation between crisis and implementation of economic reform (Gaduh & Atje, 2004).

3.2. Transition of Democracy and Social Violence in Indonesia

The transition of regime from Soekarno’s New Order political regime began with its eruption Events of the September 30, 1965 Movement (G/30/S-PKI) (Abdulbaki, 2008; Cribb, 1991; Roosa, 2008). The power of the Old Order dictatorship turned to Soeharto’s New Order political regime. The same fate was experienced by Suharto’s New Order regime. A series of incidents of social violence took place throughout 1997-1998. The major tragedy was on the May 1998 Tragedy, forcing the New Order regime to end its sovereignty under the power of reform (Abdulbaki, 2008; Davidson, 2009; Hiariej, 2005; Parry, 2008; Sawasdee, 2018). Social violence at each turn of a political regime in Indonesia has a correlation with certain historical changes. Is it the democratic transition process? According to Zulfan Tadjeddin, social violence occurred in Indonesia almost always related to the process of democratic transition. Tadjeddin proposed the historical argument as a series of social violence in 1998, it could not be separated from the process of Indonesia’s transition to democracy. In the mid-60s, social violence was also related to the process of transition from the Old Order to the New Order which marked the eruption of the September 30th 1965 Movement. Likewise, a series of regional rebellions in the 1950s, Indonesia had just liberated (Tadjeddin 2002:63). The main problem is the reason of anarchy and violence due to democracy. In fact, the purpose of democracy crates the society’s order and the process of national life in the path of rule of law without anarchy and violence (Mayo, 1960; Sorensen, 1993)? Moreover, if democracy is understood as an emancipator system, democracy will refuse violence fundamentally (Giddens, 1984)?

The choice of democracy as a political system seems to be a necessity, especially after the massive wave of democratization emerged in the third world. Democracy has two different sides; one side of democracy is the right choice in the political system to overcome various humanitarian crises such as authoritarianism, totalitarianism, and nepotism. On the other hand, based on the humanism, democracy is not infrequently pulled into mobility, anarchy and tyranny. Based on democracy, killing and mass murder are acceptable such as in Afghanistan, Iraq, including Indonesia (Rapar, 1991; Sorensen, 1993).

There are some important things due to the dilemma and paradox of democracy such as the mapping and analysis of the character, the socio-economic conditions, political culture of a country. There is a common thread between the economic crisis and violence. It is the transition of power in Indonesia, both in the phase of the transition of the Old Order to the New Order and from the New Order to the Reformation Order. Each phase shows the fact of economic factors as dominant constructing panic masses. Delegitimizing power leads to the emergence of various actions of anarchy and violence. Based on this phenomenon, the reasons of economic factors seem so strong trigger of violence after the transition of power in a country, especially in Indonesia. The economic crisis will intensify social conflict (Huntington 1991:375). Based on this condition, the progress of a group in society tends to increase the expectations of other groups, especially if the group considers itself the same as the succeeded group. There are some rare social benefits such as status and political influence. If it is openly monopolized by one group, there will be collective frustration and dissatisfaction (Gurr, 1971). This feeling tends to decrease in various opportunities for achievement in society.

The frustration of inequality of getting the same economic and political rights will trigger the formation of social solidarity to change the power structure. Therefore, violence will easily explode for ignited by groups and politicized to build new political legitimacy in economic crisis. However, no matter how much dissatisfaction and
collective frustration, it will not become collective violence if there is no politicization against it (Gurr, 1971; Klinken, 2007). Every time of the crisis breaks social stability, actors always emerge to exacerbate the situation due to social tensions. In economic crisis, the role of political actors becomes significant as a party to settle the preconditions of conflict. Interpenetration is a keyword to understand why the economic crisis can trigger social violence. This interpenetration occurs between the forces within the state in utilizing the momentum of the crisis to create a transition to preconditions of power (Carnegie, 2008; Fattah, 2000; Hadi et al., 2007). This has accurred in 1997 as monetary crisis triggered the era of reform as a time icon of the collapse of the New Order regime.

The economic crisis in Indonesia is not something purely due to market failure. The current political determination and the trend of configuration powers become more dominant factors. The key to understanding the economic crisis is the starting point for the creation of a political crisis in one country by seeing the relationship of economic forces in one country, as well as understanding the international conspiracy between superpower countries (Gledhill, 2012). Indonesia is the case study due to this condition. The widespread use of violence is an expression of the widespread of anarchy collectively among the Indonesian people. The use of anarchy and violence collectively is not merely the expression of barbarian desires and the release of energy, but also political choices as the roots of rational explanation (Lay, 2004). Every actor always theorizes rationally before deciding to engage in various collective actions.

As a social phenomenon, the spread of social anarchy and the use of instruments of violence in response and protest are rational choices. At least, there are three basic arguments. First, anarchy is a rational response to changes in the character of state power. Second, political anarchy at the community level is a response to the chaos or political anarchy that occurs at the state level. Third, anarchy in society is a response to inequality and injustice (Lay 2004:26-31). The political systems and government are in chaos, violence finds its logic as a political choice. In other words, for society, political anarchy with various forms of violence is a rational response to the chaos and political anarchy that occurs at the state level. The tragedy of May and Tri Sakti and various other riots before the transition to democracy (Carnegie, 2008; Ecip, 1998; Hadi et al., 2007) can be explained in this framework. Mass action and social anarchy; looting, burning, killing can be identified as a protest and response to state power (Jusuf, 2008).

Likewise, the various social conflicts and social violence in almost all corners of the social archipelago after the 1998 democratic transition, can be explained. Various anarchies in society seem to be a rational response to the inequality and injustice of the development process. Massive horizontal conflicts in various regions (Tadjoeddin, 2002) are related to the issue of social and development inequality. Collective violence directed at one particular group category is intended as revenge. At the same time, it was also intended as a message of hope for justice and equality. Collective unrest in the narration of anarchy in regions can be used as an important example to explain this case. Likewise, it is another case to the anarchy of a total loss on non-indigenous citizens. While cross-ethnic conflicts in various regions also find important reasons on issues of inequality and injustice (Hadi et al., 2007; Klinken, 2007; Parry, 2008)

4. Conclusions

The principal in almost all violent movements and riots in the transition process is the state at the level of concrete disclosure and can be reached by the community. Anarchy and violence are expressions of contention between the state and its own society. In this framework, violence as an instrument finds momentum in its rationality. Based on Arendt (2003: 79), if violence as an instrument is rational as long as it is effective in achieving the goals and pursuing short-term goals, then violence will become rational. The choice to use violence collectively becomes more attractive to the community. Empirically, according to them, exploitation and the use of violence have more visible, quick and drastic consequences than exploitation and other institutional uses. It is
considered as slowly movement to use political parties, parliaments, pressure groups or interest groups, including through networks and lobbying channels for the same goals.

Violence does not develop powers, nor history or revolution, nor progress or reaction. It dramatized complaints and brought them to get public attention (Arendt, 2003). Sometimes, violence is the only way to ensure the condition. As an instrument, violence can be more effective in making the change. Violence is a weapon of the reform rather than revolution. This is factually presented in the case of the transition of power in Indonesia.

Societies learn and theorize quickly and rationally through violence. Based on this issue, the conclusions focus on the effectiveness of the use of collective violence. It is more effective in the negotiation process and social, economic and political bargaining than other political instruments including legal way. Empirical facts prove the demands of the community quickly get a positive response from the authorities when they are able to direct their violence in publicly and collectively. Anarchism and social violence are rational in daily life and in the process of transitioning power and democracy. Violent rationality will become an important record for Indonesian democracy. In both processes of Indonesian procedural democracy through the 2014 and 2019 elections, social violence has become increasingly symbolic in public space, especially public space through social media. Scientists are challenged to understand the anarchy and social violence scientifically. Scientists need to find the solutions.

References


