The Limits of the Indonesian Model

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Abstract

Many analysts of the 2011 political transitions in Egypt and Tunisia looked to Indonesia as a template or model. Yet whereas Islamists in Indonesia have struggled at the ballot box, Islamists emerged as the clear victors in the first competitive post-authoritarian elections in Egypt and Tunisia. A focus on the developmental successes and failures of prior authoritarian regimes reveals the limits of the Indonesian model for the new democracies in the Middle East. New Order Indonesia’s record of sustained economic development has no parallel in the dictatorships of Egypt or Tunisia, and the failure of developmentalism has fostered the movement base and electoral constituency for Islamists in Egypt and Tunisia that Indonesia’s Islamists never have enjoyed.

As popular mobilizations swept away the dictatorships of Egypt and Tunisia in early 2011, analysts and observers sought models of other turbulent transitions to democracy to help them make sense of the likely course of political change after the Arab Spring. More than any other country, Indonesia seemed to fit the bill.¹ Like the regimes of Zine al-Abidine Ben Ali and Hosni Mubarak in 2011, Soeharto’s New Order regime was pushed from power in 1998 by a popular uprising that remained largely peaceful. In Indonesia, analysts of the Arab Spring revolutions have found another middle income Muslim majority country that had undergone a contentious transition to democracy. Like Egypt and Tunisia, moreover, Indonesia had been ruled for decades by a brutal and corrupt dictator who rejected Islamism, relied heavily on the military to maintain order, and always maintained the façade of democracy through rigged elections. Beyond academic and policy analysis, the notion of the Indonesian model for Egypt and Tunisia has influenced practitioners as well. U.S. officials studied Indonesia’s transition for clues on Egypt’s future,² and activists and politicians have participated in a series of meetings
and workshops that culminated in an “Egypt-Indonesia-Tunisia Dialogue on Democratic Transition” in Jakarta in April 2012.

Now that Egypt and Tunisia’s first post-authoritarian elections are complete, we can begin to take stock of how Indonesian democratization has fared as a model for the other cases. Among the most notable developments in the Middle East is the electoral success of Islamists. In Egypt and Tunisia, Islam offers a political vision and ideology that is attractive to many voters, and Islamists of various types—from moderates to Salafists—have employed this vision as a mobilizational tool to their electoral advantage. Given the opportunity to vote for Islamists in free and fair elections, large portions of the electorate in Egypt and Tunisia were quite willing to do so. In Egypt, this produced resounding victories for the Muslim Brotherhood-linked Freedom and Justice Party and the Salafist Al-Nour in 2011-12 parliamentary elections, and the election of Muhammad Mursi as president in June 2012. In Tunisia’s October 2011 parliamentary election, 41 percent of seats went to Ennahda, an Islamist party which had long been banned under Ben Ali’s regime.³

The electoral success of Islamists in Egypt and Tunisia stands in sharp contrast with Indonesia. Indonesia’s 1999 democratic elections, the first since the collapse of the authoritarian New Order during the Asian Financial Crisis, witnessed vigorous competition by various Islamist parties.⁴ But the top vote performers were the nationalist Indonesian Democratic Party of Struggle (PDI-P) with 34 percent of the popular vote, followed by the corporatist, New Order-linked Golkar with 22 percent. Two multireligious parties with roots in Muslim social organizations (the National Awakening Party (PKB) and the National Mandate Party (PAN)) together added about 20 percent more. Islamists won only 13 percent of the popular vote—with most going to the Development Unity Party (PPP), a relatively moderate holdover from the New
Order regime’s strategy of merging all Muslim political forces into a tolerable Muslim opposition party.

The expectation from analysts and practitioners that Indonesia provides a template or model for the ongoing political transitions in Egypt and Tunisia makes it important to understand why Islamist parties have fared so well in North Africa when they fared so poorly in Indonesia. Possible explanations for these differing trajectories abound. Perhaps Indonesian Muslims are less likely to associate Islam with political activism than Muslims in the Middle East. Or perhaps the Muslim Brotherhood and Ennahda are just older and more established—and therefore more credible to voters—than various Islamist groups in Indonesia.

These observations may hold some clues, but they also raise difficult questions. Indonesia, too, has a long history of organized Muslim political activism dating back to the early twentieth century, and Islamist parties such as Masjumi performed well in the 1955 elections, the last before the Indonesia’s subsequent authoritarian turn. Additionally, the observation that Indonesian Muslims are less likely to associate religion with political activism simply restates the problem: so why have Egyptians and Tunisians turned to the Islamists when Indonesians did not?

The answer can be found in a comparative historical approach to Islam as a social, economic, and political force in Egypt, Indonesia, and Tunisia. This approach begins with a closer focus on the record of economic development under authoritarianism, during the decades that preceded the democratizing moments in the three countries. What sets Soeharto’s Indonesia apart from Ben Ali’s and Mubarak’s regimes is the New Order’s long record of sustained economic development. This contrasts with the relative stagnation—and, ultimately, the exhaustion—of the secular political-economic models followed by the regimes in Egypt and
Tunisia. Even though none of these regimes were sympathetic to Islam as a political voice, and even though their regimes all married military, party, and state power to create political regimes that seemed impervious to reform, and even though each regime used developmentalist language to justify its continued rule, only Indonesia’s New Order actually delivered sustained development to its subjects.

As Philip Khoury first argued three decades ago, Islamism emerged as an alternative to the Arab world’s secular regimes as a response to long-term processes of social and economic decay and the failure of secular models of national development. Democratic elections in Egypt and Tunisia in 2011-12 simply empowered Islamists in these countries to organize and campaign freely. Indonesia’s New Order, however, never experienced the long-term decay seen in Egypt and Tunisia: authoritarianism collapsed only after decades of economic growth were punctuated by an abrupt economic crisis. Islam had become more visible and prominent in Indonesia during the early 1990s, but had not coalesced into an alternative political force with deep movement roots across a wide swath of disenfranchised citizens. When democracy arrived, it freed Indonesia’s Islamists to compete, but before they had constructed the social coalition needed to prevail in democratic elections. The developmental success of the New Order, in other words, stalled the rise of political Islam in Indonesia, while decades of developmental stagnation in Egypt and Tunisia fostered it.

The varying successes of Islamists in Indonesia versus Egypt and Tunisia reveal the limitations of Indonesia’s transition as a model for transitions currently underway in Egypt and Tunisia. In terms of hegemonic party institutions, civil-military relations, mode of transition, and dominant religion, the parallels between Indonesia and its North African counterparts are clear. But the New Order’s enviable developmental record over three decades left post-authoritarian
Indonesia with very different socioeconomic fundamentals than can be found in Egypt and Tunisia today. These different social and economic baselines mean that in the short- to medium-term, Islamists will enjoy far more success in Egypt and Tunisia than they have in democratic Indonesia. They also heighten the stakes for the critical economic and social reforms that must take place as Egypt and Tunisia emerge from authoritarianism, which are of an altogether different sort than those needed after the fall of Indonesia’s New Order.

**Corrupt Development versus Corrupted Development**

In linking long-term economic trajectories under authoritarianism to Islamists’ electoral fortunes in the new Muslim democracies, it is crucial to emphasize that the authoritarian regimes in Indonesia, Egypt, and Tunisia were all corrupt, and fantastically so. In fact, Soeharto may have been the most corrupt political leader in modern world history, if corruption is measured by the amount of money that a politician extracts (or plunders, or simply steals) from his country’s coffers. A 2004 report from Transparency International estimated that Soeharto had extracted as much as U.S.$35 billion over three decades. Comparable figures for Ben Ali and Mubarak are unavailable, but most observers agree that both had greatly enriched themselves (and their families too) during their decades in office. In all three countries, anti-authoritarian movements identified high corruption among political leaders as a central factor motivating their decision to take to the streets to demand political change.

But rampant corruption can coexist with economic development, even without democracy, and sometimes for decades on end. This factor distinguishes the New Order regime from nearly every highly corrupt dictatorship in the post-colonial world. Unlike Ferdinand Marcos, Sani Abacha, or Jean-Claude Duvalier, Soeharto enriched himself and those close to him while also presiding over decades of sustained economic development. With economic
development came rapid advances in literacy, education, and health. Indonesia in 1965 was one of the world’s poorest economies, but by 1997 it had grown into a middle income country. Soeharto accomplished this with an outward-oriented development strategy implemented through the artful manipulation of Western-trained technocrats, economic nationalists, a small coterie of (primarily ethnic Chinese) cronies and business associates, and various political factions in the military and the bureaucracy. New Order development also required the ruthless repression of certain political forces—communists, leftists, Islamists, secessionist groups, and others—that might undermine the New Order’s foundation of political stability or question its development model. This was corrupt development, accomplished under a bloody and brutal dictatorship, but it was development nevertheless.

Mubarak’s Egypt and Ben Ali’s Tunisia never achieved the record of sustained increases in material prosperity that Soeharto’s Indonesia achieved. In fact, the essentials of development under the three regimes can be summarized in two simple pictures. The first compares economic growth in the three countries (see Figure 1). For the past three decades, economic growth in Egypt and Tunisia has been steady but unimpressive, averaging around three percent of per capita GDP per year, far below these countries’ potential as middle income countries. Indonesia, by contrast, averaged around six percent yearly growth—not only in the decade prior to the collapse of the New Order, which can plausibly be characterized as a bubble economy, but in the two decades preceding that as well. Economic growth during these decades was accompanied by steady decreases in the rate of population growth, which fell from a yearly rate of over 2.5 percent in 1966 to less than 1.5 percent per year in 1995 on advances in hygiene, infant and maternal care, and family planning. Indonesia’s material prosperity, in sum, grew at an astonishing rate under Soeharto’s New Order. Against this record of strong growth, the
tremendous economic contraction of 1997-1998, which forced Soeharto from power, stands in sharp relief.

**Figure 1: Economic Growth, 1981-2010**

The second figure that captures the developmental record across these three Muslim dictatorships is the adult employment rate (see Figure 2). Well over 60 percent of Indonesians aged fifteen and older are employed, compared to far just over 40 percent in Egypt and Tunisia. Indonesia’s enviable employment figures mask nagging problems of *underemployment* for the Indonesian working classes, but underemployment is as much of a problem in Egypt and Tunisia as in Indonesia. Indeed, these figures show that Indonesian employment remained relatively high even during the Asian Financial Crisis, during which rural communities were able to absorb a large portion of the retrenched urban labor force.

*Note.* Economic growth is year-on-year percent growth in GDP per capita in constant 2005 international U.S. dollars (presented as three-year rolling averages). The data are calculated from the World Development Indicators online database (see note 12).
Figure 2: Adult Employment, 1991-2010

Note. Adult employment rate is expressed as a percent of the national population aged fifteen and older. The data are from the World Development Indicators online database (see note 12).

The differences between Indonesian employment and Egyptian and Tunisian employment could not be starker. Egypt and Tunisia have been marked by a decades-long crisis of unemployment, particularly among urban dwellers and university graduates. Indeed, contributors to a conference on the crisis of unemployment in the Arab world (held in Cairo in 2008) noted that “the unemployment issue is amongst the pressing social and economic concerns…in the MENA region where its level has been historically high” and that “the long-term development of the Arab world and perhaps its political stability as well, hinges on the region’s ability to generate massive number of jobs on a sustained basis for the next two decades.”

Rural communities in Tunisia and Egypt, moreover, are incapable of absorbing the urban unemployed. And with underemployment as bad or worse in Egypt and Tunisia as in Indonesia, the
employment figures, as dire as they are, still probably underestimate that magnitude of these countries’ employment crises. It is for this reason that the image of urban Egyptian and Tunisian youths with few economic prospects formed such a central trope in Western media coverage of the demonstrations in early 2011.9

Why were Ben Ali and Mubarak unable to promote sustained economic development or encompassing employment like the New Order did? In the case of Egypt, massive United States aid freed the Mubarak regime from popular accountability for its own performance, and powerful entrenched interests in the state sector resisted many of the basic reforms that would have allowed Egypt to achieve sustained and shared economic development.10 Tunisia’s story is different: more than perhaps any other country in the Middle East, Tunisia was seen by foreign analysis as receptive to economic reform. Under Ben Ali (and his predecessor Habib Bourguiba), though, a close alliance of organized labor with the state undergirded authoritarian rule and denied Tunisia’s informal sector any political voice. Tunisia’s political-economic model generated political stability and relatively high wages for part of the labor force, at the cost of widespread informality and unemployment for the rest of Tunisia’s population.11

Beyond growth and employment, other figures are just as emblematic of the differences between the developmentalism of Indonesia’s New Order and the developmental stagnation of Egypt and Tunisia.12 Female literacy in Indonesia had reached 87 percent by 2004—largely on the advances in education made under the New Order—versus just 65 percent in Tunisia and 59 percent in Egypt in 2005. Out of pocket health expenditure was consistently lower as a percentage of private health expenses in Indonesia. Public debt prior to the Asian Financial Crisis hovered around 25 percent of GDP in Indonesia, whereas Tunisia’s debt averaged closer to 50 percent of GDP from 1990-2010, and the latest figures for Egypt (from 2007) exceeded 85
percent of GDP. The summary picture that emerges from these figures is a pattern of *corrupt development* in Indonesia, in which an ironfisted dictator established a durable edifice of political control without killing his country’s ability to produce employment and economic development. This stands in contrast to the *corrupted development* of Egypt and Tunisia, two countries that represent the ultimate victory of the grasping hands of dictators and their allies over their regimes’ own developmental ideals.

**Party Politics with and without a Base**

Economic and social grievances are always a powerful basis for opposition mobilization, and Islamists can capitalize on grievances just like any other political movement can. In all three countries, in fact, Islamists have found that the educated urban middle class—particularly those with grievances against a political-economic order that is incapable of providing them with employment or hope for a prosperous future—comprises one of their central mobilizational bases. The Muslim Brotherhood’s mobilizational strategies in Egypt are better documented than are those of Ennahda, but the parallels are likely quite close. The core of the Brothers’ mobilizational strategy lies in *da’wa*, or summoning to Islam (sometimes translated as proselytization). But joining the Brothers’ network confers upon individuals both material and ideational resources which, in the words of Carrie Wickham, “built upon—and responded to—the ‘culture of alienation’ that prevailed among educated, lower-middle-class youth” in authoritarian Egypt.¹³ The Muslim Brotherhood, like Ennahda, never restricted its appeal to the unemployed or the marginalized, for their platforms of Islamic populism were broad-based and comprehensive rather than particularistic. But it was precisely those groups marginalized by the political-economic orders of the Ben Ali and Mubarak regimes that proved the most fertile grounds for movement activism and, later, political mobilization.
This movement base never emerged in Indonesia, because Indonesia simply never featured the enduring social and economic stagnation that came to characterize Egypt or Tunisia in the two decades prior to the Arab Spring. The closest Indonesian parallel to the Muslim Brotherhood is the Prosperous Justice Party (PKS), which grew out of *tarbiyah* (Islamic pedagogy or upbringing) movement that emerged in the 1970s. Despite the *tarbiyah* movement’s lofty aspirations for transforming Indonesian Islam and Indonesian society along with it, the movement remained largely confined to university campuses as a way to avoid a heavy-handed response by the New Order. Outside of the universities, social and economic conditions in rapidly developing Indonesia were never right for the types of mobilizational strategies so successfully employed by the Muslim Brotherhood, despite the Brothers’ inspirational history for *tarbiyah* movement figures. As a result, Indonesia’s nascent Islamists never developed the broad constituency or social base enjoyed by their Egyptian and Tunisian counterparts.

Instead, freed from the social and economic malaise that has characterized Egypt and Tunisia for the past three decades, the New Order successfully nurtured a compliant form of Islamic revivalism in the 1990s. Following the worldwide trend of Islamic revivalism in the latter half of the twentieth century, Indonesia too experienced an Islamic renaissance—of which the *tarbiyah* movement was one early manifestation. Well aware of the ways in which Islamists were challenging the secular regimes in the Middle East, Indonesia’s New Order set out to manage this renaissance and the accompanying demands for an expanded role for Islam in Indonesian public life. It coopted many of the country’s religious elites into new, state-sponsored Islamic organizations such as the All-Indonesia Association of Muslim Intellectuals (ICMI). It carefully crafted a moderate “Islamic” public identity that was, critically, held by the regime to be *entirely compatible* with its nationalist, pan-ethnic, multireligious, and developmentalist
foundations. No doubt many of Indonesia’s Muslim elites were dismayed by the New Order’s transparently political embrace of Islam—the charismatic religious leader and later president Abdurrahman Wahid famously refused to join ICMI, and hardline Islamists found little to like about the organization—but there was not much they could do about it while Soeharto remained in power.\(^{15}\) Islam under the New Order, insofar as it interfaced with national politics, remained a highly managed and controlled affair, and Islamists never had the opportunity to forge a mobilizational base or a national movement organization.

The spark for Indonesian democratization was the abrupt failure of the New Order economy in late 1997, and the outrageous corruption that Soeharto’s efforts to contain the crisis revealed for all to see.\(^{16}\) Once popular mobilization against the New Order regime had begun, Islamist groups joined in, but they were just one of many groups advocating for reform alongside Muslim liberals, leftists, students, and others. In this way, the Indonesian reformasi movement of spring 1998 actually parallels the Arab Spring mobilizations in Egypt and Tunisia, which Islamists also joined but neither directed nor controlled. Still, unlike in Indonesia, there was no acute economic shock or critical event that presaged the 2011 revolutions in Egypt and Tunisia; rather, the crises there had been long in the making, the result of the slow and inexorable development debacles masked by modest growth and outward political stability.

The differences between Islamist political mobilization in Indonesia versus Egypt and Tunisia emerged only after the collapse of the preceding dictatorships. Once these collapses occurred—in May 1998 in Indonesia, and in the early months of 2011 in Egypt and Tunisia—various groups entered the political arena in advance of the first post-authoritarian elections. Indonesia’s Islamists actually had some institutional advantages that Islamists in Egypt and Tunisia did not. They at least had a party (the PPP) which, although tainted by its origins as a
creation of the New Order, had the infrastructure necessary to mount a national campaign. In Egypt and Tunisia, formal vehicles for political contestation had to be forged almost from scratch. Party formation piggybacked on the political networks of Islamist politicians who had had some electoral success as individuals, and relied organizationally on the very mass movements—the Muslim Brotherhood and Ennahda—that had been illegal prior to 2011.

These organizational disadvantages notwithstanding, both movements were wholly successful in establishing viable political parties in the space of just a few months. Party formation there was aided by the broad and deep mobilizational networks that the movements had established during the decades that they had spent as illegal entities. The very existence of these networks depended on the wide popular dissatisfaction with the Ben Ali and Mubarak regimes that had emerged after decades of stagnation and corrupted development. Beyond providing a mobilizational structure, these networks also conferred an additional benefit to both the Freedom and Justice Party and to Ennahda: an electoral base. As one observer of the Tunisian elections notes, Ennahda relied on the “passive resistance to the corrupt regime which was organized in the mosques” alongside the party’s nationwide presence and “quasi-professional” organization.17 The same is true in Egypt, where “the FJP relies on the existing rank and file of the Brotherhood for support in elections.”18 So when the first post-authoritarian elections arrived in Egypt and Tunisia, their Islamist movements—with extensive mobilizational apparatuses and deep electoral bases—were uniquely placed to perform well in the polls.

Indonesia’s PPP, on the other hand, proved too closely associated with the New Order to welcome most of the previously excluded Islamists. Indonesia’s Islamists seeking office had no choice but to form new parties. One of these was the PKS’s predecessor known as the Justice Party (PK), itself a successor to the tarbiyah movement in the newly liberalized political
environment. At the same time, though, Indonesia’s newly democratic political space allowed new non-Islamist parties such as PDI-P, PAN, and PKB to flourish as well. These parties, along with Golkar (the New Order’s own hegemonic party), each performed better than PPP, PK, or any other Islamist party in 1999.

PKB and PAN, in fact, occupy an interesting position in this analysis. Both parties were founded in 1998 by members of mass Muslim organizations—Nahdlatul Ulama (NU) and Muhammadiyah—that had remained relatively apolitical under the New Order. Because they were apolitical, they had been tolerated by Soeharto. Neither party is “Islamist” in the customary sense of denying the existence of a political sphere of life that is distinct from the religious sphere, yet both are associated with large Muslim organizations. It is no accident that they, rather than the Islamist PK, were the top “Muslim parties” in the 1999 parliamentary elections, even though both PKB and PAN were still outperformed by PDI-P and Golkar. Both NU and Muhammadiyah count tens of millions of Indonesians as members, and as of 1999 each had the organizational structure and support base needed to turn out votes for their parties. In this way, they partially resembled the Muslim Brotherhood and Ennahda in 2011. The critical difference is that NU and Muhammadiyah had both been apolitical for decades, and neither had embraced an Islamist platform to mobilize their support base in the way that the Muslim Brotherhood and Ennahda had.

**Islam in Office**

This discussion has shown that the differing fortunes of Islamist parties in post-authoritarian elections in Indonesia, Egypt, and Tunisia can be traced to the developmental trajectories under the prior authoritarian regimes. For analysts and practitioners alike seeking to understand the course of democratization in Egypt and Tunisia, then, there are real limits to the
Indonesian model that originate in the very different economic fundamentals that characterize different post-authoritarian Muslim societies. These shape how opposition movements mobilized under authoritarianism, and how they have performed after authoritarianism. This observation does not deny the other ways in which Indonesia’s transition can still serve as a template for understanding Egypt and Tunisia. These include, most importantly, military and judicial reform, two key reform areas which are particularly important for Egypt in the on-going crisis surrounding the constitutionality of its 2011-12 parliamentary elections. But when it comes to the question of Islamist political mobilization and its electoral consequences, Indonesia’s own experiences are unlikely to be representative in post-authoritarian Muslim societies such as Egypt and Tunisia, where authoritarian regimes failed to provide the economic development that the New Order so ably provided.

Looking forward, the central question—assuming that Egypt’s transition is not derailed by the current constitutional crisis—is how the newly elected Islamists in Egypt and Tunisia will govern. Their choices will help to determine how these fragile new regimes will address the social, economic, and political challenges that their countries face. Indonesia offers no template here: Indonesia’s Islamists have never won national office. But the very fact that Indonesia is not representative of all new Muslim democracies suggests two general conclusions about the future course of the Egyptian and Tunisian transitions.

First, it reminds us that Islamists are a heterogeneous group, so understanding how they will govern requires more nuance than the simplifying label of “Islamist” can provide. Islamists differ with respect to the extent of their movement base and electoral constituency, as the Indonesian case reminds us. But even successful Islamist political movements confront very different social structures, economic conditions, and policy challenges in different national
contexts. Alfred Stepan recently argued in these pages that the Tunisian transition has produced a minimal democracy, highlighting both the broad consensus that democracy is “the only game in town” and the acceptance by most Tunisians (Islamists and others) that the elected government may “govern without having to confront denials of their authority based on religious claims.”

Egypt’s transition remains incomplete, and Stepan argues that its “political society” remains underdeveloped. Perhaps these differences can themselves be traced to differences in the ways that Ben Ali and Mubarak ruled, but the main conclusion should be that Islamists in Tunisia will rule differently than Islamists in Egypt for the simple reason that—common Islamist movement bases notwithstanding—these are two countries with very different civil and political societies.

Second, the concrete problems of governance and challenges of reform will differ across the three countries. Indonesian democratization exposed grievances about rampant corruption, injustice, and exclusionary national politics, but it also revealed tensions in national versus local and regional identity and secessionist challenges on the country’s periphery. Neither Egypt nor Tunisia have the complex ethnic landscape that characterizes Indonesia, nor the challenges of implementing effective multilevel governance that have so consumed Indonesian policymakers in the post-Soeharto era. Neither must fight a counterinsurgency war against an ethnically-defined secessionist movement. Even if Indonesians faced the same issues of public sector, military, and judicial reform that loom in the Middle East, the new governments Egypt and Tunisia also have an entirely different set of policy challenges in front of them: solving their countries’ long-term unemployment crises, providing equitable foundations for human development, rationalizing macroeconomic policymaking, and achieving their countries’ long term development potential. For these, Indonesia is a model not of what will happen, but of what is possible.
NOTES


19 Stepan, “Tunisia’s Transition.”