Electric media in rural development: Individual freedoms to choose versus politics of power and control.

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Citation for published version (APA):
9 INDONESIA

Modern! How quickly that word had surged forward and multiplied itself like bacteria throughout the world. (At least, that is what people are saying.) So allow me also to use this word, though I still don’t fully understand its meaning.

Pramoedya Ananta Toer, This Earth of Mankind

9.1 INTRODUCTION

With Abdurrahman Wahid, Indonesia has elected its fourth president since its proclaimed independence (1945). Soekarno, its first president, derived his authority from the 1945 Constitution and the official State-ideology Pancasila and installed the Supreme Advisory Council (Dewan Pertimbangan Agung, DPA) as an advisory board. Independence was formally obtained in 1949 and Soekarno was sworn in as president of the Republic of the United States of Indonesia (RU SI). However, the settlement that ended the colonial war turned Indonesia into a federal republic, a structure imposed on Indonesia by the Dutch who had exploited the weakness of the central authority of Indonesia. After the Dutch left, the federal structure was replaced with the unitary nation-state of the 1945 Constitution, but Indonesia’s new leadership had experienced the potentially negative consequences of a lack of central authority. The constitution was amended twice (1949, 1950) to shift authority from the president to a prime-minister led cabinet and from 1949 to 1957 Indonesia was a pluralist constitutional democracy. However, according to Soekarno the lack of decisiveness of the continuously changing coalition governments impeded economic development. Therefore, he introduced his centralist and nationalist concept of guided democracy (1959). Under martial law, Soekarno forced a return to the 1945 Constitution and a unitary nation-state, symbolized by the motto of the Republic of Indonesia: Unity in Diversity (Bhinneka Tunggal Ika). The rule of martial law increased the influence of Indonesia’s armed forces (Angkatan Bersenjata Republik Indonesia, ABRI), preparing the grounds for their dwifungsi. Before 1965, both ABRI and the Indonesian Communist Party (Partai Komunis Indonesia, PKI) participated in government. When the government lost control over the economy and Soekarno’s health declined, conditions were created for a stand-off between the ABRI and the PKI in 1965, resulting in a transition from Soekarno’s Old Order to Soeharto’s New Order.

The PKI allegedly initiated a coup attempt in 1965, leading to a chaotic period during which the PKI was virtually annihilated as a political force. ABRI secured its political position and Soeharto became Indonesia’s new president (1966). The New Order government continued the basics of guided democracy, banned the PKI, and related organizations and discarded ideas of popular participatory democratic practices. The New Order’s political power was based on ABRI and the functional groups (Golongan Karya, Golkar). In 1973, Soeharto created two official political parties, the Party for United Development (Partai Persatuan Pembangunan, PPP), made up of Islamic organizations, and the Indonesian Democratic Party (Partai Demokrasi Indonesia, PDI), a mixture of secular-nationalist and Christian parties. Golkar became the political powerhouse and party of the official bureaucracy, although it was never a real political party. Subsequent elections for parliament led to clear ‘victories’ for Golkar, partly because the PPP and the PDI were not allowed to campaign outside election periods. Eventually, however, Soeharto’s New Order could not maintain the pace of State-led and centralized economic development. With the economic situation deteriorating, an ailing president and no succession procedure in place, this time a stand-off between ABRI (and other members of the power elite) and people on the streets took place. In 1998, a reformasi-movement toppled the New Order regime. Soeharto had not realized that economic development would lead to political demands. Therefore, his regime lost its political legitimacy, the first pillar of the New Order regime, and the

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1 The dwifungsi of the ABRI implicated that, apart from security tasks (domestic and international), Indonesia’s armed forces were also given political and administrative tasks. From the moment Soeharto stepped down (May 1998), this double function of ABRI has been criticized and newly elected president Wahid has gradually dissolved the formal role of ABRI in other than military activities.

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economic crisis eroded its economic legitimacy, taking away the second pillar of the New Order regime: economic stability.

However, despite progress towards real implementation of the formal democratic institutions of a pluralist constitutional democracy under Habibie and Wahid, progress towards popular participation in political processes has not been made. Nevertheless, parliament has been elected in a free, fair and multi-party election and, as a result of increased political activity, 21 political parties are represented. However, elected parliamentarians only hold 462 of the 700 seats of the highest consultative body. Despite democratic progress, a significant element of the electoral law was ignored by most parties, since they defied the rule of not moving people between districts after the results of election had been declared. Apparently the power elite was not ready to completely go by the will of the people. In parliament, ten parties have one seat and only the PDI-P (the Soekarno Poetri-led split off of the PDI), Golkar, the PPP and Wahid’s PKB have more than 10% of the seats, with the political parties of Reformasi and the military (ABRI) each commanding 8% of the seats. Blocs of secular-nationalists and Islamic groups have been formed and allegiances continuously shift between and within parties. Therefore, President Wahid initially appointed a cabinet satisfying the interests of most parties represented in parliament, but since then he has regularly reshuffled his cabinet.

The State-ideology of Pancasila (see section 9.2) and the principles underlying the 1945 Constitution have determined the approach to development in Indonesia. A centralized, government controlled and top-down approach has consistently been applied. Virtually no room was left for autonomous development initiatives at lower administrative levels or at grassroots levels. The question is whether implementing formal democratic institutions of a pluralist constitutional democracy alone, without increasing depth and scope of democratic practices, will actually change the development approach in Indonesia.

9.2 DEMOCRATIC INSTITUTIONS AND PRACTICES, AND POLITICAL FREEDOMS

Soekarno officially declared Pancasila the Indonesian State-ideology. Soeharto adopted Pancasila and the concept remains at the foundation of the nation-state Indonesia in the post-Soeharto era, since all major political parties have confirmed allegiance to the concept in their statutes. The five (panca) principles (sila) define the basic nature of the Indonesian State, with the last four principles being subordinated to the first. However, the official wording of the sila has changed since their enunciation and are open to interpretations in the Indonesian language. Despite its ambiguities, Pancasila was applied rigidly and, together with the 1945 Constitution, forms the foundation of the unitary nation-state of Indonesia.

- **Believe in the One and Only God**: confirms the religious nature of the Indonesian society without giving preference to any specific religion. This principle has also been embodied in the 1945 Constitution (art. 29.1). Under the New Order, individuals were expected to opt for one of the five so-called single deity religions: Islam, Hinduism, Buddhism, Catholicism or Christianity.
- **Justice and Civilized Humanity**: derived from general Indonesian values, such as sensibility for the opinions of others, togetherness and opportunities for the weak. It also stresses that the Indonesian people does not tolerate physical or spiritual oppression.
- **The Unity of Indonesia**: embodies nationalism and implicates that a federal form of government is rejected and that regional and ethnic interests are subordinate to national interests.
- **Democracy Guided by the Inner Wisdom in the Unanimity Arising Out of Deliberations Amongst Representatives**: calls for decision-making through deliberations (musyawarah) and representation, which has led to an uneven representation (with respect to the population numbers) of Indonesia’s

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2 Political parties in parliament, incl. numbers of seats: PDI-P (153), Golkar (120), PPP (58), PKB (51), Reformasi (41, with 34 seats for Rais’ PAN and 7 for the PK), ABRI (38), KKI (12, of which the PKP occupies 4 and the PDI 2 seats, and the remaining 6 held by 1 seat parties), PDU (9, with the PNI having 5 seats and the rest being made up of 1 seat parties) and the PDKB (5).

3 The translation and explanation of Pancasila has been taken from the Department of Foreign Affairs of Indonesia site: http://www.dfa-deplu.go.id/background/republic/republic.htm and excerpts from Indonesia’s constitutional text from an English translation by the Department of Foreign Affairs of Indonesia on the Internet, http://www.dfa-deplu.go.id/indonesia/und45-eng.htm.
regions in the highest consultative body in an attempt to avoid a too dominant position for Java.

- **Social Justice for the Whole of the People of Indonesia**: implicates restrictions private property and states that natural resources have to be employed in the public interest.

The 1945 Constitution is intentionally brief and was at the time of its conception perceived as a document in development (Kingsbury, 1998: 43). Perhaps, therefore, it is just as ambiguous as *Pancasila*. In 1950, a new, and more elaborate, constitution was drawn up, which guaranteed individual freedoms, rather than leaving those to legislation, created a parliamentary democracy and limited the president's role. However, after the introduction of guided democracy by president Soekarno, the 1945 Constitution was re-installed (Kingsbury, 1998: 194). A final element of the Indonesian nation-state is the archipelago concept, which confirms its unitary and non-federal nature and claims that the Indonesian archipelago is one political, social, cultural and economic unit. The archipelago concept can be interpreted as territorial *Pancasila*, aimed at achieving international recognition for a larger geographical territory.

**Political system**

Indonesia is a unitary nation-state in the form of an independent republic (1945 Const., art 1.1), the Republic of Indonesia. The government consists of a president and his cabinet, the ministers of which are appointed by the president (1945 Const., art. 17). After Soekarno’s guided democracy and Soeharto’s New Order, President Wahid has been gradually moving Indonesia towards a pluralist constitutional democracy. The following elements can be distinguished in the political system of Indonesia:

- the basic principles underlying the nation-state of Indonesia are still represented by the five elements of the official State-ideology, *Pancasila*;
- the 1945 Constitution is the highest law of the Republic of Indonesia and international law is subordinated to national law;
- the president of Indonesia is the head of state and represents Indonesia in internal and external affairs (1945 Const., art. 11 to 15); in 1999 the highest consultative body amended the 1945 Constitution and limited the number of (consecutive) presidential terms to a maximum of two five-year terms;
- executive power rests with the president of the Republic of Indonesia; the 1945 Constitution states that the president shares the legislative power with parliament (1945 Const., art. 4 and 5) and is accountable to the highest consultative body, but not to parliament (1945 Const., art. 1.2 and 5.1);
- the highest consultative body is the Council for the Consultation of the People (Majelis Permusyawaratan Rakyat, MPR), which convenes at least once every five years and elects the president and vice-president in a secret ballot every five years; the MPR evaluates State-policies, sets out and approves guidelines for State-policies and can amend the constitution; the MPR consists of all parliament members (including the ABRI members), 65 representatives of functional groups and

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4 The shortness has been defended by claiming that ‘for a new state and young state, it is better if [the written constitution] contains only basic rules, whilst the provisions implementing those basic rules are left to statutes which are more easily drawn up, altered and revoked’ (web site of the Indonesian Embassy in Washington D.C., USA). This interpretation combined with the legislative authority given to the president in art. 21 and 22 of the 1945 Constitution install substantial executive and legislative authority in one person.

5 Indonesia still does not have a consolidated national legal system. Instead, remnants of colonial law and later introduced laws are used. In particular, in the more rural areas customary law (adat) and Islamic law (syariah) are still applied in specific cases.

6 A relevant expansion of the president’s executive power are the Presidential Directives (*Instruksi Presiden, Inpres*), which Soeharto used to fund projects in regional and rural development. Inpres appears to be a financial tool to help legitimate political power.

7 This presidential election process is a leftover procedure from the New Order, but the direct election of a president and possibly also a running-mate (vice-president) is at present being discussed in Indonesia. President Wahid has already indicated a positive attitude towards direct presidential elections in 2004. To date, under president Wahid, the MPR has convened once a year.

8 Under Soeharto, the military even occupied 75 seats in parliament and the then 1000 member MPR. However, during the latest MPR of August 2000, the number of allotted seats was further reduced (to about a dozen) and the military will not have any exclusive seats anymore after the 2009 elections for parliament.
135 representatives from Indonesia's regions (1945 Const., art. 1, 2, 3 and 37); 

- the highest legislative body is the Council of the People’s Representatives (Dewan Perwakilan Rakyat, DPR), which can be compared to a lower house of parliament, but legislation can also be initiated by the president; the DPR consists of 500 representatives, 462 seats of which are allocated through a combined proportional/district based electoral process and 38 seats are automatically allocated to representatives of the armed forces, the latter as a result of their (unofficial) dwifungsi (1945 Const., art. 19 to 22); and

- the highest judiciary body is the Supreme Court of Justice (Mahkamah Agung), which is formally independent of the executive branch.10

During the New Order, Golkar was the de facto political power base of the regime. Since Golkar was not officially a political party, it was not restricted from 'campaigning' outside election periods, something which did apply to the two official opposition parties. However, Habibie allowed political parties to be formed freely and political activities are no longer restricted to election periods. The result has been an upsurge in the number of political parties and in the 1999 elections 21 political parties managed to get at least one seat in the DPR. During the New Order, the DPR acted as a rubber-stamp parliament for legislation and regulation initiated by Soeharto. However, during the October 1999 session of the MPR, the 1945 Constitution was amended so that it allows for legislation being initiated and passed by the DPR itself, although the president will have to approve of the law.

During Indonesia’s New Order, the political system contained all formal democratic institutions, but the country was perceived to be under authoritarian rule. Representative government consisted of the same institutions as it does at the moment, with MPR and DPR being representative bodies, elected for limited terms (five years) and ultimately accountable to the electorate. In Indonesia, general elections have always been contested by multiple parties, all formally allowed to campaign freely during election periods. However, the new election laws have made the electoral process less orchestrated and, in principle, open to an unlimited number of political parties. Nevertheless, organizational conditions favor established parties, for example a party structure in at least one third of Indonesia’s provinces is required. The requirement for new parties to gain a number of seats in order to be able to automatically stand for the next general elections also favors existing political parties. The former makes it impossible for strictly regionally based political parties to obtain seats in the DPR, which leaves regional representation the domain of presidential appointments. Election committees are not independent and, with 50% of its members appointed by government, may even favor a future status quo. Formerly, the president was elected during a session of the MPR, as is the case now. The 1945 Constitution is regarded as the highest law of the country, but it does not guarantee all basic political rights, leaving some of those to provisions of law. The reformasi did not change the presence of formal democratic institution, but it changed the characteristics and qualities of those institutions. Political parties can participate in general and local elections, but whether the non-participatory nature of the political system will change remains to be seen. The demokrasi-movement led to a reduced discrepancy between the state of the formal democratic institutions on paper and in reality.

Administrative structure: another dual structure

Golkar, the New Order regime’s political movement, used to be omnipresent in Indonesian society and only during elections did Golkar formally face competition from two other official political parties. The opposition parties PPP and PDI routinely gained seats in local government and on occasions obtained majorities in local assemblies, but local government leadership would be appointed in a centrally (i.e., Golkar) controlled procedure. Despite Golkar’s apparent similarities with Vietnam’s VNCP, Indonesia’s dual structure is characterized by the duality of a separation of regional administrative units

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9 A majority in parliament does not automatically translate to a majority in the MPR, which means that the president still has an influence in the MPR through the appointment of 135 regional representatives and possibly the 65 representatives of functional groups.

10 The more or less de facto dependence of the judiciary system (including the Supreme Court) on the executive branch during the New Order of the Soeharto presidencies is now generally perceived as in need of reform in order to rid the Supreme Court (and the lower judiciary) of corruption and conflicts of interests.
and regional governments. The administrative structure of Indonesia consists of a national level and four lower levels, which implement policies initiated by the central government in Jakarta:

- 24 provinces (propinsi, with a central government appointed governor, gubernur, at its head), 2 special (administrative) areas and the Indonesian capital Jakarta (Daerah Istimewa Yogyakarta and Aceh, and Daerah Istimewa Indonesia, respectively);
- 251 districts (kabupaten, bupati) and 55 municipalities (kota madya, wakil kota);
- 3349 sub-districts (kecamatan); and
- 68,000 village groupings (desa/kelurahan).

Desa/kelurahan is the lowest level in the administrative structure (Schulte Nordholt, 1995: 79-83). A desa consists of villages and hamlets (kemandoran, West Java) and hamlets contain even smaller social units. Below desa level, informal institutions exist, for example, traditional village institutions, such as the social desa organization (lembaga sosial desa) (Tjondronegoro, 1984: 12 - 20). The 1945 Constitution does not guarantee autonomy for regions and leaves the form of the administrative structure to provisions by law and laws, which must be compliant with the musyawarah principle of government, sila #4 (1945 Const., art. 18). However, parallel to the administrative structure, two levels of autonomous regional governments (Level I and Level II Regions, similar to provinces and districts, respectively) have been created, both with a DPR-D (Dewan Perwakilan Rakyat Daerah, Tingkat I or II) as the legislative body. Nevertheless, the financial resources allocated to the administrative structure and legislative powers of DPR-D’s are limited. In addition, the autonomous regional governments are presided over by the appointed heads of the administrative structure. The administrative structure is centralized in Jakarta, but under President Wahid laws are being elaborated to provide some autonomy to Indonesia’s regions. The question is to what extent the long standing institutional arrangements of the dual structure can be changed quickly. The process may very well take a number of years (Malley, In: Emerson (ed.), 1999: 101 - 105). At all administrative levels, the armed forces used to play an important administrative and political role through their representation in the MPR and DPR and through provincial commanders. In the days of Soekarno, and also under Soeharto, the military ran a parallel administrative structure and governors were often military officers. However, President Wahid has effectively reduced the formal role of ABRI in politics and administration and serving officers can no longer hold the political and administrative positions through which they used to control much of Indonesia. Another aspect of lower level administrative structures used to be the role of Golkar-affiliated bureaucrats, which was pivotal in political processes and for fund allocation. Whether this influence has been affected by the move to a multi-party system, with Golkar being a normal political party, and the reduction of the democratic deficit of Indonesia’s democracy is not clear.

**Freedoms, liberties and rights**

A parallel between Indonesia and Vietnam is the emphasis on community rights over individual rights, which Indonesia’s regimes have claimed to be a reflection of Asian culture and values. In Indonesia’s perspective of human rights, a priority is claimed for economic and community rights over individual human rights for the sake of economic development and political stability. Since in Indonesia (during the New Order) the State typically determined content and interpretation of community rights (Pancasila, 1945 Constitution) without citizens’ participation in the political process, it can be argued that individual human rights were perceived as a threat to the nature of the relation between the State and its citizens. With respect to ideas of specific Asian values, Sen states that ‘justifications of authoritarianism have typically come not from independent historians but from the authorities themselves or those close to people in power’ (Sen, 1999: 231).

At first glance, a claim that the general economic right to be free of poverty has priority over an

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11 During the first ten months of his term, president Wahid had already been confronted with that problem and ‘he [had] found himself in charge of weak and incompetent government institutions (…) often, when Mr. Wahid pulls the levers of power, little happens’ (Seth Mydans, In: The New York Times, 10 August 2000).

12 In the 1999 Freedom House Survey, Indonesia overall was assessed to be partly free and considered an electoral democracy. On a scale from 1 (highest) to 7 (lowest), the situations concerning political rights and civil liberties were both rated as 4, with the political freedoms having increased compared to the previous year (Karatnycky, 2000: 187 - 200).
individual’s human rights appears to be tenable. However, in my opinion, such a right does not presume State-led, top-down development policies, but rather the freedom of people to choose a life without poverty. Such a freedom relates to capabilities, which require, amongst others, individual political and civil rights. However, during Soeharto’s regime, political and civil rights, such as the right to political participation, were subordinated to the right to development. As a result, economic development and political stability had been declared Indonesia’s top priorities (Kingsbury, 1998: 176 - 180). President Wahid has been ambiguous on the issue, stating that it is ‘nonsense to talk about democratization, peace, demilitarization and other big issues if people cannot afford even their basic necessities’ (Wahid, quoted in: The New York Times, 25 October 1999). Nevertheless, it is not ‘whether [order and discipline] perspectives are present in Asian traditions, but whether the freedom-oriented perspectives are absent here’ (Sen, 1999: 234, italics in original).

Freedom of speech, assembly and association are not fully guaranteed by the 1945 Constitution, but are left to provisions by law (1945 Const., art. 28). The New Order prohibited independent labor unions, claiming that such associations would lead to antagonistic labor relations, which were considered to be at odds with Pancasila. However, Habibie allowed free labor unions and President Wahid is expected to increase and legalize freedom of association. The following political and civil rights are addressed in the 1945 Constitution:

- citizens have equal status before the law (art. 27.1);
- every citizen has the right to work and live in a way befitting human beings (art. 27.2);
- freedom of worship according to one’s religion or belief is guaranteed (art. 29.2), but the state is to be based on ‘the belief in the One and Only God’ (art. 29.1 and sila #1); and
- every citizen has the right to education (art. 31.1).

The original law on free speech was the 1966 Press Act of Indonesia, which was revised in 1982. That revision included the introduction of a permit for press and publishing enterprises (SIUPP), issued by the now defunct Ministry of Information. In 1984, the SIUPP was further strengthened to allow the State to close individual publications, or entire media enterprises, if reports would not be in the Pancasila-spirit (Schwarz, 2000: 238 -244). The 1966 Press Act was detailed and aimed at making the media commit themselves to the cause of development of Indonesia. Under Soeharto, the ‘social responsibility’ and ‘discipline’ of the media were emphasized. In addition to withdrawing licenses, the State could hand out penalties for pre-publication offenses to enforce desired media behavior. This ultimately led to a large degree of editorial self-censorship.

However, since Soeharto’s resignation, the mass media in Indonesia have enjoyed de facto freedom of speech. Licenses were issued freely and the Soeharto-era press act was ignored. Finally, in October 1999, a new press law was passed which forbids censorship, banning or prohibition of the right to publish or broadcast and guarantees the right of the press to acquire and spread ideas and information. The new law also no longer contains the SIUPP license requirement. However, the freedoms of speech, assembly and association are still not fully guaranteed by the constitution, making those liberties less solid (i.e., easier to be taken away or reduced) then would be the case with constitutional guarantees. Other indications of the fragile situation of free speech in Indonesia are remarks concerning the wisdom of allowing freedom of the press. Soedarsono, Indonesia’s civilian Minister of Defense, stated that a free press ‘is often a vigorous and irresponsible press’ (quoted in: The New York Times, 13 February 2000). In his book on Indonesia, A Nation in Waiting, Adam Schwarz quotes a minister in the early 1990s as remarking that ‘[the press] are acting like a mob in the street. This phenomenon of openness is not based on Pancasila. People are talking for the sake of talking’ (Schwarz, 2000: 244). Although made at a different point in time and in a different context, both comments on press freedom illustrate that freedom of speech is not just about laws, but also about mental attitudes.

9.3 SOCIAL OPPORTUNITIES
The 1945 Constitution guarantees education as an individual right (1945 Const., art. 31.1), states that ‘government shall establish and operate a national educational system which shall be provided for by law’ (1945 Const., art 31.2) and also mentions a right ‘to live in a way befitting human beings’ (1945
Education in Indonesia

Primary and secondary education in Indonesia consists of four levels: pre-school, primary school, junior and senior secondary school. Schools differ in size, location, funding (public or private) and philosophical basis (secular or religious) of the educational facility. The distinction between Primary School (Sekolah Dasar), Community Primary School (Sekolah Dasar Pamong) and Small Primary School (Sekolah Dasar Kecil) is based on location and size of schools and at both secondary educational levels a distinction is made between general senior secondary education (SLTP Negeri/Terbuka and SMTA Umum) and vocational senior secondary education (SLTP Kejuruan and SMTA Kejuruan). The Islamic educational system covers the entire curriculum from primary school up to senior secondary school (including pre-school) and is run by the Ministry of Religious Affairs. Private schools are available at all levels and for all types of primary and secondary education. The first nine years of the educational system, primary school through junior secondary school, are compulsory.

Although primary schools are widely present at desa-level, this is not always the case for junior secondary schools, making it difficult for a large number of children to complete the nine year curriculum. Nevertheless, Indonesia’s objective is to have all pupils go through the universal nine-year curriculum. Junior and senior secondary education usually require students to travel to the nearest town. A spending shift from primary to secondary education in the 1980s did not lead to significant increases in enrollment in secondary education. Economic costs have been suggested as a reason, both the costs of school fees and material and the opportunity costs of children not working on the land (Booth, In: Emerson (ed.), 1999: 124/125). In order to offer more children secondary education, the Ministry of Education (DIKBUD) started a distance learning initiative, SLTP Terbuka (terbuka = open). The system consists of several base-schools (Sekolah Induk) located in towns connected by the road network. Those base-schools, often regular SLTPs, put some facilities at the disposal of SLTP Terbuka. The base-school employs subject teachers (Guru Bina), who teach their subject and answer specific questions when pupils come to the base-school for instruction. Each base-school caters for a few learning centers (Tempat Kegiatan Belajar, TKB) in surrounding villages. During four out of five school days, children are taught on all subjects by a general teacher (Guru Pamong) in the TKB at times convenient for people in villages with respect to the work that has to be carried out on the land or elsewhere. However, the entire SLTP Terbuka appears to be more efficiency-driven than access-driven. The project rationale is defined in financial costs and benefits, rather than in quantifiable educational objectives\(^\text{13}\).

Health care in Indonesia

The health care system can be described along the lines of the administrative structure. Health care

\[\text{\textsuperscript{13} This approach can be inferred from official documentation on the distance-learning project, but was subsequently confirmed during interviews with various people involved with the project.}\]
facilities are mostly public, but various religions operate their own hospitals. Two of the four levels can be perceived as being part of the national primary health care system. The nation-wide structure of desa-level facilities consists of village health posts and the second level of primary health care only exists in kecamatans. Those health care facilities are Communal Health Centers (Puskesmas). The following types of Puskesmas facilities can be distinguished: Puskesmas, Puskesmas Pembantu (pembantu = helper) and Puskesmas Keliling (keliling = to go around), the latter referring to paramedical personnel travelling in a specific area. A Puskesmas facility provides preventive and simple curative care, including diagnosis and treatment of simple illness, maternal and child care, midwifery and treatment of injuries. Surgery is not conducted in facilities at this level. As a national service, graduates from medical schools work the first four years of their working life in a Puskesmas. The larger cities have small regional hospitals and general/specialist hospitals can only be found in major cities.

9.4 ECONOMIC FACILITIES

Both of the perspectives which Sen distinguishes (see section 5.5) on the relation of free market mechanisms to freedom are relevant in the case of Indonesia. As a result of economic problems, Indonesia’s focus has been on the efficiency aspects of the market mechanisms, the IMF-World Bank perspective, which are expected to create economic growth, increased income and wealth. The other perspective can be related to the reform and democracy movement that followed Soeharto’s departure and which should lead to an emphasis on the right of individuals to participate freely in economic transactions, whether or not they are efficient. Arbitrary controls in an economic system and other aspects of the New Order regime’s economic policies took some of that individual freedom away. In the case of Indonesia, the argument for purer market mechanisms is based on the unfreedom of poverty, resulting from inefficiencies of market mechanisms caused by arbitrary restrictions.

The percentage of the population below the international poverty line of less than US $2 per day deviates from the figure provided by Indonesia on the population below its own national poverty line. The economic growth over the 1990 to 1995 period is reflected in a decreased percentage of the population below the international poverty line of less than US $1 per day. The difference with the US $2 poverty line shows that the Indonesian government uses a relatively low poverty line (Booth, In: Emerson (ed.), 1999: 127 - 133). This is relevant with respect to the New Order’s legitimacy claims on the basis of economic growth and claims for a priority of economic rights to be free of poverty over individual political and civil rights.

Historical background ... and recent developments

In the 1960s, a need for foreign investment made Indonesian leaders shift from the Soekarno-era nationalist policies of centrally planned and State-led industrialization toward import-substitution-based industrialization behind tariff barriers combined with a promotion of agricultural production. In order to restore credibility with international organizations and Western governments, a group of US-trained Indonesian economists gradually introduced aspects of a free market and the government worked towards balancing the budget. This group has since been alluded to as Indonesia’s economic technocrats, as opposed to the nationalists who favored a modern national industry in a State-led economy. In the 1970s, the policy was changed under the influence of the nationalists toward the objective of creating a national industrial base of capital- and intermediate-goods sectors in addition to established consumer-goods manufacturers. The policy makers of that time favored heavy State investment in major industrial projects, aiming at a self-sustaining and self-generating industrialization. This policy shift was made possible by huge increases in oil revenues. The 1980s collapse of oil prices exposed Indonesia’s economic dependence on oil revenues and made policy makers direct efforts to a more diversified industrial base. The policy influence of the technocrats increased and a modest program of deregulation and liberalization was initiated. Foreign investors were lured into the country with promises of less red tape and concessions in sectors formerly closed to them. Nevertheless, many sectors remained closed to FDI and foreign ownership and, at the same time, relatives and friends of Soeharto acquired monopoly positions. However, the bottom line for Indonesia’s policymakers was still
to develop a national industrial technology complex (Booth, In: Emerson (ed.), 1999: 110 - 123). A
dependency on foreign money and, in particular, technology had to be avoided, which led to a strong
emphasis on a national industry and the science & technology sector, Habibie's preference and an
emphasis present in Repelita VI. In order to attract funds and expertise in the communication sector for
example, some privatization has taken place (PT Satelindo, PT Indosat and PT Telkom). In the 1990s,
foreign telecom operators have been allowed to invest in infrastructure, but on a Build, Operate &
Transfer (BOT) basis, which allows national telecom operator PT Telkom to acquire expertise and an
upgraded communication network.

General guidelines for the economy
Pancasila and the 1945 Constitution play an important role in defining Indonesia's economy.
Adherence to Pancasila defined labor relations and the organizational structure of Indonesia’s economy
was formally based on article 33 of the 1945 Constitution, which states that the economy:

shall be organized as a common endeavor based upon the principle of mutual help; branches of
production which are important for the State and which affect the life of most of the people, shall
be controlled by the State; and the land and water, and the natural riches found therein, shall be
controlled by the State and shall be exploited for the maximum benefit of the people.

The mutual help concept is sometimes translated as the family system concept and forms the rationale
behind State-initiated and also -controlled cooperative structures. The second element of article 33 has
been used as rationale behind SOEs in various sectors, but also to justify State-monopolies in electronic
mass media (until 1990) and basic telecom services (still in place). The preamble to the 1945
Constitution explicitly states that 'a government of the State of Indonesia' shall be established 'in order
to advance the general welfare'. In Indonesia’s communitarian perspective of rights, this has led to a
priority for general welfare over individual welfare and a subordinated position for individual economic
rights.

An important element of Indonesia’s economic and development policies under Soeharto has
been the continuous struggle between economic technocrats, favoring neo-liberal free market
mechanisms, and economic nationalists, supporting a State-led economy and development policy. Since
the decision-making power in Indonesia rested with Soeharto, both groups continuously attempted to
influence him. Despite periods of influence by the technocrats, which led to market deregulation,
liberalization and privatization (swastanisasi), since independence the approach to rural development
has been centrally organized and top-down, with limited impact by free market mechanisms. It remains
to be seen what effect the transition from the New Order to the democratic regime of President Wahid
will have on guidelines for the economy and development.

Coordination mechanisms
Indonesia’s economy is difficult to characterize, since it has features of a State-led economy (with a
large number of SOEs dominating strategic sectors), a cooperative economy (the mutual help principle),
as well as elements of a free market economy.

The rationale behind the distribution of resources during the New Order was a complex mixture
of (i) a commitment to general welfare for all Indonesians (Pancasila, 1945 Constitution), (ii) economic
policies to build a State-led national industrial complex (5- and 25-year plans), (iii) implementation of a
modernization paradigm of subordinating rural development to urban development, (iv) a reluctant
effort to allow neo-liberal free market mechanisms in some economic sectors and (v) the protection of
the business interests of friends and relatives of president Soeharto (e.g., through granting monopolies).
The latter is now typically referred to as KKN, or kolusi, korupsi, nepotisme (collusion, corruption,
nepotism). The bottom-line is that Soeharto de facto determined how resources were distributed,
despite the rhetoric of Pancasila, the 1945 Constitution and policy documents.

Indonesia has followed a pattern of State-led modernization during the New Order-era, with an
important role for SOEs in strategic sectors of the economy: mining, oil, heavy industry and high tech.
However, in rural areas, an approach similar to Vietnam’s approach has been used by focusing on a
rural-urban dependency relation. Cooperatives have played an important role in Indonesia’s political
Agricultural production activity was typically organized in cooperatives, in accordance with Law #12/1967 on Basic Regulations for Cooperatives. This law has been revised and a new law on cooperatives, Law #25/1992, has been ratified. Repelita VI does not specify the role of cooperatives in Indonesia’s development efforts in detail, but indicates the necessary improvements in performances of the cooperatives, illustrating their unsatisfactory performance.

Certain policy measures will be adopted which will improve access to markets, expand linkages to other businesses, improve access to information, simplify licensing procedures, improve access and utilization of capital, improve the organizational and management capabilities, and expand access to technology and to improve the ability to utilize it. (Repelita VI)

An important reason for the continued official focus on cooperatives has been Soeharto’s preference (at least in words) for this mode of production. It is not clear what the effect of the transition of power will be on the role, status and nature of cooperatives. The main category of cooperatives is the State-initiated Cooperative Desa Unit (Koperasi Unit Desa, KUD). The initial objective was to have a KUD in every single desa in Indonesia. The State also uses national level cooperatives to buy agricultural produce (domestically and abroad), to store and distribute agricultural produce in order to stabilize prices and to guarantee basic food supply to the cities. One national level cooperative is the Board for Logistical Affairs (Badan Urusan Logistik, BuLog), while a specific cooperative was established for cloves, the Clove Support and Marketing Agency (Badan Penyangga dan Pemasaran Cengkeh, BPPC), controlled by one of Soeharto’s sons. Another mode of production are the free enterprise SMEs, which contribute to the national economy at large, but in policy documents no specific mention is made of their role in rural development. Policies for SMEs were intended ‘to strengthen informal, traditional and small-size businesses; to expand employment in small and medium size businesses, (...) certain policy measures will be adopted, which include improving the organizational structure of the private sector, improving the capability of SMEs, improving the competitiveness of domestic businesses, improving the distribution of investment’ (Repelita VI).

In rural development, macro-economic decisions are taken by the State’s development bureaucracy and implemented by administrative units at lower levels. Within State-led macro-economic development plans, free enterprise is allowed and farmers can sell goods on local and other markets, but most of the agricultural activity is still organized in cooperatives. Farmers do not have to sell their produce through cooperatives and middlemen buy from farmers to supply markets in districts, provinces and Jakarta.

Financial institutions

Three groups of rural financial institutions can be distinguished, only one group of which is classified as bank in the formal sense. According to the 1992 Banking Act, two types of banks can be distinguished within the first group of financial institutions, commercial banks and credit banks of the people (Bank Perkreditan Rakyat, BPR). They differ mainly in their targeted clients, with BPRs specifically directing its activities at serving the rural population. BPRs were originally restricted geographically, a restriction which was removed in a May 1993 Decree. In both cases, the banks can be State-owned, private or have a cooperative structure (Lapenu, 1998). As a result of the liberalization process embodied in the 1992 Banking Act and the May 1993 Decree, the number of new style (Gaya Baru) BPR branches has grown from 848 in 1992 to a total of 1,343 in 1996 (BPS, 1998). The second group of financial institutions are the so-called non-bank financial institutions, partly or completely State-owned. Finally, the third group of financial institutions is referred to as the informal sector and comprises various alternatives of informal sources of financing. The most widespread alternatives are:

- Rotating Savings and Credit Associations (ROCSAs, or Arisan);
- supplier credit;
- pledged property (gadai); and
- non-collateralized personal loans.

These informal sources are not just present in the absence of formal sources, but are strongly integrated into the social fabric of Indonesian society (Lapenu, 1998).
9.5 AUTONOMOUS DEVELOPMENT, OR .....? 

The philosophical ideological basis for development is formed by Pancasila and the 1945 Constitution. At a more pragmatic ideological level, three development policy principles can be distinguished. Together these principles are called the trilogi (logi is derived from logika, meaning correct reasoning):

- fair and equitable distribution of development activities and benefits;
- sufficient economic growth; and
- a healthy and dynamic national stability.

At the executive level, the Guidelines of State Policy (Garis-Garis Besar Haluan Negara, GBHN) contain the philosophical and pragmatic basis of, and broad directives on, development policy for both the 25-year long-term and the 5-year short-term development of Indonesia.

Fundamentals of development policy

Based on Pancasila and the 1945 Constitution, as well as the trilogi, seven main principles for national development of Indonesia have been defined:

- **benefits**: all development efforts and (positive) results should be aimed at (i) the benefit of humanity, (ii) people's welfare, and (iii) the personal development of the citizen;
- **family system**: development efforts are to be carried out in the spirit of mutual cooperation and family values;
- **democracy**: based on the Pancasila, this notion of democracy refers to a consensus to be achieved through deliberation;
- **justice/equity**: material and spiritual gains have to be shared (distributed) equally, and individual people are entitled to development benefits, each according to his share in the service to the country and the people;
- **harmony of life**: refers to balancing interests, for example between the interests of the individual and those of the society;
- **legal consciousness**: individual citizens have to be aware of and abide by the law, and the State has to enforce the law and guarantee legal security; and
- **self-reliance**: development on the basis of confidence in strengths and the identity of the nation.

The MPR defines the GBHN, which are then approved by the president. Based on the GBHN, the policy makers outline development policy on a yearly basis in State Budgets (Anggaran Pembangunan dan Belanja Negara, APBN), in five year plans (Repelitas) and in a 25 year plan (Pembangunan Jangka Panjang, PJP). The first 25 year plan (PJP I) ended with Repelita V and Repelita VI is the first five year plan of the second long term 25 year plan (PJP II). It specifies development goals, priorities and policies, which are directed by the GBHN 1993 for the period 1994/1995 until 1998/1999.

Institutionalization and centralization of development

The ideological bases, Pancasila and the trilogi, and the centralized development process have been institutionalized in government development agencies, of which the following three are the most important, or influential, institutions:

- Office of the Minister of State for National Development Planning, which formulates government policy for national development planning and coordinates operational activities of BAPPENAS (Badan Perencanaan Pembangunan Nasional);
- National Development Planning Board (BAPPENAS), which is responsible for the coordination of sector development efforts of the ministries, foreign development assistance and, most importantly, formulates short-term (State Budget), medium-term (Repelita) and long-term (PJP) development plans (Presidential Decree #35/1973)\(^\text{14}\); and
- Indonesian Institute for Science (Lembaga Ilmu Pengetahuan Indonesia, LIPI), which is a non-

\[^{14}\text{At the regional level, the Regional Development Planning Board (Badan Perencanaan Pembangunan Daerah, BAPPE-DA) are expected to perform a similar function with respect to provincial and district branch offices of sector ministries (Kantor Wilayah Propinsi, KanWil and Kantor Departemen Kabupaten, KanDep respectively). However, there is a lack of clarity regarding delineations of responsibilities in development planning between these sub-national level organizations (Huisman, 1994: 30/31).}\]
departmental institution and report directly to the president. The medium-term policy development process in Indonesia starts with BAPPENAS formulating a Repelita draft, which is discussed in the DPR, by ministries, government agencies and regional administrations. This consultative planning process includes regional planning. Despite top-down tendencies, the planning process is said to be a combination of a top-down and a bottom-up approach. However, since the Repelita document has to be in accordance with the GBHN, which are determined at the central level and in line with Pancasila, there is relatively little room for alternative suggestions from the grassroots level. The State Budget elaborates the Repelita policies. To allow for harmonization of the two policy documents, Repelita Annual Targets (Sarlita) are used as a policy planning instrument.

The illusion of bottom-up development is created by the process of project formulation. Officials at lower administrative levels are expected to process grassroots level project proposals (Daftar Usulan Proyek, DUP) and project implementation plans (Daftar Isian Proyek, DIP). However, people at desa level are often incapable of producing a vision on long-term development and leave filling out forms for project proposals and implementation plans to the development bureaucrats (Tjondronegoro, 1984:11-27). This creates a procedural illusion of bottom-up participation, but it is not real grassroots level participation. The most illustrative example of institutionalized and top-down development is provided by national development plans incorporated in presidential instruction for villages left behind in development (Inpres Desa Tertinggal, IDT). The P3DT (Pembangunan Prasarana Pendukung Desa Tertinggal) plans, for example, are directed at improving desa level infrastructures with grassroots participation. P3DT plans are called the self-management pattern (Pola Swakelota) and the cooperative pattern (Pola Kerjasama). However, the names are misleading and grassroots participation in decision-making and funds allocation is limited. The involvement of various ministries, agencies and other development bureaucracies adds to the challenge in the field of coordination and meeting needs and demands at the grassroots level.

Regional and rural development policy?

The institutionalized, centrally controlled and top-down development process illustrates that in the New Order era autonomous development in rural areas was not feasible. However, the centralizing tendencies under Soeharto were not just a preference of New Order policy-makers in reaction to perceived chaos and disorder in the Soekarno era, but had already been captured in Pancasila and the 1945 Constitution and, later on, in the archipelago concept. Shortly before its dissolution by Soekarno, and the subsequent re-instatement of the 1945 Constitution, Indonesia’s parliament had passed a law on regional finances. The law based the allocation of regional funds on objective formulas (independent of executive decisions) in order to achieve a financial basis for autonomous regional self-development (Law #32, 1956). Due to its complexity, the law was unworkable, but used by Soeharto for exactly the opposite purpose of denying financial autonomy to regions (Malley, In: Emerson (ed.),1999: 80). The financial dependence of regions, combined with a centralized administrative structure and political system (even new electoral laws prevent regional political parties from participating in national elections), leads to the conclusion that regional autonomy is non-existing and regional development is based in Jakarta. President Wahid has initiated the discussion on regional autonomy again, but with people in his own government opposing such views it seems unlikely that much progress will be made any time soon. Repelita VI statements on regional autonomy illustrate the discrepancies between policy and reality in the New Order era.

To further regional autonomy, with an emphasis on increasing responsibility and authority at the district level; (...) to increase the level of decentralization and local autonomy; (...) to

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15 The bottom-up approach consists of meetings at village and sub-district level, followed by so-called Development Coordination Meetings (Rapat Koordinasi Pembangunan, RAKORBANG) at district and provincial level and by consultative meetings at regional level (Konsultasi Regional, Kores). A key aspect of Wahid's presidency is that he has been forced to form a government of national unity, including opponents of a federal state (Ra's PAM), a centralized and unitary state (Megawati Soekarnoputri) and representatives of compromise structures (amongst others, Wahid himself), which may not lead to decisiveness on such a complex political issue as regional autonomy.
Develop active participation of the community in development; to establish the role of spatial planning in regional development; to develop local culture (Repelita VI)

Autonomous regional development was not a feasible option under the New Order regime. However, most Indonesians live in rural areas (35% in 1995; UNDP, 1998c: 174) and poverty is most severe in those rural areas. Therefore, centralized rural development policies were defined and implemented. Investments in agriculture and primary education have been key to rural development policies and during the 1980s and 1990s investments in education and health care were carried out (Kingsbury, 1998: 11). However, investment in education did not mean everybody enjoyed the right to obtain an education and the constitutional pledge that 'the government shall establish and conduct a national educational system' (1945 Const., art. 31) was not met.

Rural organizations in Indonesia: civil society?

The political developments in Indonesia over the past years have made it difficult, if not impossible, to deny the existence and influence of civil society in Indonesian. However, the 1998 street revolution and democracy-movement were largely urban phenomena and the degree of organization of civil society in rural parts of Indonesia is limited. In many ways, the relation between people in rural areas and the State is determined by State-controlled organizations, the administrative structure and branches of development agencies. A parallel virtual civil society is still in its infancy, despite the important role which, for example, the Internet played in coordinating many of the protests and actions during the 1998 demonstrations. Some NGOs use e-mail to communicate and a number of mailing lists exist, of which Indonesia-L is best known outside Indonesia, but limited Internet access outside the larger towns restricts the opportunities for a networked virtual civil society.

During both Soekarno’s Old Order and Soeharto’s New Order, the relation between people at the grassroots level and the State was determined by State-intervention in the rural organizational landscape. The Old and New Orders both had strong centralizing tendencies and preferred top-down development: delivering welfare to rural people in Indonesia. In that context, rural organizations were State-controlled, established to serve specific State purposes, regional branches of central government, government development bureaucracies, government affiliated political movements or parts of other State-related organizational programs. Apart from ideology-based (communist) and religion-based (Islam) organizations, civil society, in the sense of independent organizations, virtually did not exist. Part of the rationale behind these government-related organizations was based on both Orders’ preference for State-led development and a need for organizational instruments for consultation, planning and implementation purposes. Both regimes wanted to institutionalize top-down as well as bottom-up rural development to maintain control over the process. Although the rural landscape has gradually become more diversified in the later years of the New Order regime, State-related organizations continue to comprise a significant part of the organizational network in rural Indonesia.

During the Old Order, a number of organizations and political parties were banned and only three major political parties with strong organizational bases in rural areas remained. The Nationalist Party of Indonesia (Partai Nasional Indonesia, PNI), the Revival of Islamic Scholars (Nahdatul Ulama, NU) and PKI. The PNI and PKI cooperated at national levels and so did their respective peasants’ organizations, PETANI and BTI. The NU’s peasant organization PERTANU catered to relatively better off farmers, eventually leading to a clash with the BTI over land issues in the aftermath of the abortive coup of 1965. Extreme ABRI violence versus communists, particularly in rural strongholds, caused a general apathy toward organizations inspired by political ideologies in rural Indonesia, leaving only religious, Islam-based organizations as non-political alternatives (Tjondronegoro, 1984: 87/88). The failure of a State-led agricultural cooperative program during the Soekarno regime (Koperasi Pertani, KOPERTA) added to the aversion in rural areas towards State-led organizing.

Nevertheless, Soeharto’s New Order literally picked up where Soekarno had left off by

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17 A mailing list is comprised of a group of participants who send their individual messages to a central server from where the messages are distributed to all other participants. Membership can be open to everyone or restricted to a specific group with similar personal characteristics or interests. Similarly, topic selection can be unrestricted or the listserv can focus on one or more specific issues.
transforming the functional groups into the official government movement Golkar, with branches in all sectors of society, as well as in all geographical areas of Indonesia. Although a State-initiated rural organizational structure was imposed, a distinction can be made between institutionalizing existing traditional grassroots organizations and creating new centralized government agencies and State-led rural organizations. The best known examples of the latter are KUDs, the agricultural cooperatives, and Bulog. At grassroots level, the State sought to revitalize a number of traditional village institutions through a social desa institutions program, which served as an umbrella organization for community associations in hamlets (rukun kampung, RK), neighborhood community associations (rukun tetangga, RT). Both RK and RT associations supported another traditional village institution, mutual help (gotong royong). One assumption was that desa and sub-desa level organizations could be facilitators of change or instruments of development planning. Apart from State-initiated organizations, a crucial organizational structure, in regions where wet rice is cultivated, concerns itself with the management of the irrigation system, as well as with the distribution of water (Tjondronegoro, 1984: 28/29). Another aspect of the situation in rural areas under Soeharto was that all development funds were channeled through local level administrations, which were staffed with Golkar members (civil servants were compulsory Golkar members).

NGOs are active in Indonesia, but most seem to focus on their own activities with less attention being paid to building rural networks of NGOs, cooperatives and other local level organizations. An exception to this is the Canada Indonesia Technology Network (CITN), which uses networked electronic media to support SMEs in Indonesia. The concept is to use a network of NGOs, tertiary educational institutes and government agencies active in supporting SME development in Indonesia. A second example is a radio communication data network. The network is expected to link various high schools and, at a later stage, cooperatives. The problem that this type of networks faces is that legally no interconnection can be made with the telecom network, since that would implicate that the local network operator has connected subscribers, which is a monopoly of the telecom companies.

9.6 ELECTRONIC MEDIA IN RURAL DEVELOPMENT

Policy framework
Apart from isolated references to information technology in Repelita VI, the Nusantara 21 (N21) document is Indonesia's main NII policy document. N21 is a joint effort between the State (ministries, policy institutes and development agencies), SOEs (e.g., PT Telkom and Indosat) and the private sector (foreign telecom enterprises). Involvement by the general public is formally encouraged, but the current use of an Internet web site for that purpose may not lead to a nation-wide participation by people. Although some N21 objectives are aimed at socio-economic development (e.g., reducing socio-economic gaps, improvement of education and health care and increasing access to information), the general tendency of Nusantara 21 is a strong focus on the technological aspects of infrastructure, as well as on urban areas with high economic activity. N21 is conceived of as the NII, connecting provincial capitals and building fiber optic networks in larger cities of economic or strategic importance and not as a potential basis for a networked civil society, nor as an electronic mediator of local information exchange and provision in rural areas.

Indonesia's policy documents contain little information on potential contributions of information dissemination to rural development, not in the political, nor in the social or economic domains. N21 contains a 'voice reached community' program for rural areas, which intends to train people in sending, receiving and processing information. The program is expected to strengthen current State-initiated programs, such as readers, listeners and viewers groups (Kelompencapir) and learning groups (Paket Kejar). However, according to the N21 policy document, access to the information highway is not necessary for people in rural areas 'because verbal community contact still gives color to the activities of their way of life and it is necessary to conserve it in accordance to the situation and condition of the development of the community' (N21). Outside main urban areas, physical access to the NII is expected to be provided through existing access points, but no rural N21 multimedia community access centers are foreseen. The policy for the telecom market in Indonesia has been directed at attracting foreign
capital and expertise, without giving up national ownership of telecom companies. Foreign capital and expertise are used to upgrade and expand the existing network in line with the infrastructure policy of N21. The State-owned telecom company, PT Telkom, has a monopoly on local and domestic long distance calls (until 2011 and 2006, respectively). Privately owned PT Satelindo shares the duopoly on international calls with PT Indosat (due to expire in 2005). PT Telkom cooperates with foreign telecom companies under joint operating schemes (Kerja Sama Operasi, KSO), but the foreign telecom companies are not allowed to participate in the most profitable telecom markets on Java.

Formal policies on electronic mass media did not change with the transition of power from Soeharto to Habibie, but the unofficial policy was 'to grant freedom to the mass media, free from the rulings that stifled press activities and freedom' (Habibie quoted in: Freedom Forum Online, 14 April 1999). However, compared to earlier policy statements on mass media, Habibie only removed a discrepancy between reality and policy, as the following policy statement illustrates:

The objectives for the development of information and communication systems and the mass media during Repelita VI are to promote active community participation in the development process and to improve the distribution of information to reach a larger segment of society.

Under President Wahid, freedom of the press has been established in legislation. However, that is not an indication of how policies on the use of information and communication in rural development will look like, either participatory information exchange or centralized information provision. It would be a step forward if the discrepancy between media and information policy and reality would completely disappear.

Legislative and regulatory framework

Under the authoritarian rule of the New Order, self-censorship of electronic mass media worked as an informal additional constraint to a restrictive formal legal and regulatory framework. The legislative and regulatory framework for electronic media only partly revealed its restrictions on electronic media and in fact created an illusion of free speech. Recent developments in Indonesia, resulting from the reformasi/demokrasi-movement, have had a significant positive impact on de facto press freedom and increased the opportunities for electronic media in rural development.

The main actors in the legal and regulatory environment for telecom are the Ministry of Tourism, Post & Telecommunication (MTPT) and the Directorate General for Post and Telecommunication (DGPT), which reports to MTPT and regulates the telecom industry for tariffs, interconnection, frequency management and specific regulations. The legal framework for freedom of speech related to electronic mass media consists of the 1945 Constitution and the revised (1982) Press Act of Indonesia. The press act could be restrictive, partly due to the lack of a guarantee for freedom of speech in the 1945 Constitution. The State-owned electronic mass media (Radio Republik Indonesia, RRI; Televisi Republik Indonesia, TVRI) originally operated as monopolists. To limit the range of local independent AM radio stations, the State issued licenses with limitations on the power source. In 1989, the State re-regulated the broadcasting sector and allowed a few commercial television stations. Furthermore, in 1997, Broadcasting Law #24/1997 was enacted, which seeks to protect the domestic broadcasting market from penetration by foreign commercial stations. Under the 1997 law, foreign investment is not allowed in domestic electronic mass media. The law had just been enacted when opposition came from private television stations stating that 'the law is not consistent with the current reformation era, which demands more creativity and freedom from the electronic media' and there is a 'need for TV stations to perform their social control function, which includes criticizing the government' and 'clearer guidelines are necessary so that TV stations will not be accused of breaching the broadcasting law' (The Jakarta Post, 17 June 1998). The different political climate in 1998 also changed the perceptions of the information and communication environment. A new press law was passed in October 1999, which forbids censorship, banning or the prohibition of the right to publish or broadcast, guarantees rights of the press to acquire and disseminate ideas and information, and abolishes the license requirements. However, the 1999 press act applies to electronic mass media, with different legislation applying to networked electronic media.
Economics and ownership

Indonesia’s media landscape is a combination of State-ownership (RRI and TVRI) and private enterprise. However, at the time of the field research three of the five commercial television stations were owned by immediate relatives or friends of Soeharto. In 1990, one of Soeharto’s children obtained a license to start a commercial television station, *Rajawali Citra Televisi Indonesia* (RCTI), a member of the extended family started *Surya Citra Televisi* (SCTV) and finally a second child of Soeharto obtained a license for commercial educational television (*Televisi Pendidikan Indonesia*, TPI) in the same year. However, despite a privatization of the electronic mass media, State-control remained in place since the commercial stations could only broadcast State-prepared newscasts (Borsuk, In: Emerson (ed.), 1999: 138). This may not have been aimed at the above mentioned stations, but rather at *Indosar* and *Andalas Televisi* (ANTV). These commercial television stations had no connections to Soeharto and were, therefore, outside the immediate control of the vested political and economic interests.

**Electronic mass media: the present situation in Indonesia (1998)**

The New Order regime conceived of all electronic mass media in Indonesia as ‘social partners’ in a joint effort to develop Indonesia in line with *Pancasila*. That has led to active State efforts to ensure that electronic mass media would actually play that presumed responsible and social role. The role of the electronic media was laid down in policy directives of Repelita VI.

*The mass media should facilitate and enhance interactions among members of the community as well as between the community and the government in an open and responsible manner. (...) policies aim at (...) intensifying press activity in a more healthy, free and responsible direction; developing a regional press (Repelita VI)*

The mass media have been at the center of many pro-democracy developments in Indonesia immediately prior to, and since, Soeharto’s resignation.

**Radio and television**

Private radio stations are numerous in Indonesia and the number of radios per 1000 people was estimated at 149 in 1995 (UNDP, 1998c: 166). RRI, the State-owned and -controlled radio station, is the only radio station that covers the entire archipelago through local relay broadcasting stations, and, under Soeharto, mainly fulfilled a political actor role. Apart from the local RRI branches or radio stations affiliated with RRI, radio stations are privately owned (*swasta*) and broadcast music, news and occasionally discussions on various non-political topics. However, non-State radio stations do not perform roles as social actors in society, but rather as economic actors. RRI broadcasts informative programs directed at specific groups in society, for example daily information on market prices and weather forecasts is provided to farmers. However, RRI only broadcasts in Indonesia’s national language, as opposed to privately owned stations, which often also broadcast in local languages.

The estimates for the number of television sets per 1000 people vary between 147 in 1995 (UNDP, 1998c: 167) and 232 in 1996 (World Bank, 1999: 227). Given the easier access to television sets in larger cities, it is relevant that 9% of Indonesians live in cities with more than 750,000 inhabitants. The total urban population of the country is 35% (UNDP, 1998c: 174). Before Soeharto’s resignation, Indonesia had seven television stations, five of which were privately owned. Until 1990, TVRI, the State-owned and controlled television station, operated in a legal monopoly. TVRI-affiliated local television stations also broadcast on TVRI’s frequencies for a few hours per day. TVRI is the only television station covering the entire archipelago of Indonesia without the need for people to install a satellite dish. TVRI has one national broadcasting center, thirteen regional broadcasting centers and a some mobile production units and uses the PALAPA satellite, described below. In rural areas, privately owned television stations require the use of satellite dishes, but in urban areas they can be received with ordinary antennas. TVRI aims informative broadcasts at specific groups in society, whereas other stations focus on entertainment, sports and news. In general, TVRI can be received with a television set and an antenna. Under the Kelompencapir program, the State is said to have provided at least one TV-set to each village. The basic idea is that people listen to radio, watch television and read newspapers in
groups and engage in discussions to arrive at a more active reception of information.

Telephone, Internet and radio communication

Indonesia uses a domestic satellite system (PALAPA), a terrestrial microwave relay system and terrestrial cable connections for domestic telecom services. The N21 initiative foresees extensive investments in telecom infrastructure and a time schedule for developing physical infrastructure has been prepared. A distinction is made between basic and non-basic telecom services and licenses have been issued by the MTPT to privately owned operators to deliver non-basic telecom services. Basic telecom services remain the domain of PT Telkom (domestic), PT Indosat and PT Satelindo (international).

All over Indonesia privately owned communication centers (warung telekomunikasi) can be found. They may be owned by private individuals, companies or cooperatives, but always operate under revenue sharing agreement with PT Telkom. A typical communication center operates four lines and offers local, domestic long distance and international (IDD) calling services. Five types of communication centers can be distinguished, based on the number of telecom or postal services they provide.

- Warung Pos Telekomunikasi-Internet (WarPosTel-Internet): offer basic telecom services (local, domestic long distance, IDD, toll-free calls), as well as facsimile and Internet access.
- Warung Pos Telekomunikasi (WarPosTel): offer most of the above mentioned services, excluding obviously the access to Internet.
- Warung Telekomunikasi (WarTel): provide similar telecom services, but often local calls have to be made using a coin phone, whereas the larger types offer separate phone booths.
- Kios Telepon (KiosPon): offer only local and domestic long distance calls and for local calls often coin operated phones are used.
- Telepon Umum Tunggu (TUT, guarded public telephone): not a communication center, but an upgraded public phone booth.

Apart from telecom services, depending on local demand, other services may be offered. Communication centers provide telecom and other services on a commercial basis and no specific use of the centers is made for information provision or exchange for rural development.

In 1986, Pos Indonesia (Indonesian Postal Services) became the first Internet Service Provider (ISP) in Indonesia. Apart from offering Internet-services to individuals, Pos Indonesia created Warung Pos Internet (WarPosNet), using VSAT technology to link the post offices to its wasantara.net. All provincial capitals (27) and a large number of kabupaten capitals (54) have been linked to the network by VSAT-units. WarPosNet facilities are not present in all connected post offices, due to a lack of demand for that service in a number of the connected post offices in relation to the high cost of the satellite link. Internet-cafes cater to foreigners and the wealthier part of the Indonesian population and, therefore, are found in large cities or tourist destinations. Radio communication is widespread in Indonesia and radio amateurs are organized in two associations, the Organization for Radio-Amateurs in the Republic Indonesia (Organisasi Radio Amatir Republik Indonesia, ORARI), using 7 MHz and 144 MHz radio frequencies for long distance communication and the Indonesian Radio of the People (Radio Antar Penduduk Indonesia, RAPI), operating on 27 MHz (CB) and 140 MHz frequencies for short distance communication. However, within Indonesia’s legal and regulatory framework it is difficult to foresee a contribution by radio communication to rural development through electronically mediated information in rural networks.

9.7 CONCLUSION REMARKS: CONDUCTIVENESS TO SOCIAL CHANGE

The conduciveness of Indonesia’s socio-political and economic context to development as freedom of choice through autonomous spheres of empowerment was relatively low under Soeharto’s New Order. Soeharto emphasized Pancasila to defend Indonesia’s communitarian perspective on individual rights, as well as the unitary nation-state concept to justify central control and to reject regional autonomy.

Rural development, electronic media and the role of information provision and exchange in rural development were all subject to the centralized and institutionalized nature of development in

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Indonesia. During the New Order era, political participation was restricted to the right to vote in orchestrated elections and therefore de facto non-existing. The main question concerning Indonesia under President Wahid is whether autonomous spheres of empowerment will be feasible and whether the socio-political and economic context of Indonesia after reformasi will be conducive to development as freedom of choice. Wahid’s government has introduced political changes and reduced the democratic deficit, but the impact of these democratic reforms beyond the political domain is limited and the economic crisis continues. The MPR discussed possible amendments to the 1945 Constitution, but eventually did not change Indonesia’s communitarian interpretation of individual rights as it prevailed under Soekarno and Soeharto. It also remains to be seen whether changes beyond the domain of formal institutions of democracy will take place, since adherence to Pancasila and the importance of the unitary nation-state have also been stressed by Wahid on various occasions.

Secessionist activities in Aceh and Irian Jaya indicate that for the majority of Indonesia’s political leaders the unitary nation-state concept still determines their responses to demands for more autonomy. After Indonesia was forced to release control over East-Timor, it appears that the nationalists and the armed forces have joined forces to suppress further separatist movements, of which Aceh and Irian Jaya are the most obvious examples. The situation in Irian Jaya also underlines the limited authority and power of President Wahid. Despite Wahid’s short-term grant to the people of Irian Jaya of the freedom to openly display some symbols of independence (May 2000) and his long-term promise for more autonomy, he has had to back-pedal on those promises. The DPR blocked both the short- and the long-term promises and Wahid’s nationalist vice-president (Soekarnopoetri), to whom he has formally delegated the issue of regional demands for autonomy appears intent on preventing a further break-up of Indonesia. In her efforts, she is allegedly backed by the army, a further indication that the institutionalized nature of the centralized power structure of Indonesia cannot be changed overnight. The State’s handling of Aceh and Irian Jaya suggest that although the socio-political and economic context may formally be more democratic, that does not mean that it is necessarily more conducive to development as freedom of choice in the form of autonomous spheres of self-empowerment.