

Institutions in Post-Soeharto Indonesia: A Symposium
Monash Asia Institute and Centre for Southeast Asian Studies

Conveners: Sharmini Sherrard sharmini.sherrard@adm.monash.edu.au

Nick Herriman nicholas.herriman@adm.monash.edu.au

Discussant: Greg Barton

9.30-5.30, Monday, July 13, 2009

Manton Room SG04/11

Menzies Building

Clayton Campus, Monash University

Since the 1998 fall of Soeharto, the way civil society, business sector, and state institutions operate and the environment in which they work, has changed significantly. Presenters in this one-day symposium will draw on cutting-edge research to identify and analyse changes and continuities in three kinds of institutions. First, civil society institutions—namely NGO, press, and religious organisations—have flourished in the past decade, and yet face new operational and ideological challenges. Second, foreign direct investors, including mining companies, now deal more directly with increasingly empowered local and regional bodies. This has improved social welfare and infrastructure, but has also created instability and other disincentives for investment. Third, national and local government, made increasingly accountable to local people by decentralisation, has become more democratic, more amenable to ‘traditional’ arrangements, but also more complicated and, at times, compromised. All are welcome for what promises to be an incisive assessment of Indonesian institutions.

Please RSVP indonesiasymposium@gmail.com

Discussant: Greg Barton

9.30-9.40	Introductions and Welcome (Prof Vicziany)
9.40-10.00	Opening Comment (Prof Barton)
10.00-12.00	1. Civil Society Institutions: NGO, Press, and Religious
12.00-1.00	Lunch
1.00-3.00	2. Institutions involved in mining and foreign direct investment
3.00-3.30	Afternoon Tea
3.30-5.30	3. Government Institutions
5.30-6.00	Close
6.30-8.00	Dinner

10.00-12.00

Civil Society Institutions: NGO, Press, and Religious

10.00-10.30

Sylvia Yazid, PSI Monash
syaz2@student.monash.edu

Responding to Changes after *Reformasi*:

Activism of Indonesian NGOs on the Issue of Labour Migration

NGOs dealing with labour migration have been operating in a very different context since the Reform period (*Reformasi*). The Indonesian government has made efforts to address problems associated with labour migration. Additionally, NGOs have a wider scope for activism. This paper examines how two Indonesian NGOs, Solidaritas Perempuan and Migrant CARE have responded to the changes in labour migration policies. For NGOs to develop their activism, an accommodative environment is crucial. Thus, this paper will firstly look into the policy environment after 1998, to identify whether it has allowed greater political space for NGOs working on the issue of migrant workers. Secondly, this paper will discuss the NGOs' interactions with the government. Thirdly, it will examine the strategies that the NGOs employ in responding to government policies. In spite of the new environment, NGOs still face weaknesses in the implementation of laws and regulations and inconsistent attitudes of the bureaucracy. Therefore, in response, the NGOs have also made some changes in the way they operate

10.30-11.00

Monika Winarnita, CSEAS & ANU
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Strategic Ibuism: The use of “motherhood” by women’s NGOs

During Indonesia’s New Order years, the state successfully used the notion of “motherhood” to depoliticise and domesticate Indonesian women. In this paper, I demonstrate the continued use of “motherhood” by women’s groups in the Post-Soeharto era. I first consider Voice of Concerned Mothers (or SIP), which is a prominent NGO whose members have been arrested and tried. During the political upheaval of 1998, SIP used the state sanctioned notion of motherhood to raise domestic concerns in the public arena. In subsequent years, SIP resiled from their use of ‘motherhood’ as a unifying identity. Nevertheless, in 2006 they again used ‘motherhood’ as a strategic unifying political identity as part of their struggle to change Indonesia’s citizenship laws to enable dual citizenship for children of non-Indonesian fathers and Indonesian mothers. Similarly women’s political organisation such as KPC Melati and Alliansi Pelangi Antar Bangsa also used Indonesian motherhood concerns to lobby the government against what they see as a patriarchal and colonial laws providing fathers’ rights over mothers’. I conclude that both during and after the fall of Suharto, Indonesian women political organisations have repeatedly used the same essentialising and unifying identity of motherhood to enact political change and resurrect the institution of women’s activism.

11.00-11.30

Press Organisations: AJI
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AJI: The Alliance of Independent Journalists in the Post-Soeharto Era

AJI (Aliansi Jurnalis Independen— The Alliance of Independent Journalists) was established in 1994 response to President Soeharto’s severe restrictions on press freedom. In the post-Soeharto era, these restrictions have been lifted and the culture and economics of the press have changed markedly, due in no small part to the activism of AJI. How has AJI responded to these changes? This presentation will focus on AJI’s moves to professionalise the organisation, increase membership, and cooperate with international journalists’ organisations. In its transformation from a banned underground organisation, AJI has become Indonesia’s most influential journalist association.

11.30-12.00

Julian Millie, PSI Monash
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***Dakwah* oratory and Institutions in Indonesia**

As part of my research into *dakwah* oratory in Indonesia, I have been attempting recently to observe how audiences are constructed by organisations active as *dakwah* agents. The goal is to map the variety of understandings given to oratory and other *dakwah* forms by Indonesia’s diverse Islamic constituencies. It is not far-fetched to suggest that the differing constructions of Muslims as audiences for *dakwah* messages will tell us something about the goals, missions and social understandings of the various groups. In the workshop on Indonesian institutions, I hope to discuss the social perceptions of *dakwah* institutions in Indonesia, and comment on the state’s role as an unwilling participant in Islamic *dakwah*.

1.00-3.00

Institutions involved in mining and foreign direct investment

1.00-1.30

Kirsty Haymon, PSI Monash
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Institutions in Post-Soeharto Indonesia:

Foreign investment, the mining sector and legislative changes

There is little doubt that mining has played a significant role in Indonesia's economic development; in 1996 investment in the extractive industries contributed US\$160 million to the Republic's economy but in 2001 investment had dropped to less than US\$22 million. While the Southeast Asian monetary crisis in 1997 and the political instability following the resignation of President Soeharto in 1998 contributed to this slump, the impact of decentralisation on the mining industry cannot be underestimated. This has taken the form of two key autonomy laws which have ostensibly transferred significant power and revenue to 30 provinces and 365 districts. While this has appeased public demands for a more accountable and transparent political system it has also resulted in an unstable investment climate. This situation has been compounded by the passing of Law 4/2008 on mineral and coal mining; a bill that has been long awaited by both domestic and international investors. This presentation examines the impact of these political and economic changes on foreign investment in the mining sector. In particular, it will focus on data reported in the annual Fraser Institute surveys which shows that international exploration corporations are unwilling to invest in countries such as Indonesia despite the overwhelming amount of mineral potential. Further analysis reveals that foreign investors are primarily concerned by the number of legislative inconsistencies between the central, provincial and district governments. Consequently, foreign investment in the industry has waned and the consequences will be played out for some time.

1.30-2.00

Azhari Yahya, Monash
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Foreign Direct Investment and Local Communities in Aceh

Indonesia's first foreign direct investment law No.1 of 1967 allowed centralised control of foreign direct investment in Aceh Province. Following the fall of Soeharto, Aceh was allowed to deregulate foreign direct investment based on the Law No. 11 of 2006. This law has provided a great opportunity for Aceh's communities to obtain higher net-profit share from natural resources exploration - 70% for Aceh and 30% for central government. This presentation will analyse socio-economic impacts of foreign direct investment on local communities as a consequence of the Law No.11 of 2006. I first describe the background and legal context of the Law No.11 of 2006. Then I examine socio-economic impacts of foreign direct investment on local communities by applying both neoliberal and dependency theories as a tool for academic analysis. I also draw on some case studies from other countries to compare with the case of Aceh. In sum, local communities now have greater access to economic benefits from natural resources exploration by foreign companies. I conclude this presentation by providing some applicable recommendations.

2.00-2.30

Petra Mahy, ANU
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Contesting CSR in a Resource-Rich Region of Indonesia: The Establishment of the Multi-Stakeholder CSR Forum in Kutai Timur

Decentralisation in Indonesia has had profound impacts on the resource-rich regions of Indonesia which now receive the bulk of the profits from the exploitation of the resources in their own regions. Concurrently, ideas about Corporate Social Responsibility (CSR) have been gaining greater traction in the country and companies are increasingly under greater pressure to give further benefits to local communities often through dedicated community development programs. This presentation will describe how CSR is being negotiated between the district government of Kutai Timur in East Kalimantan and the major resources companies operating in the district particularly Kaltim Prima Coal, a major coal producer. I will focus on the issues surrounding the establishment of a unique body called the Multi-Stakeholder-CSR Forum (MSH-CSR) - a body said to be aimed at ensuring transparency and community involvement in CSR, but may also be read to be part of the ongoing effort to directly funnel companies' CSR funds into local government budgets (APBD).

2.30-3.00

Afternoon Tea 3.00-3.30

3.30-5.30

Government Institutions

3.30-4.00

Alistair Montfort, Monash
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Localism and Village Government: The return of the Nagari inside West Sumatra

The 1979 Village administration law changed the structures of many local governments around Indonesia making them uniform with the Javanese Desa model. This occurred as many administrative governments also incorporated cultural tenants in its legal structures and other apparatuses, so there was more than a rearranging of the administrative structure. When Suharto's New Order regime collapsed under public pressure in 1998 the possibility to rearrange many Indonesian institutions became realised. The chance to rearrange local administrations became a possibility as well. This presentation will address specifically the power politics involved at different levels which surrounded the reintroduction of the Nagari, traditionally the lowest level of administration for the Minangkabau people of West Sumatra. In looking at the debates which surrounded the return of the Nagari from the Desa those political and cultural institutions which are important to the Minangkabau people are readily seen.

4.00-4.30

Rasita Purba, PSI Monash
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Central and Local Government in Indonesia: A New Paradigm?

Reformasi, the Indonesian reform movement which brought about the fall of the New Order in 1998, also considerably changed power relations between central and local governments. Changes in regulations on local government, particularly the replacement of Law No. 5/1974 with Law No. 22/1999 created a more decentralised system. This paper analyses important changes in these laws and their effects on local government, by focusing on people's everyday lives. First, I contrast the New Order's centralised system with the local authority, responsibility and initiative provided by Law No.22/1999. I then look at Law No 32/2004 which provided a more detailed, systematic and clear statement about local governance, although it was criticised as a backlash against the Law No. 22/1999. I then argue that Law No. 22/1999 promotes a more democratic society and Law No 32/2004 strengthens the rights of the public in policy processes, and on the other hand, emphasizes the responsibilities of the local governments to realise the goal of public participation. The findings are important as they demonstrate how decentralisation can promote democracy, public participation and good governance.

4.30-5.00

Fertiana Santy, Monash
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Government Reform at the National Level

5.00-5.30

Nicholas Herriman, CSEAS Monash
Nicholas.herriman@adm.monash.edu.au

Institutions of local government: Breakdown, Resilience and Social Control from below in rural Indonesia

For some time, studies of Indonesia have characterised the state as all-powerful and overbearing, and as dominating society. The most common basis of the idea of state domination is that it 'pervades society' [Liddle] (1985:71). According to the notion of pervasive structure, village heads and other local state officers diligently follow orders from above. In the three sections of this paper, I critique the idea that representatives in local state institutions are simply agents of their state superiors in Post-Soeharto Indonesia. First, breakdown of command occurs when officials do not follow imperatives from superiors. Second, local officials face resistance when they attempt to follow imperatives from superiors but are thwarted by local residents. Third, social control from below occurs when official attempt to follow imperatives from local residents. Analysing these three phenomena calls into question the idea that the state dominates society in Post-Soeharto Indonesia.