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"Corruption Ruins Everything": Gridlock over Suharto's Legacy in Indonesia (Part I)

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Indonesia since the fall of Suharto in 1998 under reformasi remains subject to powerful tendencies for disintegrasi—both province-based "separatism" and general socio-political decay. These tendencies are greatly aggravated by the failure of democratically elected presidents and parliaments to effectively tackle endemic corruption or reform the armed forces, which continue to enjoy near-total immunity as a major practitioner, guarantor and enforcer of corrupt business practice and extortion. This article notes the activism of civil society and liberal media on the corruption issue and the commendable new array of anti-corruption institutions. But it argues that reform efforts have been virtually nullified by broad collusion of Indonesia's political, bureaucratic, military and business elites in sustaining—while "democratizing" and decentralizing—the system of corruption inherited from Suharto. The reform effort is now subject to political stasis or gridlock induced by money politics. Some reformers believe that politics in Indonesia has been effectively replaced by "transactions". In arguing that "KKN" [1] "ruins everything"—people's well-being, investment prospects, government budgets and development planning, democratic politics, the justice sector (including its corruption-fighting capacities), military professionalism, the environment and more—the author is serious. The article suggests that real change must await new social and political constellations and struggles initiated outside the parliamentary arena.

Part II can be read here.

Recent surveys suggest that there is much less concern now about Indonesian disintegration in the usual sense—provincial defection--than in the early days of reformasi under Presidents Jusuf Habibie (1998-9) and Abdurrahman Wahid/Gus Dur (1999-2001). At that time both Acehnese and Papuan civil society mobilized strongly for independence and East Timor managed to achieve it.[2] Aceh since early 2005 has enjoyed a ceasefire and disarmament agreement between the Free Aceh Movement (GAM) and Jakarta in which referendum and independence demands have been put aside and any immediate danger of secession averted. But Papua has remained restive and the special autonomy deal of 2001 has clearly failed to bring reconciliation or peace, undermined as it has been at every turn by nationalists and corruptors —and the military (who combine these roles)--at the Centre and in Papua. Nationalists—all those prepared to back coercion and military action against proponents of peaceful demands for justice and self-determination among alienated minorities—could also pose a long-term threat to the Aceh peace.[3]

If the threat of outright disintegrasi by provincial defection has been lowered a little, the threat of political stasis (the "gridlock" of my title), leading to disintegrasi in a more general sense, has not. KKN (Korupsi, Kolusi dan Nepotisme) remains at the heart of Indonesia's problems. The economy which was so devastated by the Asian crisis in 1997-98 continues to languish and benefits mainly those who contrived to avoid their just desserts following the financial meltdown of that time. External debt, estimated at $130.2 billion for 2006 was still half of GDP [4]; per capita income remains barely $1000 per annum for Indonesia's 225 million people, and half of them live on less than $2 per day. The bill for debt repayment and interest, both domestic and foreign is almost double the development budget. Indonesia has now paid off the IMF debt incurred in 1997-8, and the Rp2,500 trillion (US 260 billion) economy is growing at around 6 per cent [5], but headaches continue with infrastructure development and accommodating foreign investment, and the budgetary situation could become stressful again when $100 per barrel oil impacts on import costs, which are not adequately offset by (corruption-prone) exports, and fuel subsidies.

This article explores the role of KKN, and the violence, especially TNI (Tentara Nasional Indonesia—armed forces), so often intimately associated with it, in future prospects for stasis and disintegrasi and in Indonesia. At the same time it canvasses the potential role of civil society and political struggles in bringing KKN and its dependent Indonesian elite under control. It also highlights the neglected role of foreign actors, especially big resource investors and resource consumers, in the KKN dynamic and conundrum. It seeks to develop a framework for the understanding and potential extirpation of KKN post reformasi going beyond the hegemonic World Bank or liberal understanding of the anti-corruption struggle.[6] In the liberal view corruption reform depends on strengthening an existing legal-moral reform movement which is being led by one—the reforming—segment of the existing Indonesian elite. This segment is presumed to be allied with wider civil society forces in a struggle against the practitioners of KKN in legal, judicial, police, bureaucratic (ministerial and state corporate), military, political and business circles.

Rather, I will argue, KKN should be conceived first of all as a partly competitive, partly cooperative, leading industry of the ruling elite as a whole. It is certainly more competitive—and decentralized—than it was under the Suharto dictatorship, and there are quite a few new players. But there has been no significant elimination of old big players—many of whom are living a luxurious exile in extradition-free Singapore.[7] Moreover intra-elite competition over the spoils of KKN may be often a charade. When police and prosecutors, prosecutors and judges, or politicians and cronies appear to be in conflict there may be explicit or tacit deals in operation for mutually beneficial outcomes. After all the whole business of appealing corruption cases up the court hierarchy (or KKN food chain) is essential for the more intensive extraction as well as the more democratic distribution of bribes. Meanwhile police, prosecutors and judges alike are at least scoring points with some publics for assiduous hard work—more likely foreign publics than domestic.

Underlying the bustle in the legal system there seem to be two fundamental deals, or perhaps conspiracies, which have shaped court outcomes decisively and rendered fundamental reform just about impossible. One is the military guarantee of the "safety" of the Suharto family, including apparently its ill-gotten tens of billions of dollars. This was originally extended by then TNI commander and Minister of Defence Wiranto at the point where Suharto yielded up the Presidency in May 1998. It is evidently being honoured by his successors, as discussed below.[8] The second deal/conspiracy is even more speculative—but seems to be another fundamental pillar of the post reformasi corruption order. It is the failure to seriously pursue the bank officials and conglomerate cronies who conspired to steal or embezzle tens of billions of dollars of Bank Indonesia liquidity credit rescue funds issued in 1997-8.

Suharto testifies in (his) parliament: DPR Budget Session, Jakarta, 1991 (Adjjudan Presiden Kolonel Wiranto behind right)

In addition, the unreformed TNI continues to enjoy the fruits of its own largely untouched and untouchable KKN and extortion empire. It continues to play a central role by both violent and other means in upholding its own KKN order and much of the new decentralised KKN order as a whole right down to village level where the parallel government of its "territorial function" continues to operate, despite solemn post-Suharto promises to repeal it.[9]

Finally, the external drivers of local corruption—rather conspicuously neglected in the tables and methodology of Transparency International—deserve to be placed centrally in the KKN picture. Indonesia's "weak" state capacity and corruption control mechanisms and enervated political will are to a large but indeterminate and inadequately researched extent a product of inadequately controlled forces in the international environment. Prominent among these are multinational resource companies, foreign consumers of mineral, energy and (mostly illegal) forest products and associated foreign governments. Construction, armament and no doubt many other kinds of foreign companies and "their" governments are no doubt also important in a process involving continuous corruption of local corporate cronies, politicians, state officials and the military to grease the wheels of investment, licit and illicit trade and other business dealings. The role of countries such as Singapore and Malaysia in providing safe haven for Indonesia's corporate criminals also needs to be mentioned in this context.

About one-third of Singapore's known millionaires are thought to be Indonesian nationals, many of whom have recently acquired Singaporean citizenship. In October 2006 the US investment bank Merrill Lynch estimated that Indonesians based in Singapore—some of whom of course repatriated funds "legitimately" to Singapore during the Asian crisis of 1997-98—own assets worth $87 billion: substantially more than the Indonesian budget.[10]

The BLBI Scam and After

In the immediate aftermath of the Asian crisis the chief New Order corporate, parliamentary and bureaucratic actors resorted to KKN on a massive scale by in effect embezzling the huge rescue funds—IMF, Bank Indonesia and government sourced—which were intended to reflate, restore and help reform the banking system. As this predatory class, still led by the Suharto family and its chief corporate/banking cronies, resumed the plunder-by-corruption of the Indonesian interior (to borrow Marx's phrase), they were aided, abetted and joined by a widening circle of senior bureaucrats, and state industry sector executives, together with the "court mafia" comprised of judges, prosecutors and court officials, and police, together with military generals (many retired) as well as politicians and party officials.

Then, as decentralisation reforms took hold from 2001 and large new revenues flowed towards provincial and regency coffers, local businesses and local-level officials, both bureaucratic and elected, joined the KKN club. They soon began to operate in ways barely possible under Suharto's centralizing dictatorship, thus gravely sabotaging the potential of special and regional (ordinary) autonomy to deliver long-delayed economic justice and a sense of effective local participation in Aceh, Papua and elsewhere.

Money politics between parliaments at all levels, national, provincial and regional, and the electorate, were complemented by money justice and kleptocratic state administration as well as corruption, illegal business dealing and extortion on the part of the military. Much of this was an old New Order (1966-1998) story, but in conditions of demokratisasi it was at once less centrally regulated, much more transparent—and still massive. Rarely can theft on such a scale have been so openly conducted. Buttressed before long by the $16 billion IMF-supplied credit to Bank Indonesia, BLBI (Bantuan Likuiditas Bank IndonesiaLiquidity Credit) set about a bank bailout in late 1997 whose funding was misappropriated almost totally by the crony banks of the leading cronies of the old regime.[11] A derisory fraction of these funds has been recovered—much went to pay off foreign debt and to prop up (or, later, recover ownership of) bankrupt conglomerates.

In addition, Bulog (Badan Urusan Logistik, the national logistics agency), including its poverty alleviation fund; Pertamina (Perusahaan Tambang Minyak Negara--the state "oil mining company" or fuel and gas monopoly), and other government statutory bodies continued to be fair game for various scams and large-scale theft and kick-back schemes, as before under Suharto.[12] The poverty which needed to be alleviated turned out to be the comparative poverty of the well-heeled in the wake of the Asian crisis. Poverty intensification for the general population was a feature of the post-meltdown scene, and it was generously helped along by the masters of KKN.[13]

" The poor are always with us": Canal scene, Jakarta

In certain cases the transparency of reformasi was painful for KKN practitioners, especially for the only Suharto crony, Bob Hasan, and the only Suharto child, Tommy, who went to jail.[14] But some foreign corporate players also found transparency tough. The US-owned Freeport mining company in Papua, for instance, having cemented its status in the 1960s by massive, in effect, free, share issues to Suharto foundations and cronies, paid off TNI (the armed forces) in various ways for many years, but then found itself required to conform with the US Foreign Corrupt Practices Act. Hence it sought to reduce contributions to senior generals' bank accounts and other off-budget expenditure. The result was the unresolved (except by an Indonesian court) murder of two of its own employees in 2002. This was almost certainly engineered by its good friend and accomplice in Papuan dispossession, the army.[15] But the US Attorney General, John Ashcroft, mindful of the pressing requirements of the war on terror, including the Bush administration's own resort to torture and terror tactics in Iraq and elsewhere, and unmindful of the TNI's own mastery of terror over the decades, not least in Papua, eventually blamed the murders on the Papuan freedom movement, the OPM (Organisasi Papua Merdeka).[16]

Violence, Corruption and the TNI

Such violence is no accidental or ancillary part of the KKN story. Systematic and large-scale violence enters the picture with Suharto's assault on the Left and the mass killings of 1965-66, accompanied as they were by imprisonment and forced labour for hundreds of thousands more, and the dispossession and "decitizenising" of the extended families of tapols (tahanan politik, political prisoners) and others which followed. This ordeal for millions was justified by a mendacious regime-propagated myth of the Left as a daemonic threat to social order. The way was open to the politics (and economy) of the so-called "floating mass" (massa mengambang) in which the people were truly weightless when it came to political or industrial influence and organisation.[17] Thus the unrestrained (by effective law or independent unions) exploitation of labour and the extra-legal enrichment of the First Family and its leading Chinese and pribumi (native) cronies could proceed without serious legal, political, industrial or agrarian disturbance.

General Suharto was the architect of the system and its executor, and the corpses of 1965-66 were a graphic reminder that dissidence, resistance, or simply a Left orientation, carried a heavy price. In Papua and Aceh, where disintegrasi ("secessionism") of the first kind identified above has been an issue for much more than a generation, policies leading to disintegrasi of the second kind (sosial) were actively practiced at the point of a gun—exploitation without compensation on Suharto's orders of local resources (copper and gold, as well as timber) by complicit multinationals in the interests of associated cronies and generals as well as foreign shareholders and consumers.[18] Local resistance to dispossession, impoverishment and environmental despoliation based on corrupt dealing was met with military and police "sweeping" and shooting, with jailing and assassination. Resistance has persisted up to the present in Papua where an effective peace deal with Jakarta is still lacking.[19]

Despite the efforts of President Abdurrahamn Wahid and a few other leaders under reformasi, the violent and derogatory myths of the Suharto era continued to flourish, together with the Cendana Family billions, and the reconstruction of a viable Left opposition languishes correspondingly.[20] The synergy between KKN and La Violencia has been overlooked or slighted by those over-anxious to celebrate the achievements of demokratisasi, or to insist in the face of much evidence to the contrary that a benign transition is underway. Indonesian civil society remains lively but embattled and still struggling for real empowerment despite renewed media freedom. The reasons are not far to seek.

Intimidation of Civil Society

From the procured murder of the judge who sentenced Tommy Suharto to prison on corruption charges in 2001 to the BIN (Badan Intelijen Negara—State Intelligence Agency) associated poisoning murder of Kontras (Komisi Untuk Orang Hilang dan Korban Tindak Kekerasan-- Commission for Disappearances and Victims of Violence) founder and scourge of the TNI, Munir, on or just after a Garuda flight to Singapore in 2004, the wages of honesty in civil society or the judiciary can be death. Straightforward military violence, as in the 2001 assassination of Papua Council Presidium chairman and leader of Papua's non-violent independence movement, Theys Eluay, by army special forces (Kopassus) is one issue. Another is military-protected or military-induced violence in support of KKN, such as the recruitment of so-called "false OPM" in Papua who seem to have carried out the intimidating murders at the Freeport mine in 2002,[21] and much of the enforcement activity attributed to preman preman (gangsters).

The NGOs and press alike must contend with the hoodlum factor—wielded most notoriously, often with police or military complicity-- by leading Sino-Indonesian tycoon, Tomy Winata (Oe Suat Hong). In his long-running war with Tempo magazine over a March 2003 story concerning a suspected arson in a huge textile market in Jakarta, the Tempo offices were attacked by Tomy's goons. (The invaders included members of then President Megawati's PDI–P party's paramilitary youth, Young Bulls). Tempo's editor (Bambang Harimurti) was attacked by other thugs at a Central Jakarta police station, and the house of its co-founder (Goenawan Mohamad) was confiscated by pliable judges in the East Jakarta district court to cover a Winata libel suit.[22]

Tommy Suharto Tomy Winata
(TNI sleeve in view)

But TNI is not alone in protecting its own corruption and other illegality violently, as the case of Tommy Suharto makes clear. There is in effect one law for the big corruptor and another law for the small one and the orang kecil (little person) in the slum or kampung. The difference is made by the winning combination of money and violence. Tommy Suharto's judges in his subsequent murder trial did convict him, but gave him a considerably lighter sentence (15 years, eventually reduced to four with remissions) than his hired hitman. Imagine the feelings, let alone the calculations, of those sitting on the bench at his various trials, knowing also that Tommy had spent a year on the run in Jakarta under military protection in the lead-up to his murder trial—and not forgetting that the former First Family's wealth, including his own, remains largely untouched.[23]

Under Yudhoyono

President Yudhoyono had made the campaign against corruption a centrepiece of his 2004 election campaign, and in May 2005 told the chairman of his own Coordination Team for the Elimination of Corruption (Tim Task Tipikor), Special Prosecutor Hendarman Supandji, 'that regardless of whomever was found to be involved in corruption, he should carry on with his duties.'[24] However in May 2006

Yudhoyono moved to drop all criminal corruption charges against Suharto but was forced to hold off temporarily in the face of a public backlash. Nevertheless his supposedly "reforming" Attorney General, Abdul Rachman, former director of the Jakarta Legal Aid Instiute (Lembaga Bantuan Hukum, LBH), soon afterwards succeeded in persuading an appeals court to allow the criminal charges to be dropped in a $600 million corruption case against Suharto family foundations on the grounds of the ex-President's (then highly controversial) ill health.[25]

Seriously pursuing the Suharto billions is just too difficult, dangerous and potentially self-incriminating for the post-Suharto elite, although Yudhoyono's new Attorney General, Hendarman Supandji, has recently launched a civil action against the Suharto foundations[26], and the criminal case (a land scam) over which Tommy ordered a judge's murder but for which he was eventually exonerated by the Supreme Court has also been revived as a civil action.[27]

On the other hand, as I have explained elsewhere, Tommy's further fortunes in freedom received a large boost when no less than two of Yudhoyono's cabinet ministers went to bat for him in 2005. His multimillion-dollar Motorbike company account at Bank Paribas in Guernsey had been frozen on suspicion of money laundering. Successive justice and human rights ministers for SBY,Yusril Mahendra (whose own law firm figured prominently in the affair) and Hamid Awaludin (also a popular suspect in the electoral commission kickback scandal discussed below), between them not only swore that Tommy was clean but opened a state bank account to (momentarily) receive the disputed millions. Neither has been charged with or required to explain anything, although Hamid was dropped in the most recent cabinet reshuffle.[28]

Here is one key to KKN: money protects existing money; money restores lost money; money makes more money; money disarms, demoralizes or can be used to destroy the protagonists of combating bad money. Violence is the longest of the long shadows thrown by black money, which is probably, one way or another, most money in Indonesia. But money alone, including the lack of it, is also at the root of the decay of civil society since the early days of reformasi.

For instance the leading environmental NGO, WALHI (Wahana Lingkungan Hidup Indonesia--the Indonesian Environmental Forum) suffers from serious skill and capability shortages,[29] quite apart from military intimidation of its field workers attempting to monitor illegal logging. The billions of rupiah thrown around by big corruptors in logging and timber cases speak louder to many than fearless, well-informed monitoring and reporting.[30] On the other hand, such reformasi aktivis aktivis from NGO and academic circles as were appointed to the KPU (Komisi Pemilihan Umum—National Elections Commission) to organize the 2004 national election and replace the party nominees who organized the 1999 election, proved unable to resist the lure of the KKN that several of them had established their names and careers by denouncing. They—apparently all eleven of the KPU Commissioners—pocketed kickbacks to the tune of tens of million dollars in total, maintained "tactical funds" with which to bribe BPK (Badan Pemeriksa Keuangan, Supreme Audit Board) officials and signalled their new elite status in an elite manner. Only one of them has so far seen the inside of a gaol.[31]

Both in the Centre and the regions, stalwarts of civil society in the legal profession have discovered the indispensability of divided loyalties. Lawyer Adnan Buyung Nasution, a leading figure in the crusading human rights NGO, YLBHI (Yayasan Lembaga Bantuan Hukum Indonesia—the Indonesian Legal Aid Foundation), induced a serious split in the organization when he began taking briefs for TNI generals accused of gross human rights abuses in East Timor.[32] In Papua several human rights activists in cash-strapped local NGOs have apparently been advising the accused in the Papuan logging scandal which forced President Yudhoyono to take action early in 2005.[33] (Their efforts were not in vain. Out of 137 police cases not a single one resulted in a conviction, according to the Jakarta Post.[34])

Hamid Awaludin (left) and Adnan Buyung Nasution

TNI and KKN Today

The President has not yet been heard to comment about the collapse of the biggest single legal action of his anti-corruption presidency. Meanwhile the biggest single Indonesian beneficiary of illegal logging in Papua—directly through the companies they control and indirectly by extortion and facilitation of log production and export by others—is undoubtedly the President's old institutional home, the military. TNI is also the chief purveyor, provider, procurer, protector—and provocateur—of violence in Indonesia, and especially now in Papua.

The army obviously occupies a crucial position in KKN, although the naval role in illegal export and trans-oceanic theft (of oil, for instance) needs to be borne in mind. TNI (including retired generals') business, even the ostensibly legitimate business organized under so-called foundations (yayasan yayasan), operates in a shadow world barely subject to transparent accounting or effective government regulation at all. There has been some window dressing under reformasi, including audits by big-name accounting firms,[35] but the situation is unlikely to change much despite the supposed return of these businesses to civilian control.[36] The military are heavily involved, as sub-contractors, extorters, "protectors" (for a price), in all major multinational resource projects: Freeport, Papua (copper and gold); Caltex, Aceh (oil), and shortly, if not already, BP in Papua (natural gas) as well.

More than any other Indonesian institution (and many if not most Indonesian government ministries and statutory authorities operate to a large extent outside effective political or legal control) the military still contrive to operate as a state within a state, even though they have lost their appointive seat quota in parliament under reformasi.[37] This military quasi-state is often almost literally at war with that other lesser quasi-state, the police, over demarcation disputes in the black economy. Some excellent police work against homegrown and international jihad terror networks followed the Bali bombings of 2002. But in October 2005 President (and former Letjen) Yudhoyono invited TNI to renew its so-called territorial function, which was supposed to be ended under reformasi, in the interests of the US-backed local war on terror.[38] And indeed full military relations with the United States resumed in early 2006, including IMET training and restored ability to purchase sorely needed spare parts and new military equipment—all in the interests of the war on terror and of course TNI's own terrorizing habits.[39]

The lost cause of military reform: Agus Wirahudikusumah (See Endnote 35)

The Anti-Corruption Charade

Because of Indonesia's multiple governmental sovereignties there is a large element of charade in the current President's "war on corruption" and all previous efforts so far to come to grips with the Suharto legacy of missing billions, let alone the billions defrauded, embezzled and stolen "since Suharto" (a questionable phrase). Yudhoyono denounces corruptors and calls for reform and prosecutions, but moves to pardon Suharto—the fons et origo of contemporary corruption—and fails to act decisively against other "big fish" and patently rotten institutions. Police arrest, or mysteriously fail to; prosecutors prosecute, or mysteriously reduce or drop charges and emasculate their own briefs; judges convict and sentence, or mysteriously find innocence in the flagrantly besmirched; offenders abscond or appeal and stay out of jail; appeal judges mysteriously reverse convictions or slash sentences—the KKN merry-go-round whirls on.

As has been archly observed, the wages of sin in the whirl can be seen in the car park at the Attorney General's office, whose own prosecutors as well as representatives of big-fish corruptors routinely follow judges around with offers that are not often refused.[40] This is lavish compensation indeed for the shabby judicial treatment of the same prosecutors' occasionally convincing attempts to get plunderers convicted. In the end administrative sanctions are of comic opera severity, few are jailed, sentences are light and subject to reduction and prison conditions quite often commodious and always subject to negotiation, while little of the stolen trillions is ever recovered.

Meanwhile, as I have said, a criminal industry of bureaucratic, military, police, judicial, political, banking and business (including international business) KKN players prospers —together with its attendant luxurious and high-handed way of life--at the expense of the tax system, the orang kecil, the honest middle class and overseas aid donors and lenders. But Indonesia's First World aid donors and institutional lenders (World Bank/Asian Development Bank/IMF) occupy an ambiguous position. Through the Indonesian operations of immensely wealthy resource multinationals they are in effect major beneficiaries as well as funders of the KKN system. And so are First World consumers of the fruits of unsustainable and illegal forestry and environmentally and socially debilitating mining and oil and gas production. This makes First World governments dubious allies of Indonesian civil society in the anti-KKN struggle.[41]

The civil society role in resistance to KKN, especially its more violent manifestations, is altogether admirable—and of course dangerous. There is also danger for government officials--and not only judges. Reformasi Indonesia has lost at least two fearless prosecutors in suspicious circumstances. In the light of the Munir poisoning case, there might have been foul play at work to explain the sudden deaths in office of zealous former Attorney General for Gus Dur, Baharuddin Lopa [died Riyadh, July 2001], who secured the Bob Hasan conviction, and Public Prosecutor Muhammad Yamin [died Bali, April 2004]. Unfortunately, their bodies were never autopsied.[42]

KKN, Violence and the Presidency

Abdul Rahman Saleh was President Yudhoyono's replacement for the notoriously corrupt and pro-military former Attorney General under Megawati Sukarnoputri, MA Rachman. But under this supposed reformer the official investigation of Munir's killers stopped short of a fully serious attempt to investigate let alone charge the obvious high-up suspects in the case. These include former BIN boss, LetJen (retired) Hendropriyono, and his former deputy, Muchdi Purwopranjono. Pollycarpus, the BIN operative and Garuda pilot found guilty of the murder by a lower court and exonerated mysteriously but quite characteristically by the Supreme Court, made 35 mobile phone calls to Muchdi in the weeks surrounding Munir's murder.[43] Muchdi claimed these calls must have been received by assistants using his phone, but it has so far not been revealed in court that the number(s) dialed by Pollycarpus were actually secret extensions of Muchdi's official number which must have been made specially available to him.[44]

Letjen (ret) Hendropriyono (left) and Pollycarpus

This is the status quo ante: never investigate masterminds. It was established when only low ranking Kopassus soldiers were charged over the Theys Eluay assassination in Papua during 2001. President SBY mildly deplored the failure of Hendropriyono to testify before his own Fact-finding Team (TPF), but not the "Hendro" slighting of both Tim Pencari Fakta and Munir himself.[45] SBY has never really responded to the outrage generated by the failure of the police investigators or the AGO prosecutors to act on the well-grounded recommendations of this team to pursue the BIN connection.[46] However in September 2007 Attorney General Hendarman reopened the case against Pollycarpus on SBY's orders and filed murder accessory charges against former Garuda boss, Indra Setiawan.[47]

In January 2008 the Supreme Court constructively, if farcically, found Pollycarpus guilty of Munir's murder for the second time, and sentenced him to 20 years. Even so, SBY has still not released the full TPF report or moved to bring the BIN role to centre stage, although prosecutors are hinting that they will.[48]

Increasingly, a kind of real or phony war of attrition is emerging between designated anti-corruption and transparency-promoting bodies and other, usually more powerful, government and judicial /legal agencies, as seen in the rows during 2004 between the BPK audit board and the Presidential Secretariat, and between the Corruption Eradication Commission (Komisi Pemberantasan Korupsi--KPK) and the senior justices of the Supreme Court, with the President himself (no less) attempting to mediate in both cases.[49]

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Endnotes

[1] Korupsi, Kolusi dan Nepotisme
[2] Based on analysis of an Indonesian electronic clippings archive Gerry Van Klinken informs me 'that disintegrasi leaps into the popular vocabulary in 1998, stays there to the end of 2001, then drops away again as quickly as it had appeared.' Email, 19 July 2005
[3] Edward Aspinall, The Helsinki Agreement: A More Promising Basis for Peace in Aceh? East West Center, Washington, 2005, p 6
[4] CIA estimate. The CIA's estimate of GDP at purchasing power parity (PPP) was $948.3 billion for 2006. See 'Indonesia', CIA Factbook, 2007
[5] ibid
[6] See Combating Corruption in Indonesia: Enhancing Accountability for Development, East Asia Poverty Reduction and Economic Management Unit, World Bank, October 2003
[7] George Aditjodro,'Suharto has gone – but the regime has not changed', in Richard Holloway (ed., English edn), Stealing From the People: 16 Studies of Corruption in Indonesia in four volumes. Book I: Corruption from Top to Bottom, Aksara Foundation for the Partnership for Governance Reform in Indonesia, Jakarta, 2002.
[8] 'Wiranto's Game Plan', Tempo, 10 October 2006. It is widely believed, in Tempo's words, that Wiranto undertook to 'guarantee the safety of the Suharto family' in the crisis of May 1998, but it seems the safety of the clan included its riches.
[9] Heedless of subverting Papua's special autonomy law, the military-dominated Home Affairs Ministry has pushed hard for the creation of new provinces in Papua with an eye to installing retired military and former nationalist militia figures in power, ensuring TNI accesss to regional and special autonomy funding and the setting up of new military commands. 'Military presence in Papua under OTSUS', Tapol Bulletin, No 187, July 2007
[10] Bill Guerin 'Indonesia seeks lost trillions in Singapore', Asia Times Online, 2 May 2007
[11] 'The ultimate cost of the bailout (which...went largely to the pockets of the owners of conglomerates) was far more, perhaps $50 billion, and this took the form of an equity injection in the form of government bonds to the banks in question. The IMF will get all its money back, eventually, if not already. It is the Indonesian general public that has ended up footing the bill.' Ross McLeod (Editor, Bulletin of Indonesian Economic Studies), email, 20 April 2006.
[12] Such major scams of the Suharto period as those involving power plant construction by the private sector to supply PLN (PT Perusahaan Listrik Negara -- the state electricity company), which have produced greatly inflated power costs through inflated pricing, remain unresolved. See 'Publicly Guaranteed Corruption: Corrupt Power Projects and the Responsibility of Export Credit Agencies in Indonesia', ECA Watch website.
[13] Akbar Tanjung, chair of the Golkar party and Speaker of the DPR (Dewan Perwakilan Rakyat—People's Representative Council), was convicted in 2002 of embezzling Rp 40 billion (US$4.8 million) of Bulog funding from a food-distribution program intended for the poor. (The money was destined to fund Golkar's impending election campaign in 1999.) He was sentenced to three years jail, but did not resign his posts and the Supreme Court overturned his conviction in 2004 on the ground that he had acted on then-President Habibie's orders. See Gary LaMoshi 'Tanjung acquittal: Verdict against reform', Asia Times Online, 14 February 2004
[14] Tommy Suharto is dealt with below. Bob Hasan, a Sino-Indonesian Muslim convert and dominant figure in the plywood and timber industry, was convicted of cheating the state of US$75 million in a scam involving satellite mapping of forest areas and given a six-year prison sentence. See Richard Borsuk, 'Suharto Crony Stays Busy Behind Bars', Wall Street Journal, 13 August 2003. He has been released early.
[15] 'What's Wrong with Freeport's Security Policy?' [Summary Report: 'Results of Investigation into the Attack on Freeport Employees in Timika, Papua, Finds Corporation Allows Impunity of Criminal Acts by Indonesian Armed Forces'], ELSHAM (Institute for Human Rights Study and Advocacy), Jayapura, 21 October 2002
[16] See Peter King, West Papua and Indonesia since Suharto: Independence, Autonomy or Chaos? University of New South Wales Press, Sydney, 2004, Chapter 5, 'The TNI and Papua'. Seven Papuans on trial for the killings protested: 'We're not the perpetrators! We only have crossbows. We don't have guns!' The alleged leading conspirator, Antonius Wamang, was sentenced to life in prison. See 'Papua trials may continue without defendants.' Jakarta Post, 30 August and 8 November 2006.
[17] Hilmar Farid, 'Indonesia's original sin: mass killings and capitalist expansion, 1965–66', Inter-Asia Cultural Studies, Vol 6, No 1, March 2000
[18] See King, West Papua and Indonesia since Suharto, Chapter 5, 'The TNI and Papua'.
[19] East Timor made a transition to independence in 1999-2002, while a peace agreement for Aceh was signed in Helsinki by the Free Aceh movement (GAM) and the Indonesian government in August 2005.
[20] Witness for instance the state of school text books and the astounding survival, seven years after his "fall", of the centrepiece of Suharto anti-komunis mythology, the historical diorama inside Monas, the national monument in central Jakarta. On text books see Gerry van Klinken, 'The Battle for History After Suharto: Beyond Sacred Dates, Great Men, and Legal Milestones', Critical Asian Studies, Vol 33, No 3, September 2001. Jalan Cendana in Menteng, Jakarta, is where the extended Suharto family continue to reside in undisturbed luxury.[21] S Eben Kirksey and Andreas Harsono, ' Murder at Mile 63: Cutting the Network of Antonius Wamang', Paper delivered in Panel 9: The State and Illegality in Indonesia at the EUROSEAS Conference, Naples, 12-14 September 2007. The objective of the murders was presumably to remind the mining company that the US Foreign Corrupt Practices Act is not a sufficient reason to slash the TNI multi-million dollar annual "take" from the Freeport mine.
[22] Judges and Tomy Winata vs Tempo', Laksamana.Net, 2 October 2003. Nevertheless Bambang Harimurti, who had recently been sentenced to a year in jail by the Central Jakarta district court, was remarkably cool about the whole affair when I interviewed him in November 2004. He had still not seen the inside of a prison. In the end Tempo's financial collapse in the face of $26m. worth of libel suits was averted by the Supreme Court early in 2006. Goenawan Mohamad is still living in his own house.
[23] Roy Tupai, 'Chronology of Tommy Suharto's Legal Saga: From Playboy Defendant to Fugitive Murderer to Pampered Prisoner & Soon to Freedom', Paras Indonesia, 19 August 2005
[24] Cited in Bali Update, #452, 9 May 2005
[25] Peter Gelling, 'Jakarta drops case against Suharto', International Herald Tribune, 12 May 2006
[26] 'Indonesian lawyers fail to agree Suharto settlement', Reuters, 4 September 2007.'Prosecutors are seeking a total of US$440 million of state funds in the suit, and a further 10 trillion rupiah ($1.07 billion) in damages for alleged misuse of funds in one of Suharto's foundations.'
[27] 'Indonesian court to hear Tommy Suharto's corruption case', Straits Times, 12 November 2007
[28] Peter King, 'Corruption at Indonesia's highest levels: attempts at reform have largely failed', The Australian Financial Review, 17 August 2007
[29] Arie Rukmantara, ' Walhi told to focus on human resources', Jakarta Post, 17 October 2005
[30] 'Environmentalists [in North Sumatra] receive death threats', Jakarta Post, 16 November 2005

[31] 'KPU Under Fire', Tempo, 21 June 2005; 'Hamid Denies Involvement in KPU Scandal', Jakarta Post, 29 September 2005. The NGO coalition which blew the whistle on the KPU in a report to the KPK estimated that markups on the acquisition of election materials caused losses of US$41.6 million (Rp375 billion) to the state. Phar Kim Beng, ' Indonesia's Peaceful Poll: How They Did It, Asia Times, 29 September, 2004

[32] 'Munir Quits Legal Aid Group', Laksamana.Net, 5 December 2001

[33] For a summary see John Wing and Peter King, Genocide in West Papua? The role of the Indonesian state apparatus and a current needs assessment of the Papuan people, Report prepared for the West Papua Project at the Centre for Peace and Conflict Studies, University of Sydney, and ELSHAM Jayapura, CPACS, Sydney, August 2005, Chapter 1

[34] Of the 137 cases of illegal logging uncovered in Papua by the police in Operasi Hutan Lestari 52 never went to trial; 13 were dropped for lack of evidence, while 18 proceeded to trial but all defendants were acquitted. Jakarta Post, 18 July 2006. A large amount of equipment was also seized but its present whereabouts would be worth researching.

[35] The reformist general Agus Wirahadikusumah was appointed by Gus Dur to head Kostrad (the TNI Strategic Reserve Command) in 2001, but was sacked by the army high command within four months after turning up a $22 million dollar embezzlement by his predecessor, Djadja Suparman. The money came from Mandala Airlines, which is owned by Kostrad's Yayasan Dharma Putera. See King, West Papua and Indonesia since Suharto, Chapter 4, 'The TNI in Business, Politics and Repression', p 101

[36] Lisa Misol, 'High Time for the Government to Take Over All Military Businesses', Jakarta Post, 7 October 2005; Tiama Siboro, 'Military May Retain Many Businesses', Jakarta Post, 20 October 2005

[37] TNI's treasured impunity includes immunity from even Presidential direction. Like Gus Dur before him, and despite his retired general's rank and constitutional status as Commander in Chief, SBY has trouble making his writ run in the army's last open frontier, Papua. One of the sternest US critics of TNI's activity in Papua, Congressman Eni Faleomavaega of American Samoa was induced to give his blessing to Papua's very flawed special autonomy in July 2007 following an hour-long session with SBY at Istana Merdeka. When finally allowed to visit Papua in November, accompanied by the American ambassador and with Presidential blessing and guarantees of access to Papuan leaders and the Papuan capital, the event proved to be a truncated fiasco, as he made clear in a highly critical letter to SBY, reproduced in 'Congressman's disappointing visit', Tapol Report, 6 January 2008.

[38] 'Military Joins Bali Terrorist Hunt', Trade and Investment News, Coordinating Ministry for Economic Affairs, 10 October 2005.

The territorial function—supposedly purged of Suharto period abuses--is still stoutly defended in TNI circles. MajGen (ret'd) Kiki Syanakhri contends that the army remains popular and trusted (approachable) or at least respected at the grass roots by comparison with the police. "People do not fear them," he says, and they are "weak" and "loose" by comparison with the army. He strongly defends TNI's record of intel coups against terrorists in the past. Interview, Jakarta, 27 October 2004.

In after-army life Kiki is a President-Director of Artha Graha Bank, reflecting the army's former 20 per cent stake in it through its Yayasan Kartika Eka Paksi's (YKEP). This bank has been under Bank Indonesia control since the financial crisis of 1998 but remains in the orbit of two Sino-Indonesian tycoons, A Guan [Sugianto Kusuma] and the notorious Tomy Winata. Kiki was tasked in 2001 by then TNI commander, Endriartono Sutarto, to oversee the civilianizing of the army's business empire, or at least the restructuring of its yayasan. He also still appears in the Masters of [East Timor] Terror book and website.

[39] 'TNI ordered to help in terror fight', AsiaViews, 11 October 2005; 'In consideration of Indonesia's strategic role in the fight against terrorism, last November the US State Department issued a waiver removing all remaining congressional restrictions on US military assistance to Jakarta.' Jakarta Post, 7 June 2006

[40] The car park check was suggested by an anonymous employee of the AGO itself. See Nadirsyah Hosen, 'This Is the War on Corruption, Mr. President!', Jakarta Post, 3 November 2004

[41] Notoriously the World Bank, for good Cold War (Washington) reasons, turned a blind eye to a 30 per cent level of embezzlement in its own loans to the Suharto government. This reinforced the profound structural problems of reform under his successors. See Jeffrey Winters, 'Criminal Debt in the Indonesian Context', Paper presented at the INFID Seminar Jakarta, 3 July 2000.

Less notoriously the Australian government in 1993 under Prime Minister Keating (who famously called Suharto "bapak") licensed a casino on Christmas Island which turned over a surprising A$12 billion in the first two years. It was later shown to have been largely a handy money-laundering instrument for the most notorious of bapak's sons, Tommy, and his associates in Jakarta rackets. See 'The Christmas Party' Four Corners, ABC, 1 July 1992

[42] Tempo, 23 November 2004

[43] Roy Tupai, 'Munir Murder Trial Flawed', Paras Indonesia, 8 September 2005.

Tupai points out that in 1998 Muchdi was sacked as Kopassus commander after Munir helped to expose his role in the kidnapping and torture of pro-democracy activists. Munir was apparently working on TNI corruption in Aceh at the time of his murder.

[44] Presentation by Rachland Nashidik, executive director of Imparsial (and member of Yudhoyono's Tim Pencari Facta), Centre for Peace and Conflict Studies, University of Sydney, 30 November 2007

[45] Hendropriyono was reported as asking what was so special about Munir's death. At a May 2005 press conference, his lawyer, Sjamsu Djalal, said: 'And I'm sorry to say this, but who's this Munir anyway that a presidential regulation had to be issued? A lot of people die, but no regulations are ever made [for them].' James Balowski, 'Spy Agency Implicated in Activist's Murder', Green Left Weekly, 22 June 2005

[46] Police inaction has its rewards, as police action has its dangers. Many officers at National Police Headquarters, including, apparently, Megawati's Police Chief Da'i Bachtiar, were lavishly bribed by suspects and accused in the Rp1.2 trillion BNI (Bank Negara Indonesia) embezzlement case of recent years, which saw the chief accused, businessman Adrian Waworuntu, escape to Singapore for a time. (This was the most prominent of the Bank Indonesia liquidity fund [BLBI] cases.) See 'Four-star Treatment', Tempo, 1 November 2005, and 'Letters Real but Secondhand?', Tempo, 22 November 2005

[47] Stephen Fitzpatrick, 'Garuda chiefs on poisoning charges', The Australian, 29 September 2007

[48] 'Second Time Around', Tempo, 29 January 2008

[49] Muninggar Sri Saraswati, 'Yusril, Anwar in row over graft case', Jakarta Post, 18 November 2005. Suharto's half brother Probosutedjo has admitted passing 16 billion rupiah to his own lawyer for bribing Supreme Court judges in his appeal against a graft conviction concerning timber reforestation funds. See Eva C. Komandjaja, 'Probo's case highlights corrupt system: Experts', Jakarta Post, 17 October, 2005